

SENATE

WEDNESDAY, FEBRUARY 26, 1936

(Legislative day of Monday, Feb. 24, 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 Tuesday, February 25, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had concurred in the concurrent resolution (S. Con. Res. 32) requesting the President of the United States to return to the Senate the enrolled bill (S. 3227) to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931.

ENROLLED BILLS SIGNED

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

S. 399. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia; and

S. 3035. An act to provide for enforcing the lien of the District of Columbia upon real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes.

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

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD] and the Senator from Florida [Mr. FLETCHER] are absent because of illness, and that the Senator from Nevada [Mr. McCARRAN], the Senator from New York [Mr. COPELAND], the Senator from New Jersey [Mr. MOORE], the Senator from Massachusetts [Mr. WALSH], the Senator from Kentucky [Mr. BARKLEY], the Senator from Illinois [Mr. DIETERICH], the Senator from Iowa [Mr. MURPHY], and the Senator from Idaho [Mr. POPE] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Minnesota [Mr. SHIPSTEAD] is necessarily absent.

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

INVESTIGATION AND COORDINATION OF EXECUTIVE AGENCIES—
APPOINTMENT OF SPECIAL COMMITTEE

The VICE PRESIDENT, under the terms of Senate Resolution 217, appointed the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. ROBINSON], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Oregon [Mr. McNARY], and the Senator from Delaware [Mr. TOWNSEND] as the members of the Special Committee to Investigate Executive Agencies of the Government with a view to coordination.

LOANS FOR CROP PRODUCTION—VETO MESSAGE (S. DOC. NO. 179)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Agriculture and Forestry and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, S. 3612, a bill entitled "To provide loans to farmers for crop production and harvesting during the year 1936, and for other purposes."

This bill authorizes an appropriation of \$50,000,000 from the general fund of the Treasury for loans to farmers during the year 1936 for production of crops—principally seed loans.

In approving the bill providing for \$40,000,000 for crop production loans for 1934, I stated that I did so on the theory that it was proper to taper off the crop-loan system, which had been initiated on a large scale as early as 1931, rather than to cut it off abruptly, particularly since such loans would serve a useful purpose in aiding certain farmers unable to qualify for crop-production loans through the newly established farmers' production credit associations, and that the 1934 loan by the Government should thus be considered as a tapering-off loan.

It is true that I gave my approval to a \$60,000,000 crop-production loan for 1935, but this loan was primarily for relief purposes, principally in the drought-stricken areas; and I recommended to the Congress that the cost of such loans should properly be defrayed from the appropriation for relief purposes. Accordingly, \$60,000,000 was reappropriated from unobligated balances under allocations from the appropriation of \$525,000,000 for relief in stricken agricultural areas contained in the Emergency Appropriation Act passed the previous year.

In my budget message, transmitting the 1937 Budget, I stated:

If the Congress enacts legislation at the coming session which will impose additional charges upon the Treasury for which provision is not already made in this Budget, I strongly urge that additional taxes be provided to cover such charges.

No provision was made in the financial program for the fiscal year 1936, or the fiscal year 1937, for additional crop loans, and, notwithstanding my Budget statement, quoted above, the Congress by this bill authorizes an additional draft upon the Treasury for \$50,000,000 for new crop loans, without making provision for any revenue to cover such loans.

However, while I am returning this bill without my approval, I recognize that there still exists a need for crop-production loans to farmers whose cash requirements are so small that the operating and supervisory costs, as well as the credit risk, make credit unavailable to them at this time through the usual commercial channels, and who, unless extended assistance of this character, would no doubt find it necessary to seek some other form of relief from the Government. This is particularly true with respect to those areas in which unusual conditions prevail because of drought, dust storms, floods, rust, and other unforeseen disasters.

I fully agree with the Congress that provision should be made for such borrowers during the year 1936, but I feel that other borrowers should seek credit elsewhere.

I am convinced that the immediate and actual needs to which I have referred can be met during the year 1936 by an expenditure of funds materially less than that proposed in the bill under discussion.

Furthermore, these needs can be met, without the necessity of enacting authorizing legislation, through an allocation of funds by me from the appropriation provided in the Emergency Relief Appropriation Act for 1935, which appropriation, I am informally advised by the Comptroller General of the United States, can be utilized for such loans as I might indicate by Executive order to be desirable and necessary as relief measures.

I believe, therefore, that a special appropriation by the Congress at this time is both inadvisable and unnecessary. That being so, and in the absence of such legislation, I propose, in order to meet this need, to issue an Executive order within the next few days.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 26, 1936.

PETITIONS

The VICE PRESIDENT laid before the Senate a petition of Methodist ministers of Philadelphia, Pa., praying for the enactment of the bill (H. R. 8404) to prohibit the transportation in interstate commerce of advertisements of intoxicating liquors, and for other purposes, and also House bill 8739, to prohibit the liquor traffic in the District of Columbia, which was referred to the Committee on Interstate Commerce.

Mr. TYDINGS presented a resolution adopted by the board of directors of the Chamber of Commerce of Cumberland, Md., favoring the making of appropriations to equip the Army and Navy with adequate planes and personnel, so as to place the air forces of the Nation on a parity with the air forces of other major countries, which was referred to the Committee on Military Affairs.

ELIGIBILITY FOR EMPLOYMENT UNDER THE W. P. A.—PETITION

Mr. SCHWELLENBACH. Mr. President, I present a petition for appropriate reference, and request that the body of the petition be printed in the RECORD. Attached to the petition are the signatures of 1,186 citizens of the city of Tacoma, Wash., and vicinity. I do not believe the names of the signatories should be printed in the RECORD, but I should like to have a notation made that the petition is signed by the above-mentioned numbered of citizens of the State of Washington.

There being no objection, the petition, signed by 1,186 citizens of the State of Washington, was referred to the Committee on Appropriations, and the body thereof was ordered to be printed in the RECORD, as follows:

To the Congress of the United States of America:

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

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

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

ICE GORGES AND NEW TYPE DAM

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Pittsburgh Post-Gazette of February 22, 1936, entitled "Ice Gorges and New Type Dam."

I learn from an authoritative source that a serious ice gorge has been formed in the Ohio River at the Montgomery Dam, located near Beaver, Pa. This is a new type dam, and river people in that area say it is entirely responsible for this serious gorge; in fact, that the War Department engineers were advised before they started to build it that a serious gorge would result.

This is the worst gorge that has ever formed in the rivers in the Pittsburgh district; in fact, there has never been a

really serious gorge in the Ohio River. The river, as a result of this condition, has been closed for some weeks, and as a further result many men are out of employment both at the mines and at the mills. Also, when the gorge moves out there will undoubtedly be a tremendous loss of property and great endangerment to life.

In addition to the Montgomery Dam, which has already been constructed, the War Department engineers are now constructing another one of the same type at Emsworth, about 10 miles below Pittsburgh.

I ask also that this matter may be referred to the Committee on Military Affairs.

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

[From the Pittsburgh Post-Gazette of Feb. 22, 1936]

ICE GORGES AND NEW TYPE DAM

It would be regrettable indeed if it should be found, after the considerable amount of money put into it, that the new lift-type dam construction started by the Government is not adapted to a number of the American rivers, notably those in the Pittsburgh region. Common prudence, however, should force any reconsideration of policy shown to be necessary as soon as possible to keep the loss resulting from mistakes to the minimum.

The Montgomery Dam, recently completed, on the Ohio River, near Beaver, is of the new type. The theory of this construction is to lift the gates of the dam and let the surplus water flow under. It is significant, however, that there is no recollection of an ice gorge on the Ohio in that district, or above Vanport, until this year. Now, there is a serious ice gorge, extending from Vanport practically to Sewickley.

Rivermen, as noted in an article in the Post-Gazette yesterday, express the view that the new type Montgomery Dam is to blame; that such a dam drains the water out from under the ice until there is not enough to float the heavy cakes, new ice piling on top of them and forming the gorge.

Meanwhile, construction of a similar type of dam at Emsworth has been started, recalling that protests were made by a number of river interests when the plan was adopted. At that time it was complained that, since such dams are higher—designed to eliminate a number of smaller structures and reduce operating costs—they would raise the level of the water to a point that would compel another series of costly bridge replacements.

The renewed complaints by the rivermen, in the light of the experience with ice gorges, call for a satisfactory answer from the Government engineers.

REPORTS OF COMMITTEES

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 3372) to provide funds for cooperation with the public-school district at Hays, Mont., for construction and improvement of public-school buildings to be available for Indian children, reported it without amendment and submitted a report (No. 1611) thereon.

He also, from the same committee, to which was referred the bill (S. 3371) for the relief of John Walker, reported it with an amendment and submitted a report (No. 1612) thereon.

He also, from the same committee, to which was referred the bill (S. 3053) conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes, reported it with amendments and submitted a report (No. 1613) thereon.

Mr. BULKLEY, from the Committee on Foreign Relations, to which was referred the bill (S. 4091) for the relief of Gustava Hanna, reported it without amendment and submitted a report (No. 1614) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. NEELY:

A bill (S. 4100) to incorporate the Veterans of Foreign Wars of the United States; to the Committee on the Judiciary.

By Mr. SHEPPARD:

A bill (S. 4101) to amend the act known as the Federal Credit Union Act, approved June 26, 1934;

A bill (S. 4102) to amend section 9 of the Federal Credit Union Act, approved June 26, 1934 (Public. No. 467, 73d Cong.); and

A bill (S. 4103) to amend subsection 7, section 7, of the Federal Credit Union Act, approved June 26, 1934 (Public, No. 467, 73d Cong.); to the Committee on Banking and Currency.

By Mr. JOHNSON:

A bill (S. 4104) granting a pension to Lottie A. Torrance; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 4105) authorizing the Secretary of Agriculture to convey certain lands to the Maryland-National Capital Park and Planning Commission of Maryland for park purposes; to the Committee on Agriculture and Forestry.

By Mr. SCHWELLENBACH:

A bill (S. 4106) for the relief of Rasmus Bech; to the Committee on Claims.

By Mr. ROBINSON:

A joint resolution (S. J. Res. 219) authorizing the President of the United States to award a posthumous Congressional Medal of Honor to William Mitchell; to the Committee on Military Affairs.

MAJ. GEN. JOHNSON HAGOOD

Mr. METCALF. I send to the desk a resolution, which I ask to have read and referred to the Military Affairs Committee.

The VICE PRESIDENT. Without objection, the resolution will be read.

The legislative clerk read the resolution (S. Res. 239), as follows:

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation of the circumstances attending the removal of Maj. Gen. Johnson Hagood from command of the Eighth Army Corps Area, with a view to determining particularly (1) whether such removal constituted suppression of free speech; (2) whether such removal was justified under the generally accepted ethics of military discipline; (3) the person or persons responsible for his removal; and (4) the reasons for his removal. The committee is further authorized to investigate any allegations of the improper use of the powers of government for the suppression of free speech as may be brought to its attention. The committee shall report to the Senate, as soon as practicable, the results of its investigations, together with its recommendations, if any, for necessary legislation.

For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-fourth Congress, to require by subpnea or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words, and shall be paid in the same manner and under the same authorization as accorded a regular standing committee of the Senate.

Mr. ROBINSON. Mr. President, I move that the resolution be referred to the Committee on Military Affairs.

Mr. McNARY. The simple request of the Senator from Rhode Island [Mr. METCALF] was that the resolution be read and then referred to the Committee on Military Affairs.

Mr. ROBINSON. Very well.

The VICE PRESIDENT. Without objection, the resolution will be referred to the Committee on Military Affairs.

AGRICULTURAL RELIEF—CONFERENCE REPORT

Mr. SMITH submitted a report, which was ordered to lie on the table, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the House insert the following: "That the Act entitled "An Act to provide for the protection of land resources against soil erosion, and for other purposes", approved April 27, 1935, is amended by inserting at the end thereof the following:

"SEC. 7. (a) It is hereby declared to be the policy of this Act also to secure, and the purposes of this Act shall also include, (1) preservation and improvement of soil fertility; (2) promotion of the economic use and conservation of land; (3) diminution of exploitation and wasteful and unscientific use of national soil resources; (4) the protection of rivers and harbors against the results of soil erosion in aid of maintaining the navigability of waters and water courses and in aid of flood control; and (5) reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the five-year period August 1909-July 1914, inclusive, as determined from statistics available in the United States Department of Agriculture, and the maintenance of such ratio. The powers conferred under sections 7 to 14, inclusive, of this Act shall be used to assist voluntary action calculated to effectuate the purposes specified in this section. Such powers shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption as determined by the Secretary from the records of domestic human consumption in the years 1920 to 1929, inclusive, taking into consideration increased population, quantities of any commodity that were forced into domestic consumption by decline in exports during such period, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities. In carrying out the purposes of this section due regard shall be given to the maintenance of a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both producers and consumers.

"(b) The Secretary of Agriculture shall cooperate with States, in the execution of State plans to effectuate the purposes of this section, by making grants under this section to enable them to carry out such plans.

"(c) Any State which submits to the Secretary, prior to such time and in such manner and form as the Secretary prescribes, a State plan to effectuate the purposes of this section shall be entitled to payments, as provided in this section, for the year to which such plan is applicable, if such plan is approved by the Secretary as provided in this section.

"(d) No such plan shall be approved unless by its terms:

"(1) It provides that the agency to administer the plan shall be such State agency as may be designated by the Secretary if such agency is authorized by the State, or such other State agency as is authorized by the State and approved by the Secretary;

"(2) It provides for such methods of administration, and such participation in the administration of the plan by county and community committees or associations of agricultural producers organized for such purpose, as the Secretary finds necessary for the effective administration of the plan; and

"(3) It provides for the submission to the Secretary of such reports as he finds necessary to ascertain whether the plan is being carried out according to its terms, and for compliance with such requirements as the Secretary may prescribe to assure the correctness of and make possible the verification of such reports.

"(e) Such plan shall be approved if the Secretary finds that there is a reasonable prospect that—

"(1) Substantial accomplishment in effectuating the purposes of this section will be brought about through the operation of such plan and the plans submitted by other States, and

"(2) The operation of such plan will result in as substantial a furtherance of such accomplishment as may reasonably be achieved through the action of such State.

"(f) Upon approval of any State plan for any year the Secretary shall allocate to such State such sum (not in excess of the maximum amount fixed in pursuance of subsection (g) for such State for such year) as he finds necessary to carry out such plan for such year, and thereupon shall certify to the Secretary of the Treasury for payment to such agency of the State as the Secretary of Agriculture certifies is designated in the plan, and the Secretary of the Treasury shall pay to such agency, one-fourth of the amount so allocated. The remainder of the amount so allocated shall be similarly certified and paid in such installments (payable prior to the end of the calendar year) as may be provided in the plan. No such installment shall be certified for payment if the Secretary of Agriculture finds that, prior to the due date of such installment, there has been a substantial failure by the State to carry out the plan according to its terms, or that the further operation of the plan according to its terms will not tend to effectuate the purposes of this section. No amount shall be certified for payment under any such installment in excess of the amount the Secretary finds necessary for the effective carrying out of the plan during the period to which the installment relates.

"(g) On or before November 1 of each year, the Secretary shall apportion among the several States the funds which will be available for carrying out State plans during the next calendar year, and in determining the amount to be apportioned to each State, the Secretary shall take into consideration the acreage and value of the major soil depleting and major export crops produced in the respective States during a representative period and the acreage and productivity of land devoted to agricultural production (including dairy products) in the respective States during a representative period: *Provided, however*, That apportionments of funds available for carrying out the purposes specified in this section for the year 1936 may be made at any time during 1936, and apportionments for 1937 may be made at any time during 1937. Not

withstanding the making of an apportionment to any State for any calendar year, the funds apportioned to any State for which no plan has been approved for such year, and any amount apportioned to any State which is not required to carry out an approved plan for such State for such year, shall be available for carrying out the provisions of sections 7 to 14, inclusive, of this Act.

"Sec. 8. (a) In order to carry out the purposes specified in section 7 (a) during the period necessary to afford a reasonable opportunity for legislative action by a sufficient number of States to assure the effectuation of such purposes by State action and in order to promote the more effective accomplishment of such purposes by State action thereafter, the Secretary shall exercise the powers conferred in this section during the period prior to January 1, 1938, except with respect to farming operations commenced in any State after the effective date of a State plan for such State approved pursuant to section 7. No such powers shall be exercised after December 31, 1937, except with respect to payments or grants in connection with farming operations carried out prior to January 1, 1938.

"(b) Subject to the limitations provided in subsection (a) of this section, the Secretary shall have power to carry out the purposes specified in clauses (1), (2), (3), and (4) of section 7 (a) by making payments or grants of other aid to agricultural producers, including tenants and sharecroppers, in amounts, determined by the Secretary to be fair and reasonable in connection with the effectuation of such purposes during the year with respect to which such payments or grants are made, and measured by, (1) their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion, (2) changes in the use of their land, (3) a percentage of their normal production of any one or more agricultural commodities designated by the Secretary which equals that percentage of the normal national production of such commodity or commodities required for domestic consumption, or (4) any combination of the above. In determining the amount of any payment or grant measured by (1) or (2) the Secretary shall take into consideration the productivity of the land affected by the farming practices adopted during the year with respect to which such payment is made. In carrying out the provisions of this section, the Secretary shall, as far as practicable, protect the interests of tenants and sharecroppers. In carrying out the provisions of this section, the Secretary is authorized to utilize county and community committees of agricultural producers and the agricultural extension service, or other approved agencies. In carrying out the provisions of this section, the Secretary shall not have power to enter into any contract binding upon any producer or to acquire any land or any right or interest therein. In carrying out the provisions of this section, the Secretary shall, in every practicable manner, protect the interests of small producers. The Secretary in administering this section shall in every practical way encourage and provide for soil-conserving and soil-rebuilding practices rather than the growing of soil-depleting commercial crops.

"(c) Any payment or grant of aid made under subsection (b) shall be conditioned upon the utilization of the land, with respect to which such payment is made, in conformity with farming practices which the Secretary finds tend to effectuate the purposes specified in clause (1), (2), (3), or (4) of section 7 (a).

"Sec. 9. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting, and methods of accomplishing most effectively, the policy and purposes of section 7 (a). Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this Act.

"Sec. 10. The term "agricultural commodity" as used in this Act means any such commodity and any regional or market classification, type, or grade thereof.

"Sec. 11. All funds available for carrying out this Act 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 may request to cooperate or assist in carrying out this Act.

"Sec. 12. Whenever the Secretary finds that the exercise of the powers conferred in this section will tend to carry out the purpose specified in clause (5) of section 7 (a), or will tend to provide for and maintain a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both producers and consumers, or both, he shall use such part as he deems necessary of the sums appropriated to carry out this Act for the expansion of domestic and foreign markets or for seeking new or additional markets for agricultural commodities or the products thereof or for the removal or disposition of surpluses of such commodities or the products thereof.

"Sec. 13. Notwithstanding the foregoing provisions of this Act, the Secretary is authorized and directed to provide for the execution by the Agricultural Adjustment Administration of such powers conferred upon him under sections 7 to 14, inclusive, of this Act as he deems may be appropriately exercised by such Administration, and for such purposes the provisions of law applicable to the appointment and compensation of persons employed by the Agricultural Adjustment Administration shall apply.

"Sec. 14. The facts constituting the bases for any payment or grant or the amount thereof authorized to be made under section 7 or 8 hereof, when officially determined in conformity with rules or regulations prescribed by the Secretary of Agriculture, shall be reviewable only by the Secretary of Agriculture.

"Sec. 15. To enable the Secretary of Agriculture to carry out the purposes of sections 7 and 8 there is hereby authorized to be appropriated for any fiscal year not exceeding \$500,000,000.

"Sec. 16. The obligations incurred for the purpose of carrying out, for any calendar year, the provisions of sections 7 to 14, inclusive, of this Act shall not exceed \$500,000,000.

"Sec. 17. (a) This Act shall apply to the United States, the Territories of Alaska and Hawaii, and the possession of Puerto Rico, and as used in this Act, the term "State" includes Alaska, Hawaii, and Puerto Rico.

"(b) This Act may be cited as the "Soil Conservation and Domestic Allotment Act".

"Sec. 2. Section 32 of the Act to amend the Agricultural Adjustment Act, and for other purposes, approved August 24, 1935, is amended by striking out clause (3) and inserting in lieu thereof, '(3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption. Determinations by the Secretary as to what constitutes diversion and what constitutes normal channels of trade and commerce and what constitutes normal production for domestic consumption shall be final.' and by striking out that part of the last sentence thereof which precedes the second proviso and inserting in lieu thereof: 'The sums appropriated under this section shall be expended for such one or more of the above-specified purposes, and at such times, in such manner, and in such amounts as the Secretary of Agriculture finds will effectuate substantial accomplishment of any one or more of the purposes of this section.'

"Sec. 3. The unexpended balance of the funds appropriated by the second paragraph of Public Resolution Numbered 27, Seventy-third Congress, approved May 25, 1934, to carry out section 2 and section 6 of the Act entitled 'An Act to amend the Agricultural Adjustment Act so as to include cattle and other products as basic agricultural commodities, and for other purposes', approved April 7, 1934, and the unexpended balance of the funds appropriated or reappropriated by section 37 of Public Act Numbered 320, Seventy-fourth Congress, entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', is authorized to be made available for the purposes enumerated in said Acts until June 30, 1937. The authorization, which is limited to June 30, 1936, contained in section 37 of Public Act Numbered 320, Seventy-fourth Congress, is likewise extended so that the funds therein authorized are authorized to be made available until June 30, 1937.

"Sec. 4. The sum of \$2,000,000 of the unobligated balance of the appropriation for relief purposes contained in the Emergency Relief Appropriation Act of 1935, approved April 8, 1935, is hereby made available to the Secretary of Agriculture for allocation and payment to the States in the Southern Great Plains area, or to farmers therein, for wind-erosion control, under plans to be approved by the Secretary of Agriculture.

"Sec. 5. Section 22 of the Agricultural Adjustment Act, as amended, is amended by inserting after the words 'this title' wherever they appear the following 'or the Soil Conservation and Domestic Allotment Act, as amended'; and by striking out the words 'an adjustment' wherever they appear and inserting in lieu thereof the word 'any'."

And the House agree to the same.

E. D. SMITH,
LOUIS MURPHY,
ARTHUR CAPPER,
LYNN J. FRAZIER,

Managers on the part of the Senate.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,

Managers on the part of the House.

THE AGRICULTURAL PROGRAM—ADDRESS BY SENATOR M'GILL

Mr. LOGAN. Mr. President, I ask permission to have printed in the RECORD a most excellent and informative address delivered by the junior Senator from Kansas [Mr. McGILL] before the Kansas State Democratic Club, Topeka, Kans., February 22, 1936.

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

* * * * *

Ladies and gentlemen, permit me to express my appreciation for the opportunity afforded me to speak for a few moments on this occasion to the membership of this club and to the people of Kansas.

During the brief period of time which I shall consume it will be impossible to discuss with any degree of detail any of the legislative programs now under consideration by the Congress and the president. I feel, however, that those who are assembled here and the people throughout the State of Kansas are more than vitally interested in the agricultural program now in process of enactment.

While the decision of the Supreme Court with reference to the Agricultural Adjustment Act is felt as one of the most severe blows that could have been delivered to American agriculture, nevertheless long prior to that decision, with keen foresight President Roosevelt had declared in favor of a program for the pre-

vention of soil erosion and for the conservation of our soil. He regarded such a program as being vital to the rehabilitation of American agriculture. Accordingly, on his recommendation, Congress did, about a year prior to the A. A. A. decision, enact a law to deal with the prevention of soil erosion and likewise to deal with the conservation of the soil. The President not only had advocated such a program during the campaign of 1932, but also at a more recent date and prior to the decision of the Supreme Court had said—I quote—"Present and future production of supplies of food and fiber ample for this country's needs and for available export markets is a sound objective. However, there was nothing sound in the situation in the past when, spurred by ruinously low prices, farmers have been compelled to mine their soil of its fertility by overintensive cultivation in a race to make up in volume of units what they had lost in unit price. This has resulted in a waste on a colossal scale. Dust storms and mud-laden streams have been symbols of this exploitation." And later in his remarks the President said: "Thus plans are being worked out that should encourage widespread cooperation of farmers in a permanent soil-maintenance program."

Just recently during this session the Congress adopted strengthening amendments to the law enacted on this subject during the previous session. These amendments doubtless will soon be approved by the President. The amendments have been frequently referred to as a substitute for the Agricultural Adjustment Act. They are not substitutes therefor and should not be thus construed. The main objectives of the present measure are the prevention of soil erosion and the conservation of our soil, the promotion of flood control, and the protection of our rivers and harbors. These amendments, however, in my judgment, will accomplish many, if not all, of the principal objectives which were sought to be accomplished by the original Agricultural Adjustment Act. Their placement on the statute books will be of great and permanent aid to the American farmer not only in the preservation of his soil but in the promotion generally of the best interests of the agricultural industry.

Soil erosion is rapidly becoming one of the most serious problems confronting our people. Experts in the Soil Conservation Service advise that 50,000,000 acres of farm lands in the United States have been ruined because the productive portion of the soil has been washed away. Of the 360,000,000 acres of land under cultivation in the United States, these experts advise that in addition to the 50,000,000 acres now destroyed by erosion an additional 50,000,000 acres are in almost as bad condition, an additional 100,000,000 acres are partially impaired by erosion; that on another 100,000,000 acres erosion has begun. This is costing the American farmer approximately \$400,000,000 annually through the loss of soil fertility. It would seem that even to those who would give but casual notice to the subject the problem is not only serious but is national in scope and that the preservation of our civilization is dependent ultimately upon the preservation of the productivity of our soil.

Notwithstanding the decision of a majority of the Supreme Court with reference to the Agricultural Adjustment Act, agriculture will continue to be the basic industry of the Nation, upon the prosperity of which the permanent prosperity of each and every legitimate industry necessary to the welfare of our people depends, and upon which the prosperity of labor likewise depends.

President Roosevelt is the greatest friend to the farmers and laborers of this country who has occupied the high office of President of the United States for many years, and the greatest friend to the masses of the people regardless of what may be one's pursuit in life.

Natural economic laws cannot be suspended, set aside, or abandoned, and nature has decreed that in this country in particular agriculture is basic in our industrial system, a fact recognized by virtually all historians, statesmen, and economists throughout our national existence. There has been a distinct degree of recovery in the agricultural industry, not accomplished so much by benefit payments as by increased commodity prices, the recovery being achieved by virtue of the several helpful and varied programs carried on by this administration. Recovery in every form of industry has been in proportion to the recovery of agriculture. This is borne out by available statistics and is evidenced in the corresponding increase of the annual manufacturers' pay roll as compared with the annual national increase in agricultural income.

To show the wages paid in manufacturing industries annually I quote figures taken from the Bureau of the Census, Department of Commerce, and the United States Bureau of Labor Statistics, Department of Labor, and to show the annual increase in agricultural income I quote statistics from the Department of Agriculture. In 1932, the last year of the Hoover administration, the gross income from agricultural production in the United States was \$5,337,000,000, the lowest it had been in many years, and the wages paid by manufacturing industries amounted to \$6,940,000,000. In 1933, the first year of the Roosevelt administration, the gross income from agricultural production in the United States amounted to \$6,406,000,000, and the total wages paid in manufacturing industries amounted to \$5,262,000,000. In 1934 the gross income from agricultural production in the United States amounted to \$7,266,000,000, and the total wages paid in manufacturing industries amounted to \$6,700,000,000. In 1935 the gross income from agricultural production in the United States was \$8,110,000,000, and the total wages paid in manufacturing industries amounted to \$7,600,000,000, an increase over the last year

of the Hoover administration of approximately \$3,000,000,000 in agricultural income and almost a like increase in the amount of wages paid in manufacturing industries.

I quote these figures in order to demonstrate that the wage pay roll in manufacturing industries is dependent almost in its entirety upon the income received by the farmers of the country, and that the amount of the wage pay roll of manufacturing industries each year is practically the same as the income received in each such year by farmers. If time would permit similar statistics could be quoted with reference to practically every form of industry, all of which discloses that the welfare and prosperity of the American people in every legitimate line and undertaking are dependent upon the degree of prosperity enjoyed by the basic industry—agriculture. Statistics in the Department of Commerce further disclose corresponding gains in practically every other form of industry, demonstrating clearly that we are rapidly on our way to ultimate recovery.

This administration is putting forth, and will continue to exert every possible effort in behalf of the American farmer, the American laborer, and American business. At the very beginning of the administration of President Roosevelt, business, industry, and agriculture were at their lowest ebb, and this condition existed not on account of any fear of the fact that Mr. Roosevelt was to become President, as Mr. Hoover would have you believe, but by reason of the economic policies which had been practiced during the preceding years. Mr. Hoover's analysis of the past is no more accurate than his prophecies as to the future. It was Mr. Hoover during 4 years of a calamitous depression who continually prophesied to the American people that "prosperity is just around the corner."

Throughout the 4 years prior to the inauguration of President Roosevelt on March 4 of 1933 we had witnessed inaction in the affairs of our Government looking toward any measure which would be beneficial to the masses of our people. We had witnessed the building of a great surplage, the continual falling of commodity prices, the strangulation of industry, the paralyzation of agriculture, of business, and the weakening of our financial institutions. Not only had labor and industry lost their purchasing power for the products of the soil but the products of the farm had so depreciated in value in comparison to their exchange value for other commodities as to cause a breaking down of the orderly exchange of commodities, and to render those engaged in agricultural pursuits to be without a purchasing power for the products of industry.

When we take into consideration the masses of our people it is evident to a thinking man or woman that we must prosper together. We must rise or fall together, or return to the policy which leads only to prosperity for and in behalf of a privileged few. Instead of President Roosevelt at the beginning of his administration instilling a sense of fear, as Mr. Hoover contends, the facts are he immediately restored confidence among our commercial institutions, and under his leadership legislation was promptly enacted which saved those institutions from what would have been certain ruin. The whole course of legislation and administration during President Roosevelt's incumbency in office has been to promote recovery, and recovery from the depression is well on its way.

Notwithstanding bitter attacks at Belshazzar feasts, where none but multimillionaires assemble, and notwithstanding attacks from partisan critics, the American people will reward a faithful servant and reelect Franklin D. Roosevelt President of the United States.

We are more than pleased to have with us this evening a member of the Cabinet of the President of the United States, the Postmaster General, Mr. Farley, who is honoring us with his presence as the principal speaker of the evening, and in deference to him and to those who are listening I shall be brief.

However, I would be derelict if I did not on this occasion pay tribute to one of the greatest—if not the greatest—humanitarians who ever occupied the high office of President of the United States—our President, Franklin D. Roosevelt. From the inception of his occupancy of that high office his administration has been beset with difficulties, but he has gone forward in his efforts in behalf of the humblest citizen of the land unfalteringly. The campaign for the reelection of our great President, Franklin D. Roosevelt, is now in progress. He has done more for the benefit of the laborer, the underprivileged, and the needy during his 3 years in the White House than any other man of contemporary time. Criticisms have been heaped upon him by those of extreme wealth and their followers when his efforts have been exerted in behalf of the humblest of our citizens, but no one has yet successfully contended that what he has done in behalf of the unfortunate and downtrodden, whose condition of circumstances arose through no fault of their own, was not right. No man ultimately is condemned for having done right.

It is highly significant and a clear indication of the mass support—regardless of political affiliation—President Roosevelt may be expected to receive when I invite your attention to the remarks of a Republican Governor, delivered in a recent public address in his home State when he referred to President Roosevelt as "a man raised up by Almighty God to meet the country's present crisis." This Governor further asserted: "History will show that Providence raised the proper man to meet present emergencies and will demonstrate, I think, that the man who now holds the Presidency was just the one to meet the situation." I repeat the remarks I have just quoted emanated from the lips of a Republican Governor of one of the great States of our Union.

Service to those who need help most has been President Roosevelt's guiding star. This manifestation of his great humanitarian impulse has served to draw the fire of bitter and reactionary partisans, selfish money barons, and cliques who would, if they could,

destroy his usefulness. It behooves all who believe the welfare of the masses of our people is paramount to be militant in offsetting the tide of opposition which will inevitably press upon us as the campaign progresses.

Let us from this time forward militantly fight for the cause of our beloved leader, whose creed is "justice for every American."

SOMETHING FOR NOTHING—SPEECH BY ROBERT A. TAFT

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by the Honorable Robert A. Taft, of Cincinnati, Ohio, before the Women's National Republican Club on January 18, 1936.

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

Never since the Constitution was adopted have the people of the United States faced a more fundamental issue than they must meet in the Presidential election of 1936. In 160 years this Nation has been built up from a small community of 4,000,000 people along the Atlantic seaboard to the greatest and most prosperous Nation in the world today, with 30 times that population. This success has been achieved under an economic and constitutional system which was unique when established and has remained peculiarly American. To continue the New Deal in power for 4 years more would mean the abandonment of that system and a launching out into unknown and stormy seas.

The basis of the American business and constitutional system is political and economic liberty, with equal opportunity to improve one's condition by one's own effort, which must be a corollary of that liberty. It is a system based on individual initiative, individual freedom to conduct manufacture, commerce, agriculture, and other business—on rugged individualism, if you please. It attempts to reward, by increase in material welfare, those qualities of intelligence, ability, industry, genius, and daring, which played such a great part in building up the Nation as we see it today. Government is conceived of as a keeper of the peace, a referee of controversies, and an adjuster of abuses, not a regulator of the people or their business and personal activities. Freedom to negotiate wages and prices, in accordance with conditions and the laws of supply and demand, has been considered a necessary ingredient of political liberty, and from an economic standpoint as the best and fairest means in the long run of allotting to each group, farmer, laborer, manufacturer, merchant, a reasonable return for the service it is rendering the country. The very key to the system is the incentive for effort provided in material reward, that is, a better individual standard of living, a better education for one's children, a better provision for one's family after death.

This system is the antithesis of socialism. In socialism the government operates every industry, directs the activity of every individual, and, through a uniform and bureaucratic care, removes all incentive to concern about the future. If directed by an all-seeing intelligence, socialism could probably produce greater wealth, greater capital, and greater happiness than any other system. But there is no all-seeing intelligence, and our experience with the Government officials who actually do the directing shows that they are more unable to cope with the tremendous complexity of the American business system than is the economic law which has governed it to this date. Whatever might happen in Utopia, socialism in this country means an end of all that individual effort and initiative which has been the life of our progress, with a certain failure of the government machinery attempting to replace it. The dead hand of bureaucracy can make the depression of 1932 look like the boom days of 1929.

The effort of the New Deal is to substitute for the American business system a government-controlled economy. Such an economy would lead inexorably to complete socialism. It has been demonstrated in actual operation in the past 3 years that if the Government once begins to regulate any industry, it cannot do so effectively until it has regulated every detail of every business in that industry, and every detail of the life of the individuals concerned in it. Once the price structure of the great primary commodities is subjected to Government direction, there is no stopping point short of complete socialism.

But the issue is even broader than this. If we are going to abandon a free, competitive business system, we will also abandon democratic government. Democratic government has necessarily one fault, that of being weak because it depends on the fluctuating favor of a majority of the people. Through a two-party system, we have bolstered up that weakness in English-speaking countries. But no democratic government is strong enough to assume the role of arbitrator between different groups of the population on the subject of commodity prices. Once the rule of economic law is wholly abandoned, and any administration undertakes to fix the price itself, it meets the angry dissatisfaction of both the producer and the consumer, and gives way to another weak government, whose tenure is equally short. Wherever a socialistic system has been adopted, it has been necessary to establish a dictatorship either of the proletariat, or of the Army, or of the individual. Only a despotism can even attempt to direct in detail the multifarious activities of a modern industrial nation.

I do not think most of the New Deal lawmakers intended to substitute a government of men for a government of law. But the very nature of the experiment they wish to make, the control of economic activity, forced them to rely almost entirely on delegation of legislative authority, and the individual discretion of ad-

ministrators. No law can be made long enough to deal with American business activity in its millions of details. So the New Deal has been forced to establish an autocracy. President Roosevelt admitted it in his recent message to Congress, when he said: "In 34 months we have built up new instruments of public power. In the hands of a people's government, this power is wholesome and proper, but in the hands of political puppets of an economic autocracy", by which I suppose he is referring graciously to the Republican Party, "such power would provide shackles for the liberties of the people. Give them their way, and they will take the course of every autocracy of the past—power for themselves, enslavement for the public." No one ever made a more naive argument. He says in effect that he has not created a despotism because he is a benevolent despot, but no one else in the country can be trusted to keep that despotism benevolent.

Professor Tugwell, Under Secretary of Agriculture, outlined his idea of the election issue, speaking at Los Angeles in October, apparently with the approval of his chief. He said: "We have been pitiable grubbing creatures up to now, laboring in sweat and sorrow to make money, to multiply it at others' expense and to hide it away like misers for our children. * * * The philosophy of calculated injury to our neighbors (by which he is referring to the American system of free competitive enterprise) is not only repugnant to the hearts of men, but it will not work in a world like ours. * * * There will be no end to man's advance so long as the urges within him remain unimpaired, but it will be accelerated a thousand-fold once he gives up the sterile morality of individualism. * * * The autocrats must get out of the way along with the moral system which supports them. * * * We have no reason to expect that the disestablishing of our plutocracy will be pleasant. These historical changes never are." But Professor Tugwell is a moderate. He therefore adds: "We have, however, the duty of avoiding violence as the process goes on."

The purpose of the New Deal is to abandon the American business and political system for a system tending inevitably to socialism, to abandon democracy and to substitute an autocracy of men for a government of law. This is the issue which the country faces in the election of 1936. This purpose is so foreign to the whole genius of the American people, outside of a few centers of radicalism, that the result of the election is not in doubt if the real issue can be brought home to the voters. That is the task of the Republican Party and of every thinking man and woman. If the task is not done in 1936, we may be so far lost in the swamp of socialism that there is no turning back.

Fortunately, the New Deal policies are so contrary to the Constitution itself that the Supreme Court has sounded a determined warning. That Court has found that detailed control of the activities of intrastate business by the N. R. A., and detailed control of the activities of intrastate agricultural production by the A. A. A. are at fundamental variance with the Constitution. The Court has further declared that Congress cannot today write a blank check for executive officers to fill out. Yet there remains in effect a vast field of legislation, going as far toward Government regulation as it can constitutionally go. There remains the determination on the part of the President to extend Government spending and operation of business and relief into every field of American life, a power which may be probably constitutional.

There remains, apparently, the inclination on the part of the President and his advisers to push government regulation of business to its limits, even if constitutional amendment is required, or an increase of the number of judges. Methods are being sought, and may be sought successfully, to circumvent the decisions of the Supreme Court. And more than that, there remains the constant effort of the President and his favorites to convince the people that everything prior to 1933 was on a wickedly unsound basis, to stir up resentment against everyone who has achieved even moderate success under the American system unless they happen to be Roosevelt Democrats, and to break down the present inherent American objection to revolutionary changes.

I do not mean to condemn all the measures or proposals of the New Deal. However we may approve the fundamental basis of our American system, many abuses constantly developed under it. Republican administrations adopted and enforced the Sherman Act and similar laws to prevent private monopoly from fixing prices to enrich itself at the expense of others. These laws should be strengthened and made more definite. But this type of government regulation is directed towards keeping the essential principles of open competition an essential feature of the American system, and not towards substituting a government price fixing. Laws which encourage collective bargaining on the part of laborers and farmers are necessary because of the disadvantage which widely scattered groups have in dealing with a single individual.

The inability to prevent booms and depressions was a serious fault of our system and developed into a dangerous abuse in the expansion of credit of 1929. I believe that Government control of currency and credit, both in the banking field and in the stock exchange, is an essential effort, which must be attempted with full power, and which can be effective without extending into any detailed control of credit to particular individuals or interference with their business. The most serious abuse of all is that of unemployment, and whatever we may think of the Government's methods, the principle of unemployment relief is accepted by all. Loans to home owners, farmers, and business, to protect them against the temporary effect of extraordinary depression, were necessary and effective as emergency measures, and have been

steadily reduced as the emergency passes. Child labor was an abuse developed under the American system, which the States themselves have in most cases abolished. I believe it should be abolished universally by the adoption of the proposed constitutional amendment. I have no sympathy with those who oppose any amendment of the Constitution in cases where a serious abuse continues to exist, and the States are unable to deal with it. But any constitutional amendment should be strictly limited to a particular abuse, which other methods have been unable to correct, and should not be authority for the Federal Government to undertake a regulation of all private business or conduct.

But apparently the President and his friends are not satisfied in the mere correction of abuses. They are determined to change the whole character of the system either by circumventing the Constitution or by amending it. This endeavor is made clear by specific measures, but even more by the constant demagogic appeals to prejudice against the existing system, and against every man who has made even a moderate success under that system. The human race is only too willing to get something for nothing, to have other people's property bestowed on them, to accept magic formulas designed to produce the millennium without labor on their part. Under weak leadership, I have seen the people vote bond issues they could not afford under the apparent impression they were voting themselves a present. I have seen them vote for reducing the tax limit at the same election they voted millions for old-age pensions. It is the first duty of any public official who has the slightest claim to statesmanship to tell the people the unpleasant truths, particularly about public finance, to make them see that the Government cannot give them anything that they do not pay for themselves in the end. The typical demagogue is the man who promises the people something for nothing; and he is the most dangerous because it is a promise we are all too anxious to believe. It strikes at the very heart of a system like ours, which rests on a sound incentive to individual effort. We have seen in this country plenty of local demagogues, but fortunately most of our Presidents have been statesmen, and sound Government finance has been an axiom. Never before have we seen demagoguery on such a gigantic and dangerous scale as that presented by the New Dealers.

This is the greatest danger we have to face, because it is deliberately aimed at breaking down the faith which the American people have in the system under which they have grown to manhood. As long as that faith lasts, and it still exists today in every city and in every village and on every farm throughout this country, the New Deal will be repudiated wherever it is understood. But the propaganda is aimed at our most vulnerable point—our incurable optimism that we can get something for nothing.

First, the President and his friends have encouraged the idea that life may be made easy for many by sharing the wealth of the well-to-do, and by making it impossible for anyone to accumulate more than average wealth. For the first time in the history of this country a President has proposed to use the power of taxation not to meet the Government's needs but in order to redistribute wealth. Salaries of all corporation officers are being published in order to excite the envy of those who are less well paid. The President, in Atlanta, sneered at "gentlemen in well-warmed and well-stocked clubs." In his recent message to Congress he represented the sole opposition to his policies as emanating from wealthy officers of large corporations. He states that prior to 1933 a group of wealthy autocrats directed the whole economy of the country for the benefit of their own pockets.

Mr. Tugwell, at Los Angeles, says that the financial and industrial autocrats in this country prior to 1933 have been doing as they pleased with the people. The whole idea that a dozen or a hundred men, bankers and industrialists, can direct the economy of this country is a complete fallacy, used only to support the suggestion of a redistribution of supposedly ill-gotten wealth. The Government itself, with all its power and unlimited funds, showed under the N. R. A. a complete inability to direct the huge economic life of the United States. The press and the President like to dramatize supposed economic power, but the truth is that business men have a hard enough time directing their own businesses without branching out into the general economic field, where they are even more helpless than the Government. This talk is merely for the purpose of stirring up resentment against those who have achieved success under the existing system, for the most part from the humblest of beginnings.

The President knows that a redistribution of wealth of all those having incomes of \$10,000 or more would only increase the income of each individual in this country by \$1 a week, or \$1.50 a week in prosperous times. He knows that that wealth is in the form of factories and buildings and mines, many of which would be of little value except for the personality and force of the owners. He knows that out of a total of \$82,000,000,000 national income in 1929 less than fifteen billion came as a return on capital. The total national income fell off in 4 years \$40,000,000,000, or almost 50 percent. The restoration of that income would be twice as beneficial to the low-income groups as the distribution of all the capital wealth in the United States. What we need is renewed prosperity and the operation of our economic machine at the full speed which operated under the old deal. The sharing of all the wealth, the very threat of such a policy, destroys the incentive which is the principal fuel to run that economic machine. But the theme which runs through the whole symphony of the administration, from the President to Ickes to Hopkins to Tugwell, is that anyone who has improved his condition by his own ability or intelligence is holding back from the rest of the people the property or income to which they are entitled.

The attitude of the President has directly encouraged the Coughlin movement for a nationalization of the banks, which under private ownership are alleged to create wealth and keep it away from the people. Such a scheme would subject the affairs of every individual and every business to complete governmental control. The continuation for 4 more years of this deliberate incitement of the people to believe that their problems will be solved by governmental action taking away other people's property is calculated to destroy the entire American system.

The same demagoguery appears next in the deliberate policy of inflation and government extravagance. People are only too eager to find a magic formula which will draw wealth out of the air. The unnecessary devaluation of the dollar was advanced as a measure to confer wealth on the less well-to-do, and the ridiculous silver policy has the same incentive. The inflationists try to convince the people that by manipulating the currency they can get something for nothing. Such manipulation does shift wealth and income, but it shifts it on an even less logical basis than programs of sharing the wealth. Industrial autocrats may benefit, while poor depositors and policyholders are deprived of their savings. Speculators and money-changers profit while fixed incomes suffer.

The Government has been more restrained by its utter inability to set up the organizations necessary to spend the money than by any restrictions imposed by Congress. We have a continued deficit at least until July 1, 1937, and a debt 9 billion larger than the height of the World War debt. Mr. Eccles teaches the people that deficits are blessings in disguise. The impression conveyed by the President is that the money spent is practically a present to the people from funds created by magic or taken away from the wealthy. Nothing is said of the taxes needed to pay off this debt, or the effect of such taxes on the people's standard of living.

Continued deficits may lead on the one hand to repudiation and complete inflation. Of course, that would destroy all of the savings of every individual, would remove all incentive to future effort, and lead inevitably to the hopeless experiment of a socialist state. The alternative is burdensome taxation. The soak-the-rich tax bill last summer showed very clearly that there is little more to be obtained from the wealthy, unless we propose a complete share-the-wealth program.

Any other form of taxation directly increases the price of commodities to all the people or decreases wages. Either means a lowering of our standard of living in the future. Not only that, but there is a point at which excessive taxation may destroy our system of free enterprise. If so large a proportion of every man's earnings is taken that incentive to earn is removed, the present system will break down. If taxation is so heavy that no private charity can obtain funds, the Government must take over all social-welfare work. As excessive taxation renders one industry after another unprofitable to operate, the Government will have to step in and take over that industry until we have accomplished indirectly what we condemn in principle. And it doesn't make any difference how attractive the Government enterprise which is to be paid for by the taxes. We hear from inspired press agents of the wonderful charm of the T. V. A. improvements, of attractive model cities, of slum clearance, of dams and parks and playgrounds, but never a suggestion that possibly the people cannot afford them. They are apparently gifts from God to a people who have acquired merit by supporting the New Deal. Such a policy of public spending is the very essence of demagoguery.

There is a third field in which the New Deal teaching is equally destructive of America as we know it. The necessary relief measures have been administered in such a way as to make the people believe that the Government owes every man a living if he does not choose to work elsewhere. It is a difficult job to dispel this growing belief, but it has certainly not been dispelled by the administration. A social-security program has been adopted, with no consideration of cost, which proposes to support every person over 65 and every man who is unemployed, with the constant implication from high sources that the people were always entitled to such a payment, and that the wicked autocracy of the pre-1933 era held it back from them. No member of the administration says a word of warning about the incalculable cost of this program, which may well run to four or five billion dollars a year. The ideal of social security as a government gift is presented as the new philosophy of life to take the place of thrift and individual effort. It is true that the inability of many worthy men and women to obtain employment and to provide adequately for old age is an abuse developed in our present system. Until it can be cured we must provide adequate assistance through old-age pensions and unemployment benefits, and I believe this can be best done through the power of Federal taxation. But let it be a much simpler and more temporary process than the present elaborate structure of reserves and insurance. Let us realize what tremendous burdens we are undertaking.

The character of the tax imposed, one directly on pay roll, shows who is going to pay the bill. The authors of the law recognized that there is no wealth in existence which can produce such a gigantic annual sum. The tax will inevitably increase prices to everyone and reduce wages. In other words, those who are working at any particular time will support those who are not working at that time, and will have to reduce their standard of living to do it. All of the talk about reserves and insurance is of machinery only. The depression has shown us that the Nation as a whole lives from hand to mouth, and that the storing up of reserves cannot keep us alive for a year. The act proposes to accumulate from the tax on pay roll a large reserve of \$35,000,000,000 to be invested

in Government bonds and used for old-age pensions. Of course, this is not a true reserve but merely a retirement of the Government debt. There is no way that such a huge sum could be invested in productive capital even if it were wise for the Government to be making any such investment. The supposed reserve will be a constant temptation to every politician who wants to spend money or manipulate the market for Government bonds. It is not only unnecessary but dangerous.

While we should have old-age pensions and unemployment relief, I object to substituting social security as an American ideal. The slaves of good masters in the South before the Civil War enjoyed social security. So did the lotus eaters. If American progress is to continue, the greater rewards must still be for industry, for intelligence, for ability. Opportunity and not security is still the goal of young America and even of middle-aged and old America. The burden of security for those who cannot work must not be so heavy as to destroy or seriously reduce opportunity. Old-age pensions and unemployment insurance should be regarded as relief, a necessary evil, until we can cure the failures of our economic system, not as a great humanitarian movement. The emphasis should be on removing the necessity for relief, on spreading employment evenly over the year, on eliminating unemployment instead of insuring against it. The Social Security Act, in spite of its tremendous cost, will not raise the American standard of living; it will only provide relief for cases of undue hardship. In fact, in its present form I believe it offers a taxation heavier than the workers can bear without a reduction in their standard of living, a killing of incentive to be a worker, and an easy transition to lethargy and socialism. The cost can be easily reduced. Certainly there is no need to tax the people to build up a tremendous reserve of \$35,000,000,000.

The President's attitude is typical. Not a word is said of the cost of this program—not a warning of its dangers. The people are to get something for nothing from a bountiful Santa Claus. If it is a humanitarian movement to pay the aged \$30 a month, why is it not even more humanitarian to pay them \$200 a month? The Townsend plan is the logical outgrowth of a political opportunism, which ignores the fundamental truth that as a nation we cannot secure any good thing without working for it and paying for it.

For the first time in my lifetime we have a President who is willing to mislead the people on fundamental questions of finance—who is willing openly to attack the very basis of the system of American democracy—who is willing to let the people believe their problems can be solved and their lives made easier by taking money away from other people or manipulating the currency—who is willing to encourage them to believe that the Government owes them a living whether they work or not.

May the Nation find, by the end of this year, a President who will not hesitate to tell the people the truth—that a nation, like an individual, has only what it produces by its labor; that if it stops working, expecting to receive other people's property through magic formulas of inflation or direct government grant, the wheels of industry will stop, and the people who suffer will not be the wealthy or the indigent, but the ordinary workingman, making up with his families four-fifths of the population, the "forgotten man" as far as this administration is concerned. May we find a President who will face unpleasant truths, and tell the people that they cannot enjoy social security, or Government improvements, or Tennessee Valley Authorities without paying for them in increased taxation and a reduced standard of living. May we find a man who will teach the people that the same principles of thrift, industry, and intelligence will produce happiness today as produced it in the old horse-and-buggy days. May we find a man who will clear away the miasma of half truths, of half-baked theories, of resplendent delusions which the New Deal has breathed over the face of the country.

SAFEGUARDS FOR AUTOMOBILE TRANSPORTATION—ADDRESS BY SENATOR LONERGAN

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the RECORD a timely and interesting address delivered by my colleague the senior Senator from Connecticut [Mr. LONERGAN], from radio station WJSV, Washington, D. C., on February 25, 1936, with a hook-up over the Yankee network. The subject of the address is Proposed Remedy for Prevention of Automobile Accidents at Railroad Crossings and Drawbridges.

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

Recently the Nation has become acutely conscious of the need for vigorous action to reduce the number of automobile accidents on the highways and at railroad grade crossings and drawbridges. Knowledge that approximately 36,000 people were killed in such accidents during 1935, and 864,000 injured, has helped to stimulate this consciousness. When we consider that the total casualties in our Army, Navy, and Marine Corps during the World War, including deaths from disease and loss at sea, was 323,659 officers and men—less than one-half the casualties from automobile accidents in the Nation during 1935 alone—we can reach some conclusion regarding the tremendous price the public pays for convenience of motor transportation.

The problem is so important and so widespread that I shall not attempt a thorough discussion of it on this radio time. As a member of the Senate Interstate Commerce Committee, I have been concentrating chiefly upon only one phase of the problem—

that of preventing accidents at railroad grade crossings and drawbridges by appropriate legislation and regulations. The tragedy of last Christmas at Hopewell, Va., in which a large bus plunged through an open drawbridge and carried 14 people to their death, served to awaken national consciousness to this particular danger. Grade-crossing casualties have, of course, been of public notice for many years, but there has been such a constant increase in the number killed and injured that this problem alone requires special attention.

Remedies for this problem at grade crossings and drawbridges can be more promptly and effectively applied than when dealing with other types of accidents in which many different situations and thousands of different persons are involved. In the usual highway accidents there are four principal causes—speed, passing another car without clear view ahead on a hill or at curves, attempts to pass on straight roads where there is insufficient distance, and failure to heed stop signals. Very few automobile accidents result from mechanical failures, because of the highly developed industrial art of manufacturing them.

So far as the average highway accident is concerned, the cause rests with the driver or with the pedestrian who negligently walks in dangerous proximity to moving traffic. It is necessary in such cases to educate drivers and to enact rigid traffic laws and see that they are strictly enforced.

But when we deal with common carriers like interstate busses or with contract carriers of property in interstate commerce, or with any motorist who uses railroad crossings or drawbridges, we have certain special control measures at our disposal which can overcome even his own carelessness or any mechanical failures. In the interest of the public, it is important that these remedies be sought and applied as speedily as possible.

The remedies which I personally propose are these:

First, the United States Bureau of Public Roads has authority under present laws to require adequate signals and barrier type protective devices at highway approaches to railroad grade crossings and drawbridges as a condition precedent to the approval of the expenditure of Federal funds for such construction. Thus the Bureau can require, without question, a showing by the States that certain safety standards, when established, are complied with before such States are granted their share of Federal aid highway funds from future congressional appropriations. The Bureau feels that there is no present authority to require compliance with such standards at grade crossings or drawbridges already in operation which may or may not have been constructed in whole or in part with Federal funds, and recommends that this problem will require legislation. Therefore I propose to sponsor measures which will give the Bureau such authority, and I believe that they can constitutionally be made broad enough to require the States to adopt standard safety devices at all crossings and drawbridges before they are given Federal aid.

The Bureau of Public Roads already is allocating \$200,000,000 for elimination of danger at grade crossings, made available from the emergency relief appropriation of April 8, 1935, and extensive programs are now under way in many States for both the protection and elimination of grade crossings.

This is, of course, the most complete and effective remedy, but it is estimated that something near \$16,000,000,000 would be required to eliminate all of the 234,178 grade crossings in the United States. The tremendous cost makes less expensive remedies necessary.

Second, the War Department has authority to grant permits for construction of drawbridges over navigable streams. At present this authority is not regarded as broad enough to confer jurisdiction upon the Department for the provision of highway traffic protective measures, but I expect to sponsor legislation which will give them such authority. There is no question that under the Department's authority to protect and preserve the interests of navigation they can require compliance with certain safety standards connected with the operation of the bridge itself, although road hazards at the approaches to such bridges are properly within the jurisdiction of the State highway departments.

Third, the newly created Bureau of Motor Carriers of the Interstate Commerce Commission has broad authority to establish reasonable requirements with respect to qualifications and maximum hours of service of employees, and safety of operation and equipment for both common and contract carriers by motor vehicles engaged in interstate or foreign commerce, and similar powers are given it with respect to private carriers of property engaged in such commerce.

A division of safety has been organized within the Bureau, which is beginning its consideration of the many angles involved in these problems of safety. The Bureau reports that it has already held important hearings with State utilities commissions, motor-vehicle departments, and various agencies of the Federal Government, as well as with operators, manufacturers, insurance companies, and engineers to form a basis for its safety standards and regulations. The problems are very numerous and it may be necessary to have a formal hearing before specific orders can be issued by the Bureau. However, you can expect to hear of these orders very soon, and with them in operation there should be immediate reduction in the number of accidents which may be caused by fatigue and human failures in control of vehicles.

Fourth, the Interstate Commerce Commission already has authority over safety devices on the railroads themselves, and in the exercise of that authority can require the roads to operate under certain highly developed safety standards, which, as a matter of fact, are already being observed. Legislation is now pending in

Congress to broaden this authority to require grade-crossing protective devices where they are deemed to be necessary on railroad rights-of-way adjacent to the tracks.

These steps, of course, will require close cooperation between the various agencies involved, and the Bureau of Public Roads has expressed the view that much greater progress can be made in the future by bringing together the different agencies vitally concerned in this problem, so that there may be a meeting of minds and a real effort to devise the best solution. I agree with this view, and have gone a step further by suggesting that some permanent central authority should be established by these agencies to establish uniform standards of safety and to fully consider the merits of safety systems and devices now available. Such central authority should establish requirements offering a wide range of selection by the States of many devices available, but fixing rigid requirements with regard to hours of labor and other safety factors where little discretion should be permitted. The central authority should fix the general standards with which all applicants for Federal highway funds, bridge permits, and other Government privileges and benefits must comply before receiving such Federal assistance. Certificates of compliance from such central authority could be required even from States or individuals obtaining Public Works funds or other Government benefits for construction by contract of bridges and roads, regardless of whether such bridges were upon navigable streams or whether such roads were on the Federal-aid highway system.

The first specific step in applying the remedies I have proposed must be the creation of this coordinating agency or central authority. It will require some legislation, which I propose to introduce.

I personally have recommended that a minimum standard for safety at drawbridges and grade-crossing approaches should be installation of signal devices approximately 300 yards from the bridge or crossing, with satisfactory barriers to prevent a vehicle from entering the bridge or crossing even if the operator by human or mechanical failure should fail to stop. There is no doubt that some such barrier is needed. The old-time gates now being used were all very good for the horses, because the horse had some horse sense, but all the automobile has is horsepower. The whole trouble is with us as a nation. We have let ourselves get behind. We have become conscious of this fact in recent months not only because of the increasing number of accidents but because of their distressing nature. For example, the Hopewell, Va., accident at Christmas time, which I have already mentioned, was a single accident, but was fatal to 14 persons. Another at Rockville, Md., on April 11, 1935, involved a school bus in which 14 school students were killed and 13 students and their teacher injured. Cases are not infrequently reported where practically the entire family is wiped out in a single grade-crossing accident. The danger to trains and to persons on trains is strikingly shown by the accident at Upper Sandusky, Ohio, on July 17, 1935, in which the Liberty Limited of the Pennsylvania Railroad struck a motor truck, the entire train was derailed, the engineman was killed, and 36 other persons on the train were injured. The disastrous consequences of trains striking trucks loaded with explosives, gasoline, or other highly inflammable substances are also not usually considered when we think only in terms of the number of accidents.

The time has come for action. We should not wait for further disasters of this kind to arouse us. We have had enough of them. They must be stopped.

TAKING OUR BEARINGS—ADDRESS BY WILLIAM S. CULBERTSON

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject Taking Our Bearings, delivered by Hon. William S. Culbertson, former vice chairman of the United States Tariff Commission, and subsequently Ambassador to Chile, before the annual convention of the Pennsylvania Newspaper Publishers Association at Harrisburg, Pa., on January 24, 1936.

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

When Daniel Webster rose in the United States Senate on January 26, 1830, to reply to Hayne, he began with these words:

"When the mariner has been tossed for many days, in thick weather, and on an unknown sea, he naturally avails himself of the first pause in the storm, the earliest glance of the sun, to take his latitude, and ascertain how far the elements have driven him from his true course."

Since the World War the American people have reviewed with unusual seriousness their internal social and economic affairs and their relations with the rest of the world. Both in prosperity and in depression they have reexamined old precedents and toyed with new social concepts. Without any pretension of playing the role of a Webster in the present critical period of our history, I, nevertheless, welcome this opportunity to consider with you the tendencies in our national life and to endeavor with your cooperation to take our bearings.

National policies and national measures have in recent years, more than ever before, impinged on local and individual affairs, and as a result, the individual citizen, our county, township, and precinct organizations, local economic and social groups, and the press which molds opinion in our thousands of communities have become conscious of a great impending change in our common life, suggested by tendencies which are at times seen only

vaguely through the glamor of personalities and the clash of interests in the daily arena of public life. It is these tendencies which command the attention of the individual citizen, particularly the attention of the citizen-editor who reports, interprets, and creates public opinion.

Many an American is today asking in a perplexed spirit: "Where do we go from here? Whither are we bound economically, socially, and politically? Are the tendencies of the moment carrying us in the direction indicated by American ideals and traditions and by American hopes and aspirations? Will our leaders of opinion and of politics build during the next decade a society in which we and our children will enjoy security, opportunity, and personal freedom?"

II. THE SCENE IMMEDIATELY BEFORE US

Although I shall refer during the course of this address to historical origins of national policies, I am speaking to you, not about the past, but about the present and the future. For several years we have witnessed unprecedented legislative activity and far-reaching executive action, affecting industry, trade, finance, governmental organization, and world affairs. I am skeptical of the judgment of any man who is either cocksure that these measures and acts are all sound, or cocksure that they are all unsound. No one except the extreme partisan would give them wholesale approval or wholesale disapproval. Moreover, at the very outset let us dismiss any proposal to return to the old order. American life does not move backward; life lies before us. Our task today is to take up the great conceptions of national policy produced from our common experience as a people and formulated by our proved leaders and apply them to the needs and conditions of our time; and in doing this we may find it desirable to approve some and necessary to condemn other measures and actions of the present administration in Washington.

III. WORLD AFFAIRS

The world today is filled with wars and rumors of wars. It goes almost without saying that the American people desire peace—peace for themselves and for other peoples. But bitter experiences of the last decade have made real to us the disastrous indirect effects of war; the effects of the destruction of property and the demoralization of social life which the cruelties and ravages of modern war produce. We now realize that wars cannot be isolated and that our Nation cannot, in the midst of a world of war, remain indifferent or escape its evils. We now realize that our foreign policy must be something more than a negation which would attempt to isolate our Nation from the reality of world affairs. We seek to avoid entangling political alliances, but we should be concerned affirmatively with the problem of world peace; and we should have this point of view because it is demanded by our own security and economic prosperity.

The American people have been solidly behind the Kellogg anti-war pact and other similar peace moves. Although chary of entrance into particular organizations abroad which might lead to remote political commitments, we have been willing to throw our force upon the side of the peaceful settlement of disputes whenever opportunity offered, and we should in addition be unwilling that any policy of this Nation should lessen the effectiveness of collective action taken by other nations against an aggressor.

Deep seated in the psychology of the American people is our policy of cooperation with the other nations of the Americas. Some years ago it was my pleasure and privilege to serve as an American diplomat in South America, and in that capacity I had an opportunity to experience the sentiment of confidence and sympathy which unites the peoples of this hemisphere and which, although at times beclouded by temporary flurries of suspicion and dislike, comes out clearly in every crisis which involves the general and fundamental interests of the Americas.

We favor in this country the reduction of armaments to the point necessary for self-defense, but in the absence of satisfactory arms agreements we should be prepared, as Theodore Roosevelt said, to "take our own part." Unfortunately, in international affairs today the existence of armies, navies, and air forces influences and determines the decisions of diplomacy. In order to command respect and prestige in the world as it is now constituted we must be prepared to fight; we must be strong on land, on sea, and in the air. We began to learn this lesson during the first days of the Republic, and the importance of the policy was emphasized in the historical declarations of George Washington and Alexander Hamilton. Until nations of the world establish a peace organization which gives security, we must have armaments which, when necessary, are wholly adequate for our self-defense and security. Our present unpreparedness is a great and serious menace.

IV. SOCIAL JUSTICE AND SECURITY

Turning from world affairs which should not, but may still, seem remote to many Americans, I will mention all too briefly the subject vital to every citizen: Social justice and social security. It may not be too much to say that these are the end and purpose of all government. They interest the individual citizen of every class. They interest the farmer who tills the soil, the woodsman who labors in the remote sections of our mountain forests, the miner who spends so many hours of his life in the bowels of the earth, the man and the woman in our factories, the business man, both in our cities and in our smaller towns, and, in general, every citizen, rich and poor, who has worked and saved and hopes to have for himself and for his children a fair share of the comforts and pleasures of life.

The great movement for justice and righteousness in public affairs is a product of our churches, schools, and colleges, our civic organizations, our temperance societies, our women's clubs, and other similar agencies which represent the creative and conserving forces in American life. This movement is a product of the ideals and aspirations of the American people.

Under our dual system of Government the responsibility for achieving this end and purpose rests both on the State government and on the Federal Government. The recent Social Security Act enacted by the Congress of the United States is a far-reaching effort in this field. Its success calls for wise and statesmanlike administration. In the administration of this act and in the carrying out of similar programs the temptation to hurry on toward a utopia must be sternly put aside. Social justice and social security can be permanently achieved only if they rest upon a sound financial basis.

Theodore Roosevelt, gathering up, as it were, the tendencies in our national life leading toward social justice and social security—tendencies contributed to by Thomas Jefferson, Abraham Lincoln, and others—embodied them in his great crusade for a fuller American life. His words are as meaningful for us today as they were when they were uttered. He said:

"We fear God when we do justice to and demand justice for the men within our own borders. We are false to the teachings of righteousness if we do not do such justice and demand such justice. We must do it to the weak, and we must do it to the strong. We do not fear God if we show mean envy and hatred of those who are better off than we are; and still less do we fear God if we show a base arrogance toward and selfish lack of consideration for those who are less well off. We must apply the same standard of conduct alike to man and to woman, to rich man and to poor man, to employer and employee. We must organize our social and industrial life so as to secure a reasonable equality of opportunity for all men to show the stuff that is in them, and a reasonable division among those engaged in industrial work of the reward for that industrial work, a division which shall take into account all the qualities that contribute to the necessary success. We must demand honesty, justice, mercy, truthfulness, in our dealings with one another within our own borders."

V. OUR CONSTITUTIONAL LIBERTIES

The guaranties of our Federal and State Constitutions are not, as some hurrying reformers would have us believe, a barrier to the achievement of a full measure of social justice and security. Let us pause to recall their background. Our constitutions were compiled from a long line of experiences and ideas dating from beyond the Magna Carta and extending down through English history and then through the documents of the Colonies, including the *Mayflower* compact, to various State constitutions and numerous other covenants, agreements, and declarations in which the growth of political thought and political organization of the Anglo-Saxon peoples expressed itself. Our State and Federal Constitutions are something more than words and phrases. They embody conceptions which live in the lives and souls of the American people, and when they cease to live there we will cease to have constitutional liberty. They are not merely concepts expounded by political philosophers; they are the principles which determine the conduct of the American citizen as he contemplates his duty to the State and his rights as an individual.

I am not a Cassandra mourning over the twilight of the American Constitution. Anglo-American constitutional principles have weathered crises in the past, and I have faith in the ability of the American people in the future to preserve the fundamental ideas which regulate and determine our common life. I have no patience with the practice of crying "unconstitutional" every time this or that group disapproves a given piece of legislation.

The American Constitution is not a static document. It is a part of the great process of self-government which has for its background the century-old traditions of Anglo-American common and constitutional law. The value of the document is that it is a living document; that its principles are constantly being reinterpreted and reapplied to our changing social and economic life.

I have confidence in the ability of the Supreme Court of the United States to interpret and apply our fundamental law. Moreover, I venture the opinion that the average American prefers to leave his social and political fate in the hands of the Supreme Court rather than in the hands of organizations, self-appointed, to preserve the Constitution. I am, of course, not opposed to public discussion of the Constitution. I believe that each group in a democracy should voice its views and that each group is entitled to argue for the interpretation of the Constitution which best serves its purpose. That is the reason why we have courts and is one of the justifications of a free press. I object, however, to the practice of draping the flag over the point of view of this or that group and then the classification of groups holding opposing views as enemies of our institutions. The real danger to the Constitution is not to be defined in terms of disturbed privileged interests which find the progress of political and social life running counter to their private fortunes. The surest way to destroy the Constitution is to try to use its guaranties to preserve the status quo. The Constitution was made for man, not man for the Constitution.

However, it is imperative that American citizens today should recognize not only that the future course of American Government is uncertain but that momentous decisions must be made during the next decade which will determine the character of American institutions for many years to come. To this point I

will return later. Here it will be sufficient to emphasize the importance of laws in government as distinguished from men.

In 1780 Massachusetts adopted a constitution which, in separating the legislative, executive, and judicial powers of government, declared that these powers were separated "to the end that" the government of Massachusetts "may be a government of laws and not of men."

The men who framed the constitution of Massachusetts and the men who at Philadelphia in 1787 signed the Federal Constitution, knew from experience, as well as from accumulated wisdom of history, the meaning of the contrast between a government of men and a government of laws. They lived in a society which had experienced the evils of personal and arbitrary rule. They lived among men suspicious of too much government and fearful of the dangers to liberty which follow upon uncontrolled power in the hands of a central authority.

This attitude is an inheritance of the American people. Every man and every woman within the hearing of my voice understands instinctively the contrast between a government by men and a government by laws. The deep-seated conviction that we must have a government of laws is the reason why we are a free people and when we lose it we will cease to be free.

Traditionally, our Government is a government of laws—a government in which we the people know in advance the rules with which we must comply. The American system condemns arbitrary departure from established rules; under it the laws are more permanent and more important than men. So jealous have we been in the United States of our rights and of the idea that principles shall control the action of officials and shall guide the acts of legislators and administrators that we have embodied in our constitutions, bills, or declarations of rights which withhold from government "certain inherent and indefeasible rights." The constitution of the commonwealth of Pennsylvania, for example, enumerates these rights and then to emphasize the control of law adds to the declaration of rights these words:

"To guard against transgressions of the high powers which we have delegated, we declare that everything in this article is excepted out of the general powers of Government and shall forever remain inviolate."

VI. FROM LAWS AND MEASURES RISE POLITICAL ISSUES

Probably little difference of opinion exists between American political parties, between American economic groups, or between American citizens over the general principles which I have thus far defined—peace, social justice and security, and constitutional liberty. Issues arise when laws and administrative action are proposed which translate these principles into practice in our workaday world. Here we face the great problem of individual responsibility in a democracy. Here is the field of opportunity for the American press and for political leadership. Here are the issues which justify political parties and which are finally answered under our form of government by the vote of the individual citizen at the polls.

A mere listing of the laws, Executive proclamations and orders which we summarize under the caption New Deal impresses us with their significance. I could not, within the scope of this address, review them. It could be shown that they are in many places inconsistent with each other. Impartially viewed, some of them are sound and some are unsound. I am concerned today to indicate certain of the tendencies which certain of them reveal so that you may determine whether or not they are modifying adversely the broad currents of American life. These tendencies, to which we should give serious thought, are those which affect (1) private enterprise, (2) sound public finance, and (3) responsible representative government.

VII. INDUSTRY AND TRADE

I believe in a protective tariff. For 7 years I served as a member and as vice chairman of the United States Tariff Commission. In that capacity I came to appreciate the problems of manufacturing, of agriculture, and of American labor. Believing in protection as a matter of principle and as necessary in a world of competing nations, I devoted much of my time to the reduction of the political element in tariff making and to the adoption of scientific methods for the application to particular cases of the principle that tariff rates should equalize competition for the American manufacturer and laborer as against their foreign competitors. Although there may be some difference of emphasis, we may confidently say that protection of American labor, manufacturing, and agriculture is now a recognized national policy.

The objective of sound statesmanship is to increase national wealth in order that greater prosperity may come to the American people as a whole. We are now in a period of national development when foreign trade must become a larger factor as a wealth creator than ever before. During the decades before the World War when we were concentrating our energy upon internal development, and when foreign commerce was of relatively small importance, a policy of commercial exclusion did little harm. Conditions now, however, have changed and there is an inevitable tendency in our economic life toward a greater and greater participation in international economic affairs.

We should therefore support as a measure of sound national policy the Trade Agreement Act of 1934, which gives to the executive branch of the American Government power to negotiate and put into effect trade agreements without the obligation of seeking in the case of each particular agreement the consent of the United States Senate to ratification. We should support it, provided the power vested in the President is properly used and provided the administration of the law is clearly in line with our national

interests. If I had the time, I could demonstrate that all the principles of this measure were first employed in the Republican tariff acts of 1890 and 1897 and applied by various Republican Secretaries of State. The power which it grants is therefore in line with accepted precedents. It is not, like some experiments being tried in Washington, a restraining force upon economic recovery nor a violation of constitutional principles; it is rather an effort to release human enterprise and initiative and to give to them the larger stage of world commerce from which to bring home to the United States "the wealth of the Indies."

We have become a world state, economically speaking, whether we like it or not. Our overseas expansion will go on whether we like it or not. For the time being we are in a period of pause. That is one reason why we do not have the prosperity which we long for. Our agriculture must have foreign outlets. As industries return to their normal production they will seek markets in other countries. As investors return to the investment market they will seek opportunities to invest their funds abroad. Wise statesmanship will adjust our policy to this natural tendency.

VIII. THE THREAT OF STATE SOCIALISM IN FOREIGN TRADE

Those individuals and classes who cherish with special concern the political and economic traditions of our Nation can save the spirit and essence of these traditions by giving to American resources and American enterprise a world stage on which to perform, by liberalizing our commercial policy at home and by advocating multilateral treaties and international machinery adequate to restrain unfair imperialistic policies and authoritative enough to regulate those international economic relations which are dealt with, at best ineffectively, by nations acting singly or bargaining two by two. By these means they can do more than in any other way to render unnecessary socialistic schemes and measures and to preserve sound nationalism.

The encroachment of direct State control is threatened in foreign trade and finance, although its real significance there is not fully understood. Governments in Europe, finding the more or less accepted policies of trade regulation ineffective for the achievement of their narrow programs of self-containment and isolation, have entered the field of direct control by means of State monopolies, quotas, exchange restrictions, and embargoes. Volumes have been written about this development as an interference with the normal movements of international trade. But its social significance has not been emphasized. These policies are everywhere in derogation of private enterprise; they discourage and tend to destroy the creative activities of mankind. They lead logically to a State monopoly of foreign trade. It is true that in the case of certain great basic commodities some control—preferably international—is at times necessary. But the State control of trade in European countries today is destructive of the wealth-creating forces which have given us our modern material civilization. They do not increase the standard of living; rather they tend to increase poverty. They do not increase economic security; rather they emphasize hostility and hatred.

Fortunately the United States has not adopted these commercial policies of despair. Fortunately these policies do not have the support of either of our great political parties. There are, however, minorities in both political parties which wish us to adopt policies of virtually complete exclusion and State control of foreign trade. The latest manifestation of this desire is the so-called Lewis bill, a bill which, if we are to take it seriously, would mean an administrative and economic revolution in our international relations. This bill, embodying the narrow nationalistic policies of George N. Peek, would if enacted into law, not promote but destroy American foreign trade. Of course, this bill is not to be taken seriously. Our concern, however, should be to see that the advocacy of it and of other similar measures is not permitted to interfere with the forward movement of sound commercial policy. Such measures are a reflex of the European situation, a product of the defeatist psychology of the depression years. Their adoption would be to initiate a commissariat of foreign trade.

IX. ENCROACHMENT OF STATE ENTERPRISE ON BUSINESS

Although Federal policy today supports and encourages private enterprise in foreign trade, it is in many ways discouraging private enterprise in domestic trade, industry, and finance. We are now realizing the encroachments made in this country by State enterprise and State control of economic activities. We have heard much of "planned economy." Planned economy today affects agriculture through the agricultural program, banking through the new banking legislation, construction, and industry through P. W. A. and W. P. A. and finance, industry, and commerce through numerous other agencies, especially the R. F. C.

Private enterprise is burdened and restricted by excessive taxation; indeed, the tax measure of the last session of Congress brought into practical politics the idea of using taxation, not merely for fiscal ends but for the redistribution of wealth among social classes. State encroachment on private enterprise advances imperceptibly but with a deadly certainty; citizens get vested interests in State operated and controlled enterprises. Gradually the State will take over the domain of private endeavor.

The experiments with State-controlled and State-owned businesses abroad have not only destroyed personal freedom, but they have not increased the standards of living nor even increased economic security. On the contrary, they have done just the reverse. Economic systems which destroy or repress the creative powers of mankind simply mean that there is less to go around and, if applied in America, mean that you and I and our children

will have less. All State industries which start with chiseling on private industry and live off it by taxation end up by living on the average citizen.

X. PRIVATE ENTERPRISE WITH GOVERNMENT REGULATION

In this country it has for many years been an established policy to regulate private business. The antitrust laws and the Federal Trade Commission are believed by American citizens to be in line with sound public policy. The objective has been to make competition fair and to give every citizen under fair rules a chance to achieve as much as his ability and industry make possible. We have been suspicious of and doubted the value of Government ownership and of business undertakings administered by political appointees. We have believed that, with a few exceptions, the economic life of the Nation is primarily the responsibility of the private citizen.

State enterprise and private enterprise cannot both endure in the same nation. Like all rules, there are exceptions, as, for example, in certain fields of natural monopoly. But American business has developed under private initiative and enterprise with Government protection, and regulation and legislative and executive action should be confined to that field. This is the tradition preserved by the Interstate Commerce Commission, the Federal Trade Commission, the Communications Commission, and the Securities and Exchange Commission, the tradition which gives to American business genius and ability a fair field but which protects the consumer, the laborer, and the smaller man of business. Without doubt the needs for improvement are many. In fact, there are few subjects in public affairs which require more study than administrative law. But in all plans for change we should sternly resolve that limitations should be placed on bureaucracy which will preserve the inexhaustible force of private enterprise and initiative. In agriculture, as well as in trade and manufacturing, there is need for regulation, but here, too, the salvation of the individual citizen is the preservation of a system of opportunity which makes human endeavor worth while and rewards adventure and work.

In this vast complex field of private economic endeavor we should realize that there are many things which government cannot do, and others which government can assist with only over a long period of time. We have not achieved a perfect economic system for the creation of wealth and the distribution of the national income. But we cannot find that system in the musty volumes of the philosophers; we must find it in our experiences; we must formulate it in the thought and toil and planning of the work a day world. Social responsibility must increase in farmer, laborer, and manufacturer. I have sometimes thought that we inherited our vast achievements in science and industry before we—the people of the modern world—were morally and politically competent to use them. At least such a thought should sober us and make us more responsible citizens.

XI. DRIFT TOWARD INSOLVENCY

The birth of the American Nation was accompanied by firm and unequivocal decisions in favor of sound public finance. Upon this issue George Washington and Alexander Hamilton would brook no compromise. Well may we recall and apply to our public finance today the principles and practices which they made effective during the first administration under the Constitution.

Much of the social planning and scheming which we now have in this country begins with talk about soaking the rich and ends by soaking the poor. In the long run the man of ordinary means, even the man who pays no income tax, will in such cases be forced to carry more than his share of the burden in the form of indirect taxes, increased prices, or in the economic losses which follow upon maladjustments in our economic life.

I am not objecting to just and fair measures of relief and social security. They are proper and often necessary under the complex organization of modern society. I am condemning our vast schemes for "making work"; I am condemning the development of State enterprises in competition with private enterprises; I am condemning the granting of bounties for not producing at a time when thousands in our society are hungry and living in poverty; I am condemning the use of your money and mine to create a social and economic order after the theories of some bureaucrats who are now temporarily in Washington.

The application of these policies, now going on apace, is leading inevitably toward one of three things: Either enormously increased taxation for every citizen, or the wholesale repudiation of our public debt, or further inflation of our currency.

The Democratic administration is, in the name of reform and planned economy, imposing an enormous mortgage on the American people. It is easy to do these things when money flows like water. It is easy to use up the Government's credit. It is easy to run a government if you do not balance your budget. But every citizen knows from personal experience that mortgages either have to be paid or be wiped out by bankruptcy.

XII. SOUND FINANCE AS A BASIS FOR RECOVERY AND PROGRESS

But in discussing finance, as in discussing industry and trade, I desire to do more than merely criticize and object.

Relief for the unemployed is, at least for the time being, a national problem. Moreover, it has ceased to be merely an emergency problem. Some observers of our social development doubt whether it will disappear even with the return of prosperity. In any case it must be dealt with from the standpoint of broad statesmanship. In the first place, its cost should be paid for from current direct taxation. In the second place, the relief granted to any individual should be low enough to leave unabated

his desire to get a job. If the amount of the relief to an individual is too high the security which it gives tends to destroy the spirit of enterprise and ambition in the citizen. Finally, and most important, the administration of relief should be placed on a nonpartisan basis; it should be administered by local boards composed of responsible citizens somewhat along the line of the draft boards during the war. If these principles were applied today (as they are not), the outlay for relief would be reduced by half; the beneficiaries would regard relief as temporary and as a status from which they should escape as soon as possible; and political parties would not use relief to get votes.

Playing politics with relief funds is, in my opinion, the lowest form of political corruption. Local nonpartisan administration, coupled with realization by the individual citizen that he is paying the bill, would subject the entire system to scrutiny and criticism and maintain its efficiency.

XIII. TAXATION

The realization by the individual citizen that he is paying the bill for government is in fact the key to the solution of many of our problems of Federal and State finance. We should not only pay as we go, but we should understand that we are paying. Upon no sound theory can we ask future generations to pay for the present-day attempts to recover from a depression. No one likes to pay taxes. I believe that taxes should be as low as is consistent with the sound development of government. But if the citizens of this country wish a vast bureaucracy which regulates in many ways their economic and social affairs, they must be made to realize that they have to pay for it. I doubt very much whether American citizens generally realize the significance of the unprecedented increase in the number of persons on the Federal pay roll during the last 2 or 3 years.

A French statesman once said that the object in levying taxes should be to get the largest number of feathers from the goose with the least amount of squealing; that is, he favored indirect taxation. I thoroughly disagree. What we need today is more squealing from the taxpayer. New taxes should be direct and widely distributed over the different groups and classes of our population. If, for example, the consumer had paid directly, instead of indirectly, the late unlamented processing taxes, it would never have been necessary for the Supreme Court to pass on their constitutionality.

Ability to pay is an entirely sound principle on which to frame a system of taxation. In general, those who have the most profit the most from government. But it does not follow that those who have small incomes should be exempted from paying their proportionate share of the expenses of government. In fact, in recent years the benefits of government have become diversified and applied in a relatively larger degree to the poorer classes than to the well-to-do, and this is an added social reason for the extension of the basis of taxation.

Probably the most important reason for general and direct taxation is that it gives the individual citizen in a democracy an interest in curtailing Government expenditures, in balancing the Budget, and in paying off the public debt. As I indicated earlier in this address, the individual citizen has a real personal interest in sound public finance. At present, however, the operations of the Federal Treasury are remote and mystifying, especially in these days of astronomical figures. It never has been easy to make clear to the general public the significance of a mounting public debt and an unbalanced Budget. Most of the evils of unsound financing do not become evident to most of us until it is too late to correct them.

However, the citizen does understand an individual tax bill. When he realizes that he is paying for too much Government, he will then see to it that he has less Government.

XIV. CURRENCY

I am a bit old-fashioned on currency. Perhaps this is because I have personally seen in foreign countries the tragic suffering which results from unstable and depreciating monetary standards.

A managed currency is favored by many able thinkers. Possibly a theoretical case can be made for it. But once the concept of fixing the purchasing power of money is thrown into the political arena of a democracy, organized groups seek to fix it for their profit. We have already seen this happen in our silver legislation. We will probably see it in further attempts at inflation. The gold standard has its faults, but for a democracy it is the safest anchor for money thus far proposed.

No more important contribution could be made to our national recovery than the stabilization of world currencies and international exchanges. We lost a golden chance to contribute to this end, probably to achieve it, at the World Economic Conference in 1933. When history is written it will, in my opinion, record the breaking up of this conference by President Roosevelt as the loss of a major opportunity to help recovery. His prestige at that time, coupled with the willingness of European nations to discuss financial stabilization, made success probable and, if we had had stabilization then, we would not only have avoided the burdensome and restrictive measures which have characterized international economic affairs during recent years, but we would have had, through revived trade, a stimulus to domestic prosperity far greater than that which has been given to it by doubtful domestic measures.

XV. DANGER OF TOO MUCH POWER IN THE CENTRAL GOVERNMENT

No concern of our forefathers was more deep-seated than their concern to establish truly representative government under law and to avoid the excesses of personal government.

At all times, particularly in crises, the temptation is present to enlarge and centralize the powers of government. The very plausibility of the arguments for greater power tends to create autocratic governments before peoples fully realize what is taking place. Strong governments are likely to be efficient in the sense of getting results and peoples in times of distress too freely acquiesce in the argument that the ends desired justify the means. Depressions are hard on democracies. In the present depression our institutions have suffered wounds which should give us concern. Usually the price paid at such times for efficiency and immediate results is the sacrifice of personal liberty and the guarantees of rights which rest, and can only rest, on the local control of government either directly or through representation.

George Washington fully appreciated the danger of too much centralization of power. In his Farewell Address he said:

"The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism."

"A just estimate of that love of power, and proneness to abuse it, which predominates in the human heart, is sufficient to satisfy us of the truth of this position."

"The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions by the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes."

"To preserve them must be as necessary as to institute them."

"If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates."

"But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed."

Representatives of the New Deal have revealed irritation over the limitations imposed by the Federal Constitution. We can understand the disappointment of individuals when they find their plans which they sincerely believe to be for the welfare of mankind obstructed by a constitutional provision or by a well-established principle of government. I have heard very persuasive arguments in favor of wiping out the distinction between commerce within the States and interstate commerce. I am willing to concede that for some purposes a complete control of commerce by the Central Government would, if properly used, tend toward efficient administration. Unfortunately, however, the "if properly used" is a deadly qualification. Unfortunately, too much power in the Central Government tends to make its administrators forget responsibility. Power thrives on more power. Moreover, a constitutional change made for one purpose, which we may assume is good, may open a Pandora box of evils which bring new and hurtful changes never contemplated. Today more than ever before the system of checks and balances and the distinction between State and Federal jurisdiction, written into our Constitution by the founders of the Republic, are guaranties of security and freedom which we will be well advised if we emphasize rather than minimize. In a vast nation like ours with its varied complex life, it is wise to sacrifice some so-called efficiency which might come from a highly centralized government and cling to the security of a system which reserves real powers to the separate States.

Dictatorial and autocratic governments are seldom deliberately planned or even desired. They grow. They are the creation of circumstances. They feed upon the necessities of those in power, who must get things done and upon the indifference and acquiescence of the governed. Dictatorial and highly centralized governments, because of their very nature, resent representative and local institutions. They grow impatient with deliberative bodies and use their influence and power to force measures through congresses and legislatures. They tend to send their orders down to the smaller governmental units of the country and to use their influence and power to have them obeyed. The end of such a process is the abolition of representative bodies and the destruction of local self-government, and finally of liberty itself.

XVI. THREAT LOBBIES

"Benefit payments", subsidies, Government grants and loans, and excessive and unnecessary allowances for relief have in recent years given dangerous impetus to a tendency destructive of responsible democratic institutions. The granting of economic favors directly to groups and classes spreads the conception among our population that individuals can rely upon the Federal Government for financial assistance or even for a living. Certain lobbies are already organized in such a way as to advance the economic interests of their backers in Washington, not by arguments but by the threat of the ballot against legislators who oppose their programs.

Direct loans and financial aid to any class or group will in time create of that class or group a political movement which through force of the ballot will demand relief from past obligations and more financial help through the taxing power of the United States. Measures are unsound which educate great groups of citizens to believe that they can use political power to get a living which should be won by industry; which substitute the loans, bounties, and relief of the Central Government for personal enterprise and responsibility.

XVII. TYRANNY BY THE MANY

Representative government is being weakened by another tendency in which, I am sure, you, the leaders of the press, will be particularly interested; namely, the tendency of leaders seeking public

favor to appeal to the emotions and the passions, to play on fear, prejudice, and ignorance, and to invite support through the offer of some material unearned benefit, such as subsidies, benefits, or pensions. From the earliest time we have had the demagogue appealing to the mob. And I would be the last to ask for any restriction on the freedom of speech. I believe that freedom of speech and of the press are among our most cherished liberties. A great thinker once said to a man with whom he disagreed: "I disagree with all that you say but will fight for your right to say it."

However, irresponsible appeals, especially over Nation-wide hook-ups of the radio, are a real menace. Our democracy is endangered by words which set class against class, which create imaginary economic monsters in order to demolish them, and which seek power through attacks on those members of the community who have achieved a degree of material prosperity.

Theodore Roosevelt saw both sides of this great problem of democracy (Mar. 20, 1912). He said:

"* * * We, here in America, hold in our hands the hope of the world, the fate of the coming years; and shame and disgrace will be ours if in our eyes the light of high resolve is dimmed, if we trail in the dust the golden hopes of men. If on this new continent we merely build another country of great but unjustly divided material prosperity, we shall have done nothing; and we shall do as little if we merely set the greed of envy against the greed of arrogance, and thereby destroy the material well-being of all of us. To turn this Government either into government by a plutocracy or government by a mob would be to repeat on a larger scale the lamentable failures of the world that is dead. We stand against all tyranny, by the few or by the many. We stand for the rule of the many in the interest of all of us, for the rule of the many in a spirit of courage, of common sense, of high purpose, above all, in a spirit of kindly justice toward every man and every woman. We not merely admit, but insist, that there must be self-control on the part of the people, that they must keenly perceive their own duties as well as the rights of others; but we also insist that the people can do nothing unless they not merely have, but exercise to the full, their own rights. The worth of our great experiment depends upon its being in good faith an experiment—the first that has ever been tried—in true democracy on the scale of a continent, on a scale as vast as that of the mightiest empires of the old world. Surely this is a noble ideal, an ideal for which it is worth while to strive, an ideal for which at need it is worth while to sacrifice much; for our ideal is the rule of all the people in the spirit of friendliness and brotherhood toward each and every one of the people."

A republic can endure with responsible voters and irresponsible leaders, for the former will throw the latter out. It may endure (at least weather a crisis) with irresponsible voters and responsible leaders, for the latter will resist the emotionalism of the moment and support sound measures. But a republic cannot survive both irresponsible voters and irresponsible leaders.

XVIII. THE PRESS AND RESPONSIBLE DEMOCRACY

The great permanent currents of American life then are at the present time being poisoned by three tendencies which are foreign to them:

- (a) Flirting with socialistic measures which tend to destroy the spirit of private enterprise and initiative.
- (b) Toying with managed currencies, unbalanced budgets, excessive debts, and other unsound financial measures; and
- (c) Inviting and encouraging irresponsible democracy which leads, if permitted to continue, to some form of autocracy or dictatorship.

In discussing these tendencies I have endeavored to supplement my disapproval with constructive suggestions. The question before us is no longer whether such recovery as we have enjoyed has come because of the New Deal or in spite of it. The real question is whether or not the fundamental problems of our economic organization, of our public finance, and of our Government are being dealt with soundly and with statesmanship, and, if not, how should they be dealt with? Individuals, classes, and political parties should conclude all debate with the clear understanding that our Nation faces problems which can be solved only by affirmative legislation and affirmative executive action.

We will have no better Government than we deserve. The standards of our political life will not rise above their source—the people. I have mentioned the dangers of irresponsible selfish minorities, and of blatant appeals through the press and over the radio to emotions, prejudices, pseudo-patriotism, and class and race hatred. No law in a democracy can reach these evils. Opinion cannot be suppressed. To check the right of the press or of free speech is to begin to replace our institutions by others. Such restraint is simply foreign to a system which rests on the theory that the individual is capable of self-government.

But we cannot ignore the fact that both intentionally and unintentionally false, misleading, and antisocial views are circulated daily and unwittingly accepted as true. Responsible political leaders are guilty of this offense, and when they are what can we expect of others?

Here is a situation the remedy for which lies largely in the hands of the press. It may not be popular to declare the Townsend plan financially unsound; to attack the political use of relief in your town; to denounce an effort of a labor or agricultural group to use the threat of numbers to gain a selfish class end; to denounce a political leader who uses his office as a platform from which to align class against class; to reveal the truth about a foreign situation when an unpopular country is being attacked. But if the Republic is to endure, these things, unpopular though they be, must be done.

The ultimate responsibility for sound government rests with the people, informed and guided by a free press. Our concern must be to keep well informed the source of American political life—the people. Laws, Executive orders, and court decisions will not preserve a responsible democracy if the desire and will to have a responsible democracy ceases to dominate the individual American citizen. Not one of the three branches of our Government, not even the courts, can be depended upon, in the long run, to save our institutions and our liberties. Under our system of government the courts, it is true, have power under certain conditions to declare laws unconstitutional. But at present, many citizens are placing undue reliance upon this protection. In the long run the courts cannot stay a political movement. Candidates for the position of justice in our courts hold different opinions, and Presidents appoint and Senators confirm them. The Supreme Court of the United States is shaped and determined by the Presidents and Senators which the people elect. Which means that in the judicial as well as the legislative and executive branches of our Government both the structure and nature of our institutions and our personal liberties depend ultimately on the opinion and the action of the individually responsible American citizen.

Government therefore gets down finally to the ultimate question whether the individual citizen cares. The great business of the American people is government—self-government and government of self. We have boasted to the world that we can make popular institutions succeed. If our great experiment fails, if wisdom in government languishes, and if freedom and social responsibility decline, we need not seek to place the blame on our leaders; the blame will be on us, the citizenry of America. As I view the state of the Nation today, I believe there is a way back—or let me say forward—to sound government within the Constitution. Mine is not a philosophy of despair.

Facing with courage the baffling issues of both domestic and international affairs, let us be willing to work and sacrifice to maintain America—America, free, harmonious, prosperous, and responsible—in a cooperating peaceful world. Here is a task which rises above partisan rivalry, which commands our united loyalty, our devotion, and untiring services as citizens of the Republic.

TAXATION OF OIL AND GAS

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD two brief statements on the subject of the taxation of oil in general and gas in particular.

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

[Extract from National City Bank Bulletin for October 1935]

Last year the Bell Telephone System paid an average tax of \$6.76 for every telephone in service.

It is probable, however, that the general public has not fully realized the increasing tax burdens that are being imposed upon the various lines of manufacturing and trade.

Among other industries that are laboring under the handicap of heavy taxes might be mentioned automobiles, tires, and petroleum, cotton goods, tobacco products. * * * The petroleum industry now pays practically 200 different kinds of taxes, and the sum total of taxes paid by the industry during the 13 years 1921-33 was two and one-half times the profits in those years. In 1934 the taxes paid by oil companies averaged \$5.32 for each share of their capital stock, or more than five times earnings, which averaged \$1.02 per share.

[Extracts from speech entitled "The Place of Oil in the Tax Structure," by Frank Phillips, delivered at National Tax Association meeting, Oklahoma City, Oct. 15, 1935]

Viewing the oil and gas industry as a whole, it is surprising to note, according to figures compiled by the American Petroleum Industries Committee, that although during the 14-year period from 1921 to 1934, inclusive, its estimated total earnings aggregated only \$2,462,039,974. Taxes levied upon its operations and products total \$6,903,265,432. For the year 1934 the committee estimated the total tax bill at \$1,036,149,575, as compared with net earnings of only \$264,000,000. * * * with those net earnings representing only 2.20 percent on the \$12,000,000,000 investment. Stating it in another way, the average earnings of oil companies amounted to \$1.02 per share, while the taxes extracted amounted to \$5.32 per share. In only 4 of the 14 years were the industry's earnings as large as the total tax bill, while since 1929 earnings have never been as large as either gasoline taxes or income taxes.

Your attention is invited to the extraordinary burdensome impositions collected by the Federal Government from the oil industry alone, including the producers' tax on crude oil, the refiners' or processing tax, the excise tax on pipe-line transportation, and to the indirect excise sales taxes on gasoline and lubricating oil. * * * all of these being supplementary to the regular Federal exactions for capital stock, corporate income, excess profits, and the miscellaneous stock and bond issue and transfer taxes collected from industrial corporations generally. With respect to gasoline, principal product of the oil industry, it is somewhat startling to note that the excise taxes imposed upon its sale aggregate in numerous States an amount far in excess of its sales price at the refinery.

Under appropriate circumstances, the corporation, joint adventurer, individual or partnership producing, refining, or marketing oil and gas in several States may be subjected by those Commonwealths and their political subdivisions to some 100 separate and distinct forms of tax burdens. There are in the United States about 175,000 individual taxing units, which are authorized, under the respective State constitutions and legislative enactments, to exact from those owning property or doing business within their respective jurisdictions some kind of involuntary contribution to activities regarded as more or less essential to governmental administration. And even within the State of Oklahoma alone I find that there are 6,510 counties, townships, municipalities, and school districts authorized to levy tax burdens of some character. I submit that with this delirium of factors and circumstances confronting me, I may be pardoned for not attempting to submit detailed figures of taxing burdens, but instead should be permitted to discuss in more or less general terms the problems of taxation which confront not only the oil industry but every other industrial and business enterprise.

BETTERMENT OF ECONOMIC CONDITIONS

Mr. ROBINSON. Mr. President, legislation passed by this Congress and the previous one, represented as New Deal legislation, and the administration of these enactments have unquestionably, as evidenced by excerpts from the press of the country, brought about a substantial betterment of economic conditions. These improved conditions are not sectional, but are very general. I offer for the RECORD and ask to have printed as part of my remarks certain excerpts that will substantiate the statement of better business conditions.

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

ECONOMIC CONDITIONS (Feb. 15, 1936—Feb. 22, 1936)

I. AGRICULTURE

[From the Butte (Mont.) Standard of Feb. 17, 1936]
Headline: "Price Recovery of Farm Commodities Average 125 Percent for 3 Years."

[From the Cleveland (Ohio) Plain Dealer of Feb. 20, 1936]
SEARS TO BOOST BUYING

"An increase of \$60,000,000 in purchases of merchandise and an increase of \$7,000,000 in pay-roll expenditures are envisaged by the golden-jubilee program of Sears, Roebuck & Co. this year, according to announcement made yesterday through Mr. C. H. Kellstadt, manager of the company's Cleveland store. * * *"

[From the Chicago (Ill.) Daily Tribune of Feb. 15, 1936]
FARM VALUES OF LIVESTOCK RISE SHARPLY

"The value of livestock held on farms of the United States rose sharply during 1935, the Department of Agriculture reported yesterday. The total January 1 was estimated at \$4,385,302,000, compared with \$3,250,085,000 a year earlier and \$2,976,677,000 two years ago. * * *"

[From the Stockton (Calif.) Evening Record of Feb. 15, 1936]
SIXTEEN OUT OF 24 LEADING FARM PRODUCTS OF STATE SCORE INCOME INCREASES

Sixteen out of a total of 24 leading agricultural commodities brought income increases to the producer in January 1935, according to figures made public by the Giannini Foundation of the University of California. The commodities generally reached 92 percent of the average producer income in the January figures covering 1911 to 1915. * * *"

[From the Minneapolis (Minn.) Tribune of Feb. 18, 1936]
LIVESTOCK UP 75 PERCENT IN VALUE

WASHINGTON, February 17.—The value of livestock on Minnesota farms rose 73 percent, or \$102,187,000 during the year ending January 1, a last examination of figures made public by the Department of Agriculture today disclosed. * * *"

[From the Lansing (Mich.) State Journal of Feb. 20, 1936]
Headline: "Value of State Livestock Soars—Now Worth \$136,569,000—48 Percent Higher Than Last Year."

[From the Fargo (N. Dak.) Forum of Feb. 20, 1936]
NORTH DAKOTA LIVESTOCK VALUES UP 49 PERCENT

All classes of livestock on North Dakota farms, except horses, increased in number compared to a year ago as of January 1, it was reported by Ben Klenholz, Federal agriculture statistician. Value of all livestock is 49 percent greater than on January 1, 1935. * * *"

[From the Los Angeles (Calif.) Times of Feb. 15, 1936]
Headline: "Farm Income Up—Final 1935 Data Released—Figures for Western States Group Show 15-Percent Increase Over 1934."

[From the Woonsocket (R. I.) Call of Feb. 15, 1936]
Headline: "Livestock's Value in New England Shows Increase."

[From the Muskegon (Mich.) Chronicle of Feb. 20, 1936]
Headline: "Butter, Eggs at 6 Years' Peak."

[From the Chicago (Ill.) Daily Tribune of Feb. 15, 1936]
Headline: "Egg and Butter Prices Soar to Season's Peaks."

[From the Des Moines (Iowa) Register of Feb. 19, 1936]
Headlines: "Hog Quotation Moves Up Again—Hits 6-Year Top for February."

[From the Omaha (Nebr.) World-Herald of Feb. 15, 1936]
Hog prices rose almost to the year's top on Friday when light receipts and broad inquiry brought about an active market at 25 to 35 cents higher prices. * * *

II. MINING

[From the Tucson (Ariz.) Daily Citizen of Feb. 15, 1936]
Headlines: "Copper Increase Brings New Hope to Arizona Camps—Boost Raises State Income to \$1,000,000."

[From the New York (N. Y.) Times of Feb. 15, 1936]
Headlines: "Copper Rises One-fourth Cent to 9½ Cents a Pound—Increase Is First in Domestic Field Since October 7."

III. INDUSTRIES

[From the New York (N. Y.) Times of Feb. 21, 1936]
Headline: "Last Months of 1935 Saw Trade Increase."

[From the Toledo (Ohio) Blade of Feb. 18, 1936]
Headline: "Bull Market 1 Year Old—80-Percent Rise Scored in Average of Stocks."
Headline: "Loading Index Hits New Peak—1.5 Percent Rise Over Week Ago Is More Than Seasonal."

[From the Biloxi (Miss.) Daily Herald of Feb. 21, 1936]

* * * Although industrial activity during January experienced its first setback since September it was nevertheless at the highest level for that period since 1930, according to monthly statistical surveys of the Associated Press. Averaging 84.4 during January, the index compared with 76.2 a year ago and 64.6 in 1934. * * *

[From the Boston (Mass.) Christian Science Monitor of Feb. 19, 1936]

* * * Seventy percent of over 400 corporate earnings reports issued since the first of the year show increased profits, according to the United Business Service, Boston. * * *

[From the Los Angeles (Calif.) Times of Feb. 17, 1936]
WHOLESALE INDEX MOUNTS TO NEW HIGH

WASHINGTON, February 17.—The wholesale index compiled by the National Fertilizer Association rose to 87.3 in the week ended February 15. This was the highest point reached since the week of January 4, and compared with 77.5 a week ago. * * *

[From the New York (N. Y.) Times of Feb. 18, 1936]
BUSINESS FAILURES LOWER

Business failures in the United States in the last 5 business days included in the week ended February 13, totaled 194. The figure compares with 209, the week before, and 226 in the corresponding week last year. * * *

[From the Chicago (Ill.) Daily Tribune of Feb. 15, 1936]

FREIGHT TRAFFIC SETS UP NEW 1936 RECORD; LED BY COAL

Coal traffic in the United States last week was sufficient to offset losses in other classes of carloadings because of the unfavorable weather, and the total freight movement established a new high for 1936, and for the eleventh consecutive week set a seasonal peak for the last 5 years.

The national freight movement, as reported yesterday by the Association of American Railroads, totaled 622,097 cars, an increase of 258 cars, or 0.04 percent, over the preceding week, which was in line with seasonal expectations.

There was also a gain of 30,770 cars, or 5.2 percent, over the corresponding week of last year. * * *

[From the Toledo (Ohio) Blade of Feb. 18, 1936]

BUSINESS UP

Toledo business was 6.9 percent higher in January than during the same month last year, it was revealed by the Toledo Business Review published by the College of Business Administration of the University of Toledo. * * *

[From the New York (N. Y.) Times of Feb. 18, 1936]
BURLAP CONSUMPTION GAINS

Consumption of burlap in the United States in January totaled 60,000,000 yards compared with 51,000,000 yards in December, it was reported by C. E. Rockstroth & Co.

[From the Chicago (Ill.) Daily Tribune of Feb. 17, 18, 19, 20, 1936]
Headlines:

CONSTRUCTION IN STATE SHOWS SHARP UPTURN—JANUARY TOTAL 100 PERCENT ABOVE LAST YEAR

GOODYEAR TIRE PROFIT LAST YEAR BEST SINCE 1931

AETNA FIRE GROUP GAINS \$5,511,432 IN ASSETS

1935 PROFIT OF PENNSYLVANIA RAILROAD BEST IN 5 YEARS

WAHL CO. EARNINGS SHOW GAIN DURING 1935

UNITED STATES GYPSUM PROFIT BEST SINCE 1931

[From the New York (N. Y.) Times of Feb. 16, 1936]

GAINS REVEALED

Reports of earnings of 18 principal gas and electric holding company systems for 1935 reveal gains in gross revenues, net earnings, and net income over 1934, and an improvement of moderate proportions in operating efficiency. * * *

Gross operating revenues of the 18 systems in the last year amounted to \$1,071,201,132, compared with \$1,020,455,772 for the preceding year, an increase of \$50,746,000, or 4.97 percent. * * *

[From the St. Louis (Mo.) Post Dispatch of Feb. 20, 1936]

CORPORATIONS' PROFITS UP

NEW YORK, February 19.—A tabulation by the Associated Press of reports of 230 corporations for 1935 shows a 37.9-percent gain in net income over the previous year. * * *

[From Business Week of Feb. 22, 1936]

NEW MACHINE TOOL HIGH

The 22-percent increase in the domestic demand for machine tools last month lifted the index of machine-tool orders to a new high in the recovery cycle. With foreign business added, the January index reached 110.8 percent of the 1926 level, against 98.3 percent in December. The first quarter of 1936 thus gets a flying start, and should exceed by a wide margin the 60.3 percent of last year. * * *

DEPARTMENT STORES GAIN

When all complaints have been aired about the prolonged cold weather, the January records aren't bad. Department-store sales ran 7 percent ahead of last year for the country as a whole, and several regions surpassed the national average. * * *

[From the Madison (Wis.) State Journal of Feb. 17, 1936]

Headlines: "Largest Sale of New Cars for State of Wisconsin Reported for January 1936—Greater for Any Year Except 1926 and 1927."

[From the Pittsburgh (Pa.) Post-Gazette of Feb. 21, 1936]

Headlines: "Vigorous Climb of Rails Spurs Security Market—Recovery of Utilities Add Momentum to Upswing—National-bank Deposits Peak at End of 1935—Upturn Laid to Government Spending."

[From the Journal of Commerce of Feb. 20, 1936]

HOME POWER USERS YIELD RECORD GROSS

Revenues of the electric light and power industry from residential customers in the year 1935 reached a new high, according to figures by the Edison Electric Institute. * * *

[From the Bellingham (Wash.) Herald of Feb. 18, 1936]

CONSUMPTION INCREASES

Consumption of electricity for industrial purposes in the State of Washington increased 10.3 percent over 1934 during 1935, it was revealed today. * * *

[From the Casper (Wyo.) Tribune-Herald of Feb. 19, 1936]

Headline: "National Bank Deposits Gain—2.06 Percent Higher Than the Previous Top—1928."

[From the Chattanooga (Tenn.) News of Feb. 15, 1936]

Headline: "Bank Deposits in Chattanooga Set Record Figure."

[From the Chicago (Ill.) Daily Tribune of Feb. 21, 1936]
Headline: "Bank Clearings Rise 7.5 Over '35—Chicago Reports Large Gain."

[From the Chicago (Ill.) Daily Tribune of Feb. 19, 1936]
Headline: "National Bank Deposits Close to Twenty-five Billions—Governmental Funds Help to Set New Record."

[From the Los Angeles (Calif.) Times of Feb. 18, 1936]
FUR PRICES AT 2-YEAR HIGH

SEATTLE, WASH., February 17.—Fur prices, regarded by many merchants as an index of economic conditions, have reached the highest mark in 2 years and are now close to figures for the normal year of 1934, Henry Wagner, president of the Seattle Fur Exchange, said today.

[From the Charlotte (N. C.) Observer of Feb. 22, 1936]
Headline: "United States Export Trade Continues to Gain."

[From the Toledo (Ohio) Blade of Feb. 21, 1936]

Headlines: "Babson Foresees Business Upturn—Average 10-Percent Gain in Coming Months Predicted."

[From the St. Paul (Minn.) Pioneer Press of Feb. 17, 1936]
Headline: "Business Cheered By Week's Records."

IV. DECREASED UNEMPLOYMENT

[From the Manchester (N. H.) Union of Feb. 22, 1936]

Dr. H. J. Lockwood, head of the New Hampshire P. W. A., reports a shortage of skilled labor, indicating a return to private employment.

[From the Knoxville (Tenn.) News Sentinel of Feb. 21, 1936]

Headline: "Unemployment in January 3.1 Percent Lower Than at Same Time in 1935."

[From the Pueblo (Colo.) Chieftain of Feb. 18, 1936]

PRIVATE INDUSTRY TAKES 400 ON W. P. A. ROLLS SINCE FEBRUARY 1

Nearly 400 P. W. A. workers have found employment in private industry since February, it was learned Monday.

S. W. Sullivan, manager of the Pueblo employment service office, said he had certified 398 here since the first of the month to replace workers who quit their jobs for other employment. * * *

[From the Galveston (Tex.) Tribune of Feb. 20, 1936]

PAY INCREASES NOTED IN WEST

SAN FRANCISCO, February 20.—Salary levels in this city, although below the 1929 level, are steadily swinging upward, a survey of officials of San Francisco employment agencies show. * * *

[From the Elizabeth (N. J.) Daily Journal of Feb. 18, 1936]

Headlines: "Work Increased at C. R. R. Shops—More Repair Work on Freight, Coal Cars."

[From the Springfield (Ill.) Daily Republican of Feb. 21, 1936]
HIGH EMPLOYMENT TREND CONTINUES THROUGH WINTER—AUTO INDUSTRY ADDS 150,000 WORKERS TO ITS OWN AND ALLIED PRODUCTS' PAY ROLL—WEEKLY EARNINGS SOAR TO NEAR \$14,000,000 RECORD ATTAINED IN 1928

Complete figures on employment and earnings in the automobile industry and the plants supplying automobile parts during first quarter of 1935 disclose that the industry's new stabilization succeeded to a remarkable extent in its first stage. * * *

V. EXPANSION

[From the Fargo (N. Dak.) Forum of Feb. 19, 1936]

Headline: "9½ Millions for 'Ads' Budgeted."

[From the Minneapolis (Minn.) Tribune of Feb. 18, 1936]

NORTHERN PACIFIC TO BUY 12 LOCOMOTIVES

A \$4,000,000 order to be placed this spring by the Northern Pacific Railroad for twelve 127-foot giant locomotives and 1,000 freight cars was announced Monday by Charles Donnelly, president.

[From the New York (N. Y.) Times of Feb. 18, 1936]

Headline: "\$20,300,000 Loan for Utility Today."

[From the Cheyenne (Wyo.) State Tribune of Feb. 18, 1936]

UNION PACIFIC TO BUY LOCOMOTIVES

Purchase of 15 simple articulating type locomotives of the 4664 class for high-speed freight service, especially for mountain grades, by the Union Pacific was announced last night at Omaha by W. M. Jeffers, executive president of the road.

[From the Tampa (Fla.) Tribune of Feb. 19, 1936]

BUSINESS STATISTICS

At a glance, comparative big business statistics for 1934 and 1935: United States Steel Corporation: 1934, lost \$21,667,000; 1935, made \$1,044,000.

Bethlehem Steel Corporation: 1934, made \$550,000; 1935, made \$4,201,000.

Republic Steel: 1934, lost \$3,459,000; 1935, made \$4,455,000.
 National Steel: 1934, made \$6,030,000; 1935, made \$11,136,000.
 Inland Steel: 1934, made \$3,729,000; 1935, made \$9,417,000.
 E. I. du Pont de Nemours & Co.: 1934, made \$46,701,000; 1935, made \$62,085,000.
 Chrysler Corporation: 1934, made \$9,534,000; 1935, made \$34,976,000.
 American Woolen Co.: 1934, lost \$5,448,000; 1935, made \$2,740,000.
 Deere & Co.: 1934, made \$379,000; 1935, made \$6,105,000.
 Commercial Investment Trust: 1934, made \$11,643,000; 1935, made \$16,279,000.
 General Motors: 1934, made \$94,769,000; 1935, made \$167,000,000.
 R. J. Reynolds: 1934, made \$21,536,000; 1935, made \$23,896,000.
 Combined statements of 1,300 corporations show a gain in profits of 48 percent, 1935 over 1934.
 What are the "big boys" kicking about?
 Is it because business isn't corroborating their howls that the New Deal is destroying it?

[From the Chicago Daily News of Feb. 22, 1936]

FREIGHT TRAFFIC TOTAL RUNS FAR ABOVE 1935

Freight moved in the United States last week totaled 631,347 cars, a more than seasonal increase of 9,250 cars, or 1.5 percent, to the highest level since early December. Volume was the heaviest for the particular week since 1931, the Association of American Railroads reported yesterday.

The total was 49,678 cars, or 8.5 percent above the corresponding week of 1935, and 31,079 cars, 5.2 percent higher than 2 years ago. Last week marked the twelfth consecutive 5-year high for the season and was the fourth successive week in which improvement was shown over the preceding week.

[From the Reno (Nev.) Gazette of Feb. 17, 1936]

BANK DEBIT GAIN IN RENO SHOWN BY REPORT

More money circulated in Reno in January of this year than in any January since 1931, according to figures released by the Federal Reserve Board in Washington, says a special dispatch to the Gazette from its Washington bureau.

Money in circulation is shown by bank debits more clearly than by any other index, financial experts explain. Debits to all individual bank accounts in Reno reached a high of \$9,104 in January 1936, as reported by the Federal Reserve Board.

[From the Wall Street Journal of Feb. 21, 1936]

DETROIT PAPER PRODUCTS SHIPMENTS ABOVE YEAR AGO

DETROIT.—Operations of Detroit Paper Products Corporation thus far in the current quarter have been at a considerably higher level than in the corresponding period last year. The company has orders on hand sufficient to run all divisions well into the summer. January shipments were 40 percent over January last year, and February business is running well ahead of the like month in 1935, although gain will not be quite so large as in January.

The company earned \$71,116 before Federal taxes in first quarter of 1935 and had net profit for the year of \$119,615 after depreciation and Federal taxes equal to 58 cents a share on 206,000 shares of \$1 par common stock. Earnings in last quarter of 1935 were curtailed by heavy expenses incident to getting the new molded plastic division into operation. This division is operating now at a high rate on facings for refrigerator doors and cabinets. Other products include corrugated paper boxes and corrugated paper insulation material for refrigerators.

[From the Pueblo (Colo.) Chieftain, Feb. 18, 1936]

LARGE RAIL ORDER PLACED HERE BY WESTERN PACIFIC

The Western Pacific Railroad Monday announced the placing of an order for 21,000 tons of steel rails with the Colorado Fuel & Iron Co., to be rolled at the Minnequa Steel Works in Pueblo.

Although detailed price was not announced it was assumed the road will pay the standard quotation of \$37 a ton, which would make the order worth \$777,000.

The railroad plans to use the steel in a replacement program involving 183 miles of track in various sections of the road's line.

The order called for delivery to start some time in the spring and continue as needed.

Announcement of the Western Pacific order followed revelation yesterday that the Rock Island Railroad is preparing to close orders for 38,000 tons of rails, of which the C. F. & I. is expected to get a sizable portion.

Authoritative steel-industry reviews show that railroad buying for the year is not yet entirely completed and that some further orders are possible.

The C. F. & I. rail mill, which began operations January 7, has switched to a 6-day week to increase its production and is expected to continue its current run well into the summer.

[From the Reading (Pa.) Times of Feb. 18, 1936]

BUSINESS IMPROVING HERE, SAYS CHAMBER OF COMMERCE SECRETARY

"Business in Reading is better than at this time last year and is improving rapidly," was the statement by Edward R. Hintz, secretary, the chamber of commerce, last night. "Prospects point to even better things. The lull in hosiery manufacturing is nearly

over; new industries have come to Reading, and others have expanded their operations remarkably. These facts, coupled with prospect of early dividends from closed banks and the bonus funds which will be distributed, should make 1936 an impressive year for the merchants of Reading and Berks County."

[From the Cleveland (Ohio) Plain Dealer of Feb. 20, 1936]

RAILROADS LOOKING UP

A couple of years ago it was hard to make a railroad man smile when he looked at anything connected with his business. It is doubtful if any major industry was harder hit by the depression than were the railroads. Their sad state led professional pessimists to predict that the roads were doomed to suffer the fate of stagecoaches and canals and pass into history as an out-moded form of transportation. This was one of the many dire prophecies which didn't pan out.

Now the Association of American Railroads, reporting on 1935 operations, tells a striking story of recovery. Net operating revenue was \$500,071,924 against the 1932 low of \$326,000,000. This brings the roads back to approximately the 1931 level. There was a 7.4-percent gain compared with 1934, and for December 1935 the comparison with the previous year was even better.

This consistent recovery by an industry which faces keen competition from newer forms of transportation, such as trucks, busses, private autos, and airplanes, testifies to the skill with which railroad management has met adverse conditions.

It also shows that railroad executives, though they may have been pretty blue 2 years ago, did not lose faith. Their confidence was justified. Now they are demonstrating the same sort of faith by ordering much new equipment. It is railroad business which is now pushing up steel production. New locomotives, freight and passenger cars, and rails for many miles of track, where maintenance work had been sharply cut in depression years, are all tangible proof that the men behind the railroads are not afraid of America's future.

[From the New York Evening Post of Feb. 20, 1936]

BUSINESS GAINS IN MANY LINES

The equipment-buying move of the railroads received additional impetus today as more carriers applied to the Interstate Commerce Commission for permission to spend millions of dollars for new rolling stock.

The Western Pacific asked for authority to spend \$3,900,000 for new cars and deferred maintenance, and the Lehigh Valley was authorized to spend \$2,082,000 for coal cars.

January production of polished plate glass by members of the Plate Glass Manufacturers of America totaled 17,275,632 square feet, the largest output of any month on record. The previous high was 16,998,914 square feet in April 1935.

The American Bridge Co. subsidiary of United States Steel has received orders for 12,000 tons of structural steel this week, Bethlehem Steel is receiving substantial orders, and Consolidated Steel has been awarded the tonnage for a Los Angeles water district project.

January sales of 28 chain stores gained 8.08 percent over the corresponding period a year ago, the aggregate being \$165,806,000, against \$153,414,248, according to a compilation of Merrill, Lynch & Co. A shoe chain showed a gain of 18.82 percent, and six grocery chains gained 10.97 percent.

Domestic business of the Addressograph-Multigraph Corporation in January exceeded the average monthly sales of the last 6 years and window-shade and shade-roller manufacturers throughout the country are planning expansion and promotion of their business through the Window Shade Institute, in anticipation of a definite upswing in construction lines.

[From the New York Herald Tribune of Feb. 21, 1936]

BANK CLEARINGS INCREASE 7.5 PERCENT OVER YEAR AGO

Bank clearings in the United States in the week ended February 19 totaled \$5,647,394,000, compared with \$5,255,517,000 in the similar 1935 week, an increase of 7.5 percent, according to Dun & Bradstreet, Inc. Clearings have shown an increase over a year ago for the last 3 weeks.

Bank clearings in New York City totaled \$3,654,583,000, compared with \$3,455,459,000 in the similar 1935 week, an increase of 5.8 percent. The total for outside centers was \$1,992,811,000, compared with \$1,800,058,000, an increase of 10.7 percent.

[From the New York Herald Tribune of Feb. 21, 1936]

SALES INCREASE IN WORSTED AND WOOLEN FABRICS—PRICES LIKELY TO REMAIN UP AS MILLS REPORT LARGE FORWARD ORDERS AT HAND

Woolen and worsted fabrics and articles of clothing made from them moved in large volume in both the wholesale and retail markets during the last week, the New York Wool Top Exchange Service stated yesterday. The organization also reported that with prices of the raw material firm to higher in domestic and foreign markets, and with mills operating at a high rate with large forward orders on their books, prices of wool goods are still tending upward.

Business on men's wear fall suitings and overcoatings registered further gains during the week, as clothing manufacturers placed contracts and specifications covering their needs for 3 to 4 months, the Exchange Service said.

"Prices tended higher, paralleling the recent advances on raw wool and reflecting the scanty stocks of the fiber available for spot delivery to mills," the service said. "Some mills have sold up production for 8 to 10 weeks despite the fact that their lines will not be ready for formal showing until next week."

"Buying of women's-wear fabrics was quite active, but sales were not so large as those recorded in recent weeks, because of inclement weather over a large section of the country. Mills are well provided for business and look for a sharp upturn in sales in the next few weeks."

"Although considerable business has already been done in spring wear, it is estimated that at least 60 percent of the volume has yet to be written. Flannels last week continued to sell in large volume, and it was indicated that the present price of 92½ cents for standard grades may be withdrawn shortly because of the rise in raw materials."

"Sales of wool products at retail in the last few weeks were the heaviest in some time. Stores last week continued to move stocks of wool underwear, socks, sweaters, and other cold-weather attire. In many sections of the country retailers ran out of merchandise and were unable to secure replacements."

"Meanwhile overcoatings and ski suitings sold in large volume at wholesale at steadily advancing prices. Prices on overcoatings are about 50 cents a yard higher on the average than they were a year ago. Mills' unfilled orders for wool goods at present are estimated at about 50,000,000 yards, or the equivalent of 12 weeks' production. Mills continue to operate at an active rate and pay rolls continue large."

[From the Peoria (Ill.) Journal of Feb. 18, 1936]

RECORD CATTLE RECEIPTS HERE—IMPROVED CONDITIONS GIVEN AS CAUSE

All records for cattle receipts at the stockyards here were shattered yesterday when more than 800 head arrived on the market.

SETS 80-YEAR MARK

"The receipts of cattle here Monday were the largest in the 80-year history of the local stockyards," Mr. Booth said. "More than 800 head of cattle arrived, practically all by truck."

"The Peoria market is second to none in the Midwest. Prices paid are equal to those at any market in the Midwest, quality considered."

"More farmers in Illinois and Iowa are finding that prices paid here are on parity with those of any market; that the covered sheds with good running water and feeding troughs give the most modern handling facilities, insuring less loss by shrinkage and less expense otherwise in handling."

[From the New York World-Telegram of Feb. 20, 1936]

Headline: "Structural Orders for Steel Increase—Steel Corporation Units and Bethlehem Book Business."

[From the New York Herald Tribune of Feb. 21, 1936]

RADIO CORPORATION NET RISES IN 1935 TO \$5,126,873—INCREASE OF \$877,609 IN PROFIT OVER 1934 SHOWN; ALL DEBTENTURES REDEEMED

The annual report of the Radio Corporation of America, being mailed to stockholders today, shows net profit for 1935 of \$5,126,873. This compares with net profit of \$4,249,264 for 1934, an increase of \$877,609. Each quarter of 1935 showed a gain over the corresponding quarter of the previous year.

[From the New York Herald Tribune of Feb. 21, 1936]

THE RAILROADS AND BUSINESS

The class I railroads of the United States last year earned their largest net operating income since 1931. The figure, \$500,071,934, compares with \$465,688,586 in 1934, \$474,247,451 in 1933, and \$326,298,000 in 1932. The 1931 net operating income was \$525,628,000.

[From the New York Herald Tribune of Feb. 21, 1936]

SALES INCREASE OF 117 PERCENT REPORTED FOR HUDSON CARS—RISING DEMAND SHOWN IN NATION, SALES FORCE IS TOLD

Announcement of sales increase of 117 percent in the national territory and 86 percent in the local, for the new model period over a similar period last year, was made by C. C. Beeching, assistant sales manager, Hudson Motor Car Co., at a meeting of Hudson and Terraplane distributors in the New York zone at the Pennsylvania yesterday. F. D. Turrill, zone manager, presided.

Mr. Beeching represented the factory with M. M. Roberts, sales promotion manager, and G. F. Norfolk, of the engineering staff.

Forecasts of business gains were made by Mr. Beeching, who recently completed a Nation-wide survey. He predicted further sales increase for Hudson and Terraplane cars.

[From the New York Evening Post of Feb. 20, 1936]
CLEARINGS RISE 7½ PERCENT OVER 1935—ALSO SHOW \$1,300,000,000 GAIN OVER FIGURES OF WEEK BEFORE

Bank clearings in the third week in February showed a gain of 7½ percent over the corresponding period in 1935.

The total for the week ended yesterday was \$5,647,394,000, as compared with \$5,255,517,000 a year ago.

Clearings at New York City were \$3,654,583,000, or 5.8 percent above last year's, while the aggregate for centers outside of New York, of \$1,992,811,000, rose 10.7 percent above the \$1,800,058,000 reported in 1935.

[From the Peoria (Ill.) Star of Feb. 19, 1936]

PEORIA'S GREATEST INDUSTRY

Everyone hereabouts knows something in general about the Caterpillar Tractor Co., where the gigantic plant is located, etc., but very few probably have any real conception of the magnitude of this great industry and just what it means to the progressive city of Peoria.

B. C. Heacock, the president, has just issued the 1935 annual report recording some highly interesting statistical information. The corporation set a new peak in employment with more than 9,000 men on its pay roll today, and representing a 50-percent increase over the preceding year.

It paid out \$11,224,635 in wages during the year, and practically all of this gigantic sum was spent with Peoria merchants. In addition, the company spent \$1,750,000 locally, to say nothing of freight and taxes paid.

It has assumed world leadership in the manufacture of Diesel engines, total production of which is nearing the 12,000 mark. Figures show that during the year it made more Diesels than its two leading competitors combined.

The immense number of employees shows that a large percentage of the population is directly or indirectly supported by Peoria's giant industry. More than this, good wages, and comforts of workingmen have been instrumental in maintaining a happy family. The company visions still further expansions. It distributed \$2 per share to stockholders, retaining a third of income for greater business requirements looked for this year.

Every Peorian should be highly gratified at what Caterpillar has done and still is doing for Peoria, and it is indeed fortunate that the outlook is for an even greater business during 1936.

[From the Bismarck (N. Dak.) Tribune of Feb. 15, 1936]

AIDING RECOVERY

Answering the question, "How's business?", Merle Thorpe, editor of the Nation's Business, recently pointed out that the various charts and statistics merely represent the sum total of all the business transactions in the country during a given time or in a given field. Thus bank debits, for example, are important only as a means of measuring money paid and received, and they, in turn, mean merely the exercise of judgment by countless individuals in their daily transactions.

Everyone looks forward to 1936 as a good business year, yet that will be so only if the sum total of American activity is directed toward that end. There is no such thing as a general advance except as it may be the result of many individual advances.

In view of this fact it is interesting to note the estimate by the American Iron and Steel Institute that the steel industry will spend \$200,000,000 in modernization and plant improvements this year, and the further fact that when the money has been spent there will be no increase in the Nation's total capacity for steel manufacture. The difference will be that the product from the modernized mills will be better and the cost of operation will be less.

Thus, the steel makers are taking the lead in the development of heavy industry, the resuscitation of which has long been regarded as a prerequisite to normal business.

[From the Reno (Nev.) Journal of Feb. 16, 1936]

PROGRESSIVE ADVANCE IN FEBRUARY BUSINESS

Progressive retail-trade movements are marking business conditions in February following a slight recession in January. The most recent weekly review shows retail business up 6 to 11 percent over the comparative period a year ago.

This record has been made in the face of the severe cold wave and adverse weather conditions that have enveloped most of the country during the past 2 or 3 weeks, with only intermittent let-ups.

There is only encouragement to be seen in the situation, however, in spite of the G. O. P. political bogeymen.

RURAL ELECTRIFICATION

The Senate resumed the consideration of the bill (S. 3483) to provide for rural electrification, and for other purposes.

Mr. NORRIS. Mr. President, I think I shall not go into many matters I had intended to discuss unless there are some questions which shall lead me into such discussion. As a general proposition rural electrification in the United States is behind that of almost all other civilized countries in the world. For instance, New Zealand is a comparatively new country, and yet there the average use of electricity is high considering the almost complete lack of industrial load. That is an important thing for us to take into consideration. New Zealand is a country which has but a small

industrial load for electricity. The national average for each customer is about 2,000 kilowatt-hours per year.

In 1935 in New Zealand over 30,000 sheep-shearing machines were in use and 29,000 motors for various other agricultural purposes. Practically all the water power in that country and nearly all the power plants are publicly owned. Most of the generating plants are owned by the Dominion itself. The distribution systems are in the hands of power boards and municipalities.

There is no doubt that the widespread use of electricity in New Zealand has contributed considerably to the economic soundness of the country and to its quick recovery from the depression. New Zealand's agricultural population enjoys a high standard of living and is relieved to a great extent from the hard manual labor of former years. New Zealand has a density of population a great deal less than that of the State of New York, for instance, and yet the electrification of rural homes in New Zealand is far ahead of the electrification of farm homes in the State of New York.

The mainland of Australia, covering an area almost as large as the United States, but with a population only one-twentieth as large, is in a peculiarly unfavorable position to promote the electrification of farms. The average density of the population is two people per square mile. While there are considerable areas of sandy deserts, yet there are also great stretches of inhabited country where the people are too widely scattered to be reached by the distribution lines. There is, however, a keen interest in rural electrification. The commissions of Victoria and New South Wales are working actively in extending rural electrical service. Plans are being considered by the Government of New South Wales for the establishment of a system of interconnected transmission lines similar to that of England. The examples of Ontario, New Zealand, Tasmania, and the Australian states are of particular value because of their general resemblance to other English-speaking countries, including our own.

Japan, for instance, where the standard of living is very low, is almost universally supplied with electricity. In the case of Japan it is most always in the form of a grant from the government itself. I think in Japan two-thirds of the amount used is through a national grant.

As I said, I am not going to discuss the electrification of farm homes in the other countries of the world because I believe it is unnecessary. It is a fact, however, that all over the civilized world rural electrification is being taken up by practically every government. They vary very widely in the way they approach the subject. In some places the work is carried on entirely by grants, in some places partially so, and in some places there is no grant. In certain countries it is carried on mostly through privately owned companies and in others almost universally by the government. Switzerland, for instance, is practically 100 percent electrified from the railroads down. In that case it is all done by the government. In Ontario, Canada, where the density of population is not nearly equal to ours, the government grants a subsidy to farm lines.

It grants no subsidy to any municipality or to any other line, but, as I understand their law, the subsidy provides for the payment of one-half of the construction of the rural transmission lines.

It is fair on the subject generally of rural electrification to say that the United States is far behind other countries similarly situated. As I said yesterday, there is a general feeling among the rural population of the United States that some steps must be taken in order to electrify the farm homes.

Several questions were asked me yesterday about the organization of the Rural Electrification Administration. I have some figures on the subject which I think may be of interest and may answer some of the questions asked yesterday.

The Rural Electrification Administration is composed of many engineers and many attorneys. Most of the employees, aside from the ordinary bookkeepers, and so forth, are experts in their lines. There is only one official who receives

a salary equal to \$10,000 a year, and that is the Administrator himself. There is one attorney who gets a salary of \$8,000 a year, one engineer who gets a salary of \$6,800 a year, another attorney who gets a salary of \$6,500 a year, and four other engineers each drawing a salary of \$6,000 a year. There are three other attorneys who are drawing salaries of \$6,000 a year.

Mr. HASTINGS. Mr. President—

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Nebraska yield to the Senator from Delaware?

Mr. NORRIS. I do.

Mr. HASTINGS. Will the Senator tell me from what he is reading? I was not here when he began his remarks.

Mr. NORRIS. I am reading from a report made to me by the Administrator.

Mr. HASTINGS. Of this organization?

Mr. NORRIS. Of the Rural Electrification Administration. This organization has a system which, so far as I can see, comes very near being perfect in the way of selecting its employees. While they have not been under civil service, no employees have been selected until they have demonstrated their capacity to perform the duties they are going to be called upon to perform.

I have here, if Senators would care to read it, a complete story of the steps which are necessary to be taken in order to secure employment with this organization. There is a manual of instructions on the subject, and there is not anything in it anywhere that I can find but that is of the most efficient kind that can possibly be devised. From my experience with governmental agencies, I have never come in contact with any that has surpassed, so far as I have been able to investigate, the methods this organization uses to get employees.

I should like to call the attention of the Senate to the fact that these engineers, for instance—and they are required to be engineers—must first be men who have a sympathy for the work they are called upon to do. In other words, they are sent out over the country to look over proposed rural organizations. Unless something happens in the investigation to lead to suspicion, or something of the kind, their investigation and their report will be relied upon at headquarters in deciding whether or not a particular loan should be made; and anyone occupying that kind of a position, and who had examined a project, could, if he wished to do so, do great damage through approving loans that should not be approved, and disapproving and disallowing those that ought to be approved.

Some questions have been asked me about the rates and the system that has been used in putting in these projects. I thought I had here a schedule of the rates. I do not put my hand on it right now; but I can state from my own recollection, from reading them, that the rates for the first 100 kilowatt-hours run all the way from \$3.50 to a maximum of \$6.50, I think. The \$3.50 rate is for the first 100 kilowatt-hours. After that, of course, the rate goes down. That is the maximum rate at that place.

Mr. HASTINGS. The Senator is now talking about the present organization?

Mr. NORRIS. The present organization. Those rates are in force in the Tennessee Valley, where cheap electricity can be bought from the T. V. A. Those rates include amortization, interest, maintenance, upkeep, and all the expenses that any well-regulated corporation or institution would take into consideration. This organization does more than the things ordinarily done by private companies when they are fixing rates. The rates include an amortization fee that will pay off the entire principal in time. When that happens, of course, the rates will only be sufficient to amortize the transmission lines, for instance, and to pay for keeping up the entire system in first-class order.

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

The PRESIDING OFFICER. Does the Senator from Nebraska further yield to the Senator from Delaware?

Mr. NORRIS. I do.

Mr. HASTINGS. Has the Senator any report as to the rates outside of the Tennessee Valley where this organization has operated?

Mr. NORRIS. Yes.

Mr. HASTINGS. Are those rates greater or less?

Mr. NORRIS. They are greater. As I understand, the maximum rate that any organization has ever been charged, or has charged itself, as they do, has been \$6.50 for the first 100 kilowatt-hours. That is the top rate.

Mr. HASTINGS. What power interest furnishes that electricity? Is it a private interest?

Mr. NORRIS. It is both private and public. The plan of the Rural Electrification Administration is to form an organization of farmers sufficient in number so that it will be a self-liquidating proposition, and, if possible, to buy their electricity at wholesale, either from a publicly owned plant in the vicinity or from a privately owned plant in the vicinity.

Mr. HASTINGS. Has the Senator any illustrations showing the practicability of that sort of thing under the present act and under the present administration?

Mr. NORRIS. No; I have not in mind any concrete case. I happen to know, in my own State, some such projects that are now in process of organization; but most of them are getting their power from privately owned generating plants.

Mr. HASTINGS. Does this bill prevent them from doing that?

Mr. NORRIS. Oh, no! As a matter of fact, the private power companies are standing in their own light when the fight legislation of this kind.

Mr. HASTINGS. My question was not asked from that standpoint.

Mr. NORRIS. Oh, no; but the private power companies are opposed to this kind of legislation. They are the only ones I know of that are opposed to it.

Mr. HASTINGS. I am really seeking information.

Mr. NORRIS. I understand that. The Senator's question is perfectly proper. I am not finding fault with it in any way; but, as a matter of fact, when most persons think of a rural rate, they think first of the density of population. The density of population is not a controlling feature. There may be an organization of farmers where the population is dense, and yet it would not be possible to organize a self-liquidating corporation there, because none of them would take enough electricity to make the consumption sufficient to provide for a self-liquidating corporation; and the Rural Electrification Administration never loan any money until they are satisfied that a proposition is self-liquidating. Whether or not money shall be loaned to an organization of this kind depends upon what kind of customers there are, and how much electricity they are going to take. One farm that has all kinds of equipment in the house and all kinds of equipment in the barn, such as motors to fill the silo, to cut the feed, to pump the water, to separate the cream, and a refrigerator and an electric range in the house, is a great deal better customer than one that takes only light. If none of them took anything but light, it is very doubtful whether we could ever make this plan work. So a few customers taking a great deal of electricity are worth much more than many customers taking only a little electricity each.

Mr. HASTINGS. Mr. President, I do not wish to interrupt the Senator, but I should like to ask him another question.

Mr. NORRIS. The Senator does not interrupt me. I am glad to give information if I have it.

Mr. HASTINGS. In the latter part of section 4, the bill provides:

That all such loans shall be self-liquidating within a period of not to exceed 40 years, and shall bear interest at a rate not to exceed 3 percent per annum.

Does the bill permit the Administrator to loan for a period of 40 years if he is satisfied, for instance, that the material will not last 40 years?

Mr. NORRIS. The material will not last 40 years. The life of the ordinary poles that are used in the transmission lines will be from 20 to 25 years.

Mr. HASTINGS. That is what I have in mind.

Mr. NORRIS. And they will be paid for. The amortization will provide for the upkeep and the payment and the rebuilding of the line entirely within the life of the poles, for instance, notwithstanding the loan may be for a longer or a shorter period.

Mr. HASTINGS. That is, if a loan were made for 40 years, the Senator's idea is that during the 40 years the owners would continue to replace the material that had deteriorated?

Mr. NORRIS. Oh, yes.

Mr. HASTINGS. And at the end of 40 years the line would still be as good as ever?

Mr. NORRIS. It would be as good as it was when it started. That is the idea.

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

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. KING. My experience in the use of electrical appliances, light appliances, and so forth, is that in about 15 to 20 years they become obsolete or obsolescent and have to be replaced. I was wondering how the Government could protect itself with reference to loans made for wiring and for fixtures such as are provided here—plumbing fixtures—if it should give 40 years' time in which to repay the loans, when many of the appliances would cease to be valuable long before that time would elapse.

Mr. NORRIS. The 40-year provision does not apply to a loan on an electric appliance. It applies on the construction of the line. Two kinds of loans may be made. One is for constructing transmission lines, and the other is for purchasing electric appliances and for wiring houses.

Mr. KING. How long may the loan be extended in the latter case?

Mr. NORRIS. I do not know that the bill states, but the theory is that a loan for an appliance will not extend for more than 5 or 6 years.

Mr. KING. I read the bill, though perhaps not as carefully as I should have done, and I saw no distinction between loans for construction and loans for appliances.

Mr. NORRIS. Oh, yes; they are provided for in different sections of the bill.

Mr. KING. I noted that 40 years was the only limitation on loans.

Mr. NORRIS. There is no fixed limitation in the bill for loans on appliances.

This reminds me to say to the Senator that the lending of money for the wiring of houses and the purchase of electrical appliances is nearly as necessary as the lending of money for the construction of lines. The construction of the lines, enabling electricity to reach a community, will be of no value whatever unless those who are to use electric lines have electrical appliances suitable for the consumption of electricity. It will be years, probably it will be 10 years, before all of the homes which start to take electricity will reach the point where they will have all of the electrical appliances which can ordinarily be used in the consumption of electricity, and that means that the load will grow greater all the time.

In Great Britain, where there has not been much of rural electrification, where in 1926, I think it was, they passed a new law and tried to unite the public generating plants and the private generating plants, and succeeded, I think, to a remarkable degree, they are now experimenting with lending money for house wires and for electrical appliances. For instance, where a man does not have sufficient money to pay for an electric range, they will lend a range to him. They are trying various experiments. Some of them are lending ranges for nothing in order to increase the consumption of current by customers through the use of ranges. They are lending money to wire houses for as long as 15 years. We do not expect to go that far here, and over there, when they get through with the experiment, they may not go that far. But they are working on it, experimenting with it.

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

Mr. NORRIS. I yield.

Mr. STEIWER. I notice in the committee amendment, among other things referred to, is "acquisition and installation of * * * plumbing appliances."

Mr. NORRIS. Yes.

Mr. STEIWER. Will the Senator explain the reason the committee had for including plumbing appliances in the bill?

Mr. NORRIS. We considered plumbing appliances, for instance, bathtubs—and I think it is the general practice everywhere—practically the same as electrical appliances. For putting in water pipes, and all that sort of thing, the R. E. A. can lend money.

Apparently some Senators did not hear what I said yesterday, and I should like to repeat that, in my judgment, considering these loans generally, they are the best loans in the world. The householder, the dweller in the city and the dweller on the farm, when he once enjoys the blessings and the comforts and sometimes the profits which come from the use of electricity, will give up anything else before he will give up his electricity. We all realize that electricity in the modern home is a necessity, as much as water is a necessity, and whether a man is in the city or in the country, if he has lived without the use of electricity and once has electricity installed, no one is happier or better satisfied than is that individual.

Mr. STEIWER. Mr. President, will the Senator yield further?

Mr. NORRIS. I yield.

Mr. STEIWER. I was merely about to suggest that in the consideration of the National Housing Administration Act the Committee on Banking and Currency and the sub-committee gave considerable attention to the acquisition of certain property in the improvement of homes, including the acquisition of the plumbing facilities. Rather extended hearings were held on the subject, and I think the testimony then taken rather supports the view of the Senator from Nebraska that a loan to a home owner for the acquisition of plumbing facilities and other improvements, even though not otherwise secured, is a loan which may reasonably be expected to be paid. Still, I do not see why plumbing appliances are included in a bill for the electrification of rural homes.

Mr. NORRIS. Of course, we could omit them, but I think it would be a serious omission, because they go with the electrical appliances. For instance, a bathtub in a house is a plumbing fixture. Very likely a farmer would not install one unless he had electricity, and if he installed electricity, that would be one of the things it would lead to. It may not be one of the first things, but eventually, as time went on, bathtubs would follow the installation of electricity in a home. It would be almost inevitable.

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

Mr. NORRIS. I yield.

Mr. HASTINGS. I think another great advantage to the farmer is that the fire hazard is lessened when he has electricity, particularly when he can use electricity in his barn instead of lanterns, and similar devices.

Mr. NORRIS. Yes; that is true.

Mr. HASTINGS. I do not know whether this is the proper time to inquire, but assuming that the purpose of the bill is a good one, I should like to know whether the results of the effort we have heretofore made, from reports of which the Senator has been reading, indicate that we can use any such huge sum of money as is provided for in the bill. My recollection is that the bill provides a hundred million dollars a year for 10 years.

Mr. NORRIS. Yes.

Mr. HASTINGS. Has the Senator any evidence to show that if such an amount of money is provided for by the Congress that sum, or anything approaching that sum, could be used in this country? I suggest that if he knows he state the amount which has been expended by the present Administrator, and how long that authority has been in effect.

Mr. NORRIS. Mr. President, the Authority has really been putting in these projects for less than a year, and, of

course, they had to start with nothing. I have here somewhere a statement of the total amount expended and the total number of projects.

Mr. HASTINGS. Before the Senator begins his reply, may I inquire whether there was before the committee which considered this bill any evidence by the Administrator, showing that there was a possibility of using any such sum?

Mr. NORRIS. No. I said yesterday, and I do not think the Senator was here when I made the statement—

Mr. HASTINGS. No; I was not.

Mr. NORRIS. I stated yesterday that there are some things about the bill which are tentative, and about which I have no direct evidence. The figures to some extent are arbitrary. Last night, after questions had been asked here in the Senate, I had a conference with the general attorney for the administration, and I propounded to him this question: "What about the amount? What is your opinion, from your experience?" He said frankly that he did not think they would or could practically use a hundred million dollars in the coming year. In the years that would follow he thought they would, although that is only an opinion. My idea is—and it, too, is only an opinion—that when electricity is once installed in farmers' homes there will be a greater demand than anyone can possibly estimate now, and perhaps more money can properly be used than we are really thinking about, although a hundred million dollars, the amount I put in the bill, is, of course, an arbitrary sum. There seems to be so many questions about it from Senators who are deeply interested, and who are friendly, but who do not want to make a mistake, and who want to think more about it, that I had thought of suggesting to the Senate today that I have no disposition to crowd the legislation.

I have given the Senate my opinion about the amount. I may be entirely wrong, and it is not unreasonable that Senators should desire to give further thought to the question and make some investigation of it. If Senators feel that way, I shall not object, for instance, if the bill does not lose its place, to have the consideration of it go over and not try to get a vote on it today, in order that Senators may give more thought to the question which the Senator from Delaware has asked me. Many Senators have asked me the same question, and I have told them, and told the Senator from Delaware, all I know about it; that the figure is an arbitrary one, and it may be too large.

Mr. HASTINGS. Mr. President, it seems to me, if I may be permitted to interrupt the Senator again, that we ought to be guided somewhat by what has been done during the past year by the present Administrator. That ought to be some guide to us. We might increase the amount over what he has expended this year upon the assumption that he will spend more next year.

Mr. NORRIS. Oh, he will spend more next year.

Mr. HASTINGS. I suggest, however, that there probably would be a very great difference between what he has expended and what the Senator has written in his bill.

Mr. NORRIS. Yes; there would be.

Mr. HASTINGS. And it seems to me that the Congress, being in session once a year, could meet the extra demands as they might arise.

Mr. NORRIS. I think so. I am not complaining about that, and I was about to read the figures showing how much they had used, when the Senator interrupted me.

Mr. HASTINGS. I am sorry I interrupted.

Mr. NORRIS. I wish to explain, to begin with, that the figures I give hardly present a fair test, because when the work was begun there was no organization. After the organization was perfected, which took 2 or 3 months, it had to deal with an entirely new subject, and there were a great many people in the country who had not thought about it, and some farm leaders had not given it any thought. Most of them had, however. Most of them have been considering it in their associations for several years. Out of that consideration has come a wonderful demand from those associations. I could fill the RECORD with favorable resolutions and letters coming from various kinds of organizations, not all of them farmer organizations. I have a letter

before me from the president of the Federal Farm Bureau, in which he says he is very enthusiastic about the plan. I have not found any unfavorable comment from farm organizations. The feeling is unanimous, so far as I know.

The organization which is now operating, of course, started from nothing. It would hardly be fair to say that the amount of money it spent in the first 6 months should be a good criterion of what they should spend 3 years from now. But I have those figures and they will give us some basis to go on. I desire the Senate to consider them.

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

Mr. NORRIS. I yield.

Mr. KING. I was interested in the statement just made by the Senator that he believed there would be a great impetus given to this movement for rural electrification by the passage of the pending bill. Is the Senator aware of the fact, and I assume it to be a fact because I saw it stated in one of the daily newspapers of a few days ago which was sent to me this morning by Mr. Cook, that there are today in the United States lines carrying electricity to rural areas, and that only one out of every four of the farmers contiguous to those lines was using electricity and had electrified his home?

Mr. NORRIS. I do not know anything about those figures, but I do know something about that subject, and I can tell the Senator, I think, without any difficulty just why that is. During the last 4 or 5 years I have had my attention called to a large number of farm organizations which tried to get electricity into the homes of their members, and I will tell the Senate what they had to do before we began to help them. The private companies are not now so severe in their requirements as they were formerly. The farm organization had to pay the company enough to build a line. Members of a farm organization perhaps would have to pay \$100 apiece or \$200 apiece—donate it in fact—to build the line. They paid enough money to build the line, and after they had paid for it the company owned it. That was the reason why there was not so much use for electricity. The rates charged were outrageous, so that a farmer could afford to buy but a very small amount. That is the reason why the electrification of farm homes by private utilities in the past 10 years has been practically a failure. Only the rich farmers could buy electricity. Only in densely populated localities could electricity be used or by rich farmers, to whom the expenditure of ten or fifteen dollars a month meant nothing.

Mr. LOGAN. Mr. President—

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield.

Mr. LOGAN. I fully agree with the statement which the Senator has just made as to the reasons why there has not been electrification in many of the rural communities. But, referring to the amount which is authorized to be appropriated by the bill, I should like to ask the Senator what difference would it make if the bill should authorize the appropriation of more than can be used? It would make a great difference if we should authorize a sum less than could be used for the benefit of the people. But if it should be more than could be used, would anyone be hurt? So what difference does it make so long as we authorize a sufficient amount of money?

Mr. NORRIS. The Senator, with his usual acuteness, I think, has struck the nail on the head. I said in substance something like that yesterday, only I did not say it so well as the Senator from Kentucky has.

The fact that in this bill we authorize \$100,000,000 a year does not mean that we are going to appropriate \$100,000,000 a year. Personally, with the knowledge I now have, if we had an appropriation bill before us, and assuming the pending bill had become a law, I would not object, so far as my knowledge goes, if the appropriation were fixed at \$50,000,000 for the next year. However, that is an entirely different thing from the authorization. As the Senator says, it would be a sad thing if we did not authorize enough.

One objection on a point of order would knock out any amendment to increase it beyond the authorization.

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

Mr. NORRIS. I yield.

Mr. HASTINGS. I do not agree with the Senator from Kentucky that it does not make any difference. Of course, from the standpoint of the Treasury Department, it does not actually make a difference, but from the standpoint of what the people think about the extravagance of Congress it does make a great deal of difference. It seems to me it will make a very bad impression upon the country if we shall pass this bill which carries with it a billion dollars which the Congress says it is going to expend. I think it would be very much more effective and would have a considerable weight with the country if we should limit that amount to what may actually be needed. I think, while it may be true that we do not need to spend it after we provide for it, authorizing so great an amount of money would have a very serious effect upon the people of the country who are now very much disturbed about the vast sums we are spending.

Mr. NORRIS. Mr. President, I agree entirely with the Senator from Kentucky [Mr. LOGAN]. I do not agree with the Senator from Delaware [Mr. HASTINGS], although I do admit that there are many Senators who do agree with the Senator from Delaware in his statement, and they are afraid of this authorization because of what the possible appropriation might be. And those who are crazy about the Budget and the balancing of the Budget object to the authorization, of course.

Mr. President, I am not afraid of this venture. I cannot say that of every venture which might come along, but I think this is one of the safest ventures we were ever asked to embark upon. It is something which is going to bring peace and happiness and comfort to a class of people now discouraged, now down and out. We ought to do something if we can to make them better satisfied, and I think this measure will have that effect. I think Senators will find, if we pass this bill, that it is going to be one of acts of Congress which will receive the approval of the people of the United States more nearly unanimously than any act we have passed during the last 10 years.

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

Mr. NORRIS. I yield.

Mr. HASTINGS. I suggest to the Senator that that is not quite in reply to my suggestion.

Mr. NORRIS. No. I did not intend it that way. I did not intend it as a reply.

I started to read certain figures when I was interrupted sometime ago. I have the rates here. On a project in the Tennessee Valley the charge for the first 100 kilowatt-hours is \$3.50. I explained why that was the lowest. It is because the farmers in that community get rates from the T. V. A. At another project the rates run from \$4.80 to \$5.25, with a maximum of \$6.60. I stated from memory awhile ago it was \$6.50, but it is \$6.60. That project is a small one, only 40 miles in length, where the wholesale costs are high and the construction costs are expensive. That accounts for the \$6.60. That is the maximum that they have permitted anybody to charge so far.

Mr. HASTINGS. That \$6.60, as I understand it, is to provide for amortization and everything else?

Mr. NORRIS. That is my understanding. To provide for everything.

Mr. HASTINGS. When the farmer pays his \$6.60 he is paying for the property and the service too?

Mr. NORRIS. He is paying for the property; he is paying for the interest on the debt, amortizing the debt, putting aside a fund that will keep the transmission lines in perfect order, and rebuild it when the time comes when it will be completely deteriorated. The rate I just gave is the rate for the first 100 kilowatt-hours. The rates vary. Such a rate for the first 100 kilowatt-hours, in view of our experience in the use of electricity during the last 10 years, is cheap. It is more than cheap in this instance, because the debt is

being paid off and a foundation is being laid that will ultimately make it much cheaper.

I desire to refer to the money the R. E. A. have used, but first let me refer to a memorandum of Mr. Cooke about what they do in passing on these projects.

R. E. A. can make loans for generating plants.

I asked him specifically about that, because I knew, from the way they were operating, it was very seldom that there was a generating plant involved, and I anticipated that some Senator would ask questions about generating plants. As I stated yesterday, it would not be practicable to construct a farm line somewhere and build a generating plant for it; that would cost too much. A generating plant, to be efficient, would have to be sufficiently large to supply a number of farm lines. That is the point he is answering here.

R. E. A. can make loans for generating plants, but we must be shown conclusively:

- (1) That energy is not available from any existing source.
- (2) That the proposed generating plant can produce energy at a lower cost than it could be obtained from any other source.
- (3) That the output of such plant will be used mainly for supplying energy for use in rural areas.

I have no case in mind, but I anticipate it will sometimes happen that a small town in a rather densely, well-developed agricultural community will have a generating plant which can produce energy in excess of that used by the municipality. In such a case the electricity could be obtained at wholesale rates very cheaply. The R. E. A. will not make a loan unless the generating plant privately owned or municipally owned—it does not make any difference—will agree to supply the electricity at what the R. E. A. knows it can be supplied for, and leave a little profit, though no large profit. On the other hand, in the case of a community having a municipally owned plant, if they have an excess of energy very seldom would they charge an exorbitant rate. They would be getting paid for something they would otherwise lose, and they could afford to sell it at even less than cost and make money because it would all be clear gain.

There might be a case where a small city or village had a generating plant which lacked capacity for its own use and the municipality contemplated putting in an additional unit. If the farmers in the community could be associated in four or five organizations around that town, the municipality would put in additional units mainly for supplying such farm lines, but in addition so to give the town a stand-by position in their own generating plant. In that kind of a case the R. E. A. could loan money to the municipality. It would be a perfectly proper case; one hand would wash the other; it would give the municipality an opportunity to sell its excess electricity. In almost every instance questions come up that do not apply to any other case; the circumstances are entirely different, and the engineers of the R. E. A. have to meet such propositions. They are there to see that the R. E. A. will loan no money unless, as they say, the electricity can be obtained at a price which they know they can afford; otherwise the R. E. A. does not go in, and no money is loaned.

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

Mr. NORRIS. Yes.

Mr. HASTINGS. Suppose a cooperative association in some county or in two counties or in three counties is formed—I should suppose it would have to be incorporated, though perhaps not—

Mr. NORRIS. It would depend on the laws of the State, I should think, whether it was necessary to incorporate or not.

Mr. HASTINGS. Is it the theory that the cooperative association shall elect its own officers, send the bills to the farmer for electricity, charging him so much, and, after having collected this money from its customers, will pay the generating plant the price agreed upon?

Mr. NORRIS. In general, that states the ordinary situation that would prevail, but I can easily see that this might happen: A small municipality of a few thousand people selling the electricity they have developed which is in excess of their own needs to a farmer line, have their clerks and

bookkeepers to keep accounts between the generating system and their customers. The farmers could better afford, and probably would thereby save money, to make use of the clerks who are already employed, but not fully employed, to take care of the customers and the billing and the receiving for money that comes in from the farmer lines. There will, however, always be some means by which the farmers who own the line will collect the money due from their own organization and pay it to the municipality and pay it to the Government and cancel their debt.

I beg pardon of the Senator from Arkansas [Mr. ROBINSON]. I asked him to remain in the Chamber when he was about to leave, and I forgot to complete what I was about to say to him. I had been saying, I will say to the Senator from Arkansas, that many Senators have been asking me mostly about the amount of the authorization in this bill, and I have stated that, of course, the amount put in is more or less arbitrary. I have no disposition to hurry this proposed legislation, but I would not under any consideration enter into any understanding or agreement, if I could keep out of it, by which the bill should lose its place or anything of that kind. I want the bill voted on, but I have no disposition to hurry it unduly. Many Senators have said they would like more time to consider it. I have no disposition to crowd it to a vote today. I understand the Senator from Utah [Mr. KING] wants to make some remarks today.

Mr. KING. Not necessarily today.

Mr. NORRIS. I should like to go on so far as we can, but not to try to complete the bill today. I am not quite sure about it myself.

Mr. ROBINSON. Mr. President, will the Senator yield to me at that point?

Mr. NORRIS. I yield to the Senator from Arkansas.

Mr. ROBINSON. Mr. President, I am convinced that the bill cannot be hastily disposed of and that more consideration should be given to some of its provisions, particularly those which have relation to the authorization.

Yesterday I asked the Senator some questions about the amount of the authorization, the sum being \$100,000,000 a year for 10 years. The limited study I have made convinces me that that amount may be very materially reduced, and I should like to have an opportunity of considering the preparation of some amendments. I have already, I think, personally explained to the Senator from Nebraska that I have arranged to be out of the city over the week end, leaving here tonight.

I should like, after the debate today has been concluded—and I am making the statement now in order that the Senator from Nebraska may consider it—to enter into an arrangement by which the further consideration of the bill may be postponed until a day next week and to defer the date sufficiently to enable me, upon my return, to confer with the Senator from Nebraska and other Senators regarding some of the amendments that may be suggested and also to confer with others who are interested in the proposed legislation.

Mr. NORRIS. I will not object to that kind of an arrangement, I will say to the Senator.

Mr. ROBINSON. I thank the Senator.

Mr. NORRIS. I want it understood, however, that there will be no attempt—of course, I do not suppose there will be any such attempt by anyone—to take any action that would displace the bill.

Mr. ROBINSON. My thought would be just to postpone further consideration of the bill until a certain day, with the understanding that on that day we would proceed with its consideration.

Mr. NORRIS. Would it suit the Senator if we postponed it until next Tuesday?

Mr. ROBINSON. I would rather have a little more time. I should say Wednesday or Thursday, preferably Thursday, if that would not inconvenience the Senator from Nebraska.

Mr. NORRIS. Let us have this understanding: At the close of the debate today let us postpone the consideration of the bill until next Wednesday.

Mr. ROBINSON. Very well.

Mr. NORRIS. I assure the Senator that I have no disposition to hurry the measure. I am perfectly willing Senators should have all the time they wish, because I do not want to take snap judgment, even though I could, and I am satisfied further consideration of the bill may result in perhaps some amendments that may improve it.

Mr. ROBINSON. I think I ought to state in this connection that I know the President, who has an interest in the subject matter of this proposed legislation, is anxious to limit the authorization, insofar as that can be done, to such amount as will be necessary, in the opinion of those who are familiar with the matter, to accomplish the purposes in mind. I think there is a probability that some amendments may be agreed upon by reason of the conferences that are to be anticipated when the bill goes over. My understanding is that the Senator desires to proceed with the debate today?

Mr. NORRIS. Yes.

Mr. ROBINSON. And at its conclusion he will either ask for a postponement of the consideration of the bill or agree that I shall do so.

Mr. NORRIS. Very well. With that understanding, let us proceed.

Mr. ROBINSON. Very well.

Mr. NORRIS. Let me finish the reference which was made a while ago to what the present organization has been doing. Up to date line-agreement contracts have been signed on 24 projects located in 16 different States. In addition, allotments have been made on 11 different projects. The total funds disbursed or earmarked for these specific projects in 20 States amount to \$7,514,012. More than 22,500 rural customers will be served with electricity for the first time over the 6,000 miles of new lines which will be built with this money.

In addition to the amounts disbursed or earmarked, there are now in the Budget Bureau requests for additional amounts totaling \$1,634,500. Mr. Cooke says that he has on his desk, to send to the Budget Bureau, projects totaling \$387,200, which makes a grand total of \$9,562,712. That is as far as I have information as to what has been done by the present organization, which, I think, has accomplished that much in about 7 months' time, omitting the time it took them to organize.

Mr. President, if the Senator from Utah [Mr. KING] or any other Senator desires to discuss the matter now, I believe I shall have nothing further to say at this time. If there is no further debate, I should like to take up some more or less formal amendments and dispose of them. I do not think there is any disagreement about any amendment thus far.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Oregon?

Mr. NORRIS. I yield.

Mr. McNARY. Does the Senator desire to perfect the bill or wait until next week to do that?

Mr. NORRIS. I desire the formal amendments adopted, some of which have been submitted to the Senator from Oregon. I should like to have them disposed of, unless there are some Senators who wish to debate them.

Mr. ROBINSON. Mr. President, my understanding of the statement made by the Senator from Nebraska is that he desires to dispose of sundry more or less formal amendments now?

Mr. NORRIS. That is correct.

Mr. ROBINSON. And not to deal just now with the material amendments?

Mr. NORRIS. That is correct. I do not know of any such amendments pending. If, however, any amendment should be agreed to today and later any Senator should want to reconsider it, I should not object to reconsidering it.

Mr. McNARY. I called to the attention of the Senator from Nebraska yesterday the removal from the bill of the provision relating to the civil-service laws. The Senator from Nebraska in answer to my criticism stated frankly that he would ask that that language be eliminated. I do not know whether or not he calls that a major amendment.

Mr. NORRIS. Oh, no; I do not think so. I think the other amendment we have agreed on will satisfy everybody that the action to be taken regarding that subject will be perfectly proper. I cannot conceive of anyone objecting.

Mr. McNARY. I think if we are going to take up that amendment, we should have a quorum call, because two or three Members of the Senate have talked to me about it, principally the Senator from Michigan [Mr. COUZENS] and the Senator from Wisconsin [Mr. LA FOLLETTE]. I do not know whether they will want the qualified amendment the Senator is going to propose or whether the language should be left in its present form as suggested yesterday. If the Senator seeks at this moment to take up that amendment for consideration, I should like to have a quorum call.

Mr. NORRIS. The Senator has no objection to taking up the other committee amendments now?

Mr. McNARY. No.

Mr. NORRIS. Would the Senator from Utah [Mr. KING] prefer to address the Senate before we take up these amendments?

Mr. KING. Mr. President, I would prefer to postpone until next week any remarks I have to make upon the bill.

Mr. NORRIS. Then I ask that the bill be read for amendment and that committee amendments be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The clerk will state the first committee amendment.

The first amendment of the Committee on Agriculture and Forestry was, in section 1, on page 1, line 8, before the word "years", to strike out the word "nine" and insert the word "ten", so as to make the section read:

That there is hereby created and established an agency of the United States to be known as the Rural Electrification Administration, all of the powers of which shall be exercised by an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 10 years, and who shall receive a salary of \$10,000 per year. This act may be cited as the "Rural Electrification Act of 1936."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment was, in section 2, on page 2, line 3, before the words "to make", to insert the words "in cooperation with the Federal Power Commission", so as to make the clause read:

In cooperation with the Federal Power Commission to make, or cause to be made, studies, investigations, and reports concerning the condition and progress of the electrification of rural areas in the several States and Territories.

Mr. KING. Mr. President, I should like an explanation of the amendment. With the understanding of the functions of the Federal Power Commission that I have, it seems to me this is an attempt to yoke together two unequal factors, if I may use that expression.

Mr. NORRIS. I think I can make an explanation that will satisfy the Senator. That language was not in the bill originally. The bill was submitted to the Federal Power Commission and, while their reply was favorable, they felt it their duty to call attention to the fact that they are required under the law to do some of the things which this bill proposes to have the R. E. A. do also; for instance:

To make or cause to be made studies, investigations, and reports concerning the condition and progress of the electrification of rural areas in the several States and Territories and to publish information with respect thereto.

That is one of the duties which is also by law put upon the Federal Power Commission. The committee adopted that amendment so as not to have any conflict and to economize and save money by not having the two organizations working against each other when they might be working together.

Mr. KING. Did the Senator read from the Federal Power Act?

Mr. NORRIS. No; I was reading from the bill now before the Senate.

Mr. KING. My recollection of the Federal Power Act—and it is rather imperfect because I have not read it for 2 years—is that it restricts the functions of the Federal Power

Commission to the ascertainment of power to be developed in the United States in areas over which the United States has jurisdiction under the interstate-commerce clause of the Constitution. I do not understand it is their function to inquire into rural electrification or the benefits to be derived therefrom or how rural electrification may be effectuated in any of the States. It seems to me this provision would attribute to the Federal Power Commission authority it does not now possess.

Mr. NORRIS. That is not the intention at all. The Federal Power Commission called attention of the committee to the fact that they have jurisdiction to do some of the things we had proposed to ask the R. E. A. to do. They were not objecting to the bill on that account, but they thought it their duty to call attention to the fact that there are two governmental organizations which, to some extent, would be required to do the same thing. We thought it would relieve the situation entirely if we amended the section by including the words "in cooperation with the Federal Power Commission."

Mr. KING. I should prefer to have the words "in cooperation with the Federal Power Commission" stricken out, or to have inserted a proviso that "nothing in this section shall be so construed as to impinge upon or interfere with any of the authority conferred upon the Federal Power Commission."

Mr. NORRIS. I would not like that language, because that might preclude this organization from doing what they would have to do in order to make a success of the undertaking. The Federal Power Commission do not feel that they are being impinged upon or counted out or interfered with. They did not even object to the bill on that ground, but felt it their duty to call attention to the facts, as I have stated.

Mr. KING. I am afraid I have not made myself clear. The point is that this would imply that there should be cooperation between the two organizations in connection with the making of studies, investigations, and reports concerning the progress of the electrification of rural areas in the several States and Territories. That is not, as I understand, a function of the Federal Power Commission. I have no objection to the Federal Power Commission proceeding under the authority which they now possess, but I should object to any measure which would seem to imply that the Federal Power Commission shall have such power as is inferred in the amendment now under discussion.

Mr. NORRIS. The Senator is afraid this language might give to the Federal Power Commission some authority which it does not now possess?

Mr. KING. Exactly.

Mr. NORRIS. I am satisfied that is not correct; but suppose we let that amendment go over and the Senator may look up the law and read the letter of the Federal Power Commission, which I shall be glad to supply to him.

Mr. KING. I have no objection.

The PRESIDING OFFICER. Without objection, the amendment will be passed over. The clerk will state the next amendment of the committee.

The next amendment was, in section 3, page 2, line 7, after the word "publish", to insert "and disseminate", so as to read: and to publish and disseminate information with respect thereto.

The amendment was agreed to.

The next amendment was, in section 3, page 2, line 16, after the word "which", to strike out "their rural population" and insert "the number of their farms"; and in line 19, after the word "total", to strike out "rural population" and insert "number of farms", so as to read:

Sec. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1937, and for each of the 9 years thereafter, the sum of \$100,000,000 for the purpose of making the loans as hereinafter provided. Out of each of such annual appropriations there shall be allotted yearly by the Administrator the sum of \$70,000,000 for loans in the several States in the proportion which the number of their farms not then receiving central station electric light and power service bears to the total number of farms of the United States not then receiving such service, etc.

The amendment was agreed to.

The next amendment was, on page 2, line 20, after the word "shall", to strike out "as soon as possible in" and insert "within 90 days after the beginning of", and in line 23, after the word "the", to strike out "rural population" and insert "number of farms", so as to read:

The Administrator shall, within 90 days after the beginning of each fiscal year, determine for each State and for the United States the number of farms not then receiving such service. Out of each of such annual appropriations there shall be available the sum of \$30,000,000 for loans in the several States and in the Territories, without apportionment as hereinabove provided, in such amounts for each State and Territory as, in the opinion of the Administrator, may be effectively employed for the purposes of this act: *Provided, however,* That not more than 10 percent of said sum of \$30,000,000 may be employed in any one State or in all of the Territories.

The amendment was agreed to.

The next amendment was, on page 3, line 8, after the word "Territories", to insert:

The appropriation for any fiscal year shall be available after the end of such fiscal year for the disbursement of funds on loans, commitments, or agreements to make loans consummated within each fiscal year.

Mr. KING. Mr. President, I should like to inquire of the Senator from Nebraska whether he regards this amendment as necessary, in view of the fact that when the appropriation is made in the annual appropriation bill, such limitations or provisions may be included as may be deemed necessary to carry into effect the purposes of the bill. I was wondering if this language might not somewhat conflict with the provisions that may be found in appropriation bills carrying the annual appropriations.

I suggest that matter to the Senator for his thought. I have no particular objection to the amendment, except that it might be regarded as somewhat of a restraint or restriction upon the Appropriations Committee.

Mr. NORRIS. I think the amendment shows on its face what it is intended to apply to. If a contract should be made and not paid for until another year, it was intended to protect that kind of a contract.

Mr. KING. That should be done. I have no objection to the approval of the amendment with the understanding that if, upon further investigation by the Senator and myself, we feel that there should be some modification, we may recur to the amendment.

Mr. NORRIS. All right; let it be approved with that understanding.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, in section 4, page 3, line 15, after the words "municipalities, and", to strike out "organizations of citizens or farmers, not organized or doing business for profit, but primarily for the purpose of supplying electricity to their own citizens or members" and to insert "private cooperative, nonprofit, or limited-dividend corporations and associations organized under the laws of any State or Territory of the United States", so as to read:

Sec. 4. The Administrator is authorized and empowered, from the sums hereinbefore authorized to be appropriated, to make loans to States, Territories, and subdivisions and agencies thereof, municipalities, and private cooperative, nonprofit, or limited-dividend corporations and associations organized under the laws of any State or Territory of the United States, etc.

Mr. NORRIS. Mr. President, in the language proposed to be inserted by this amendment, I move to strike out the word "private."

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

Mr. NORRIS. Yes.

Mr. OVERTON. I understand section 4 of the bill as it is proposed to be amended to restrict the authority of the Administrator to make loans to private or to cooperative nonprofit corporations. As I understand, the Senator from Nebraska has just moved to strike out the word "private."

Mr. NORRIS. Yes.

Mr. OVERTON. Then that would restrict the authority of the Administrator to make loans to—

Cooperative, nonprofit, or limited-dividend corporations and associations organized under the laws of any State or Territory of the United States for the purpose of financing the construction and operation of generating plants, electric transmission and

distribution lines, or systems for the furnishing of electric energy to persons in rural areas who are not receiving central-station service.

The Senator from Nebraska may have explained that section when I was not present in the Chamber; but it has occurred to me, offhand, that the customers of these corporations that are to furnish electric energy in rural areas would be very limited. The Administrator may make loans only to corporations that are going to furnish electric current to persons who are not receiving current in rural areas. It has occurred to me that there would not be sufficient patronage for such a corporation to justify its existence and the conduct of business by it; and it might be best to authorize the Administrator to make loans to any corporation engaged in generating and transmitting electric energy for the purpose of supplying electric current to persons in rural areas who are not being furnished with the current, with such limitations and restrictions as to the prices to be charged, and with such conditions in respect to the service to be given, as will best subserve the interests of the people in the rural areas and carry out the purpose of the bill.

Mr. NORRIS. The loans will be made to farm organizations, cooperative, nonprofit, or limited-dividend corporations. The loans will not be made to a private generating plant that might supply such corporations with electricity, because there is no use of a loan under such conditions. For instance, if a private corporation owning a generating plant were going to supply electricity to this kind of an organization, the loan would be made to the organization to build and construct the line. The corporation supplying the electricity would not have to build any line, and they would not build any line. They would not invest any money. It would be useless to make them a loan.

Mr. OVERTON. The loans, as I understand, are to be made to the corporations for the purpose of generating electric power and transmitting electric power into rural areas.

Mr. NORRIS. They might be.

Mr. OVERTON. But, under the provisions of the bill, their powers to furnish current in these rural areas are restricted not only to the rural areas but to persons who are not receiving current in the rural areas. That is quite a limitation on the patronage of such a company, to such an extent that it occurs to me that it is very doubtful that a company would be organized for the purpose of generating and furnishing current to such a restricted class of patrons and customers.

Mr. NORRIS. It probably would not be done, as experience has shown there is little likelihood of one of the corporations mentioned in this amendment building a generating plant. It would not happen except in very exceptional cases. The corporations would buy their electricity from an existing generating plant. They would borrow the money to build the transmission lines. That might not take one-tenth of the generating capacity of the generating system.

Mr. OVERTON. If I may interrupt the Senator, the advantage of that arrangement would depend largely on the price which the private corporation would pay this quasi-public corporation for the electric current it would furnish.

Mr. NORRIS. Of course, if a contract were not made by which that current could be bought at a figure which would permit the corporation to be self-liquidating, the Administrator would not loan any money to it.

Mr. OVERTON. Of course, I am in sympathy with the bill, and I was propounding these questions to the Senator in order to clear up the matters referred to in the questions.

Mr. NORRIS. This provision went in because the Rural Electrification Administration have to operate in practically all the States of the Union, and in doing so they do not find any two States which are exactly alike. This provision was intended to meet that situation better, they thought, than the language already in the bill.

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

Mr. NORRIS. I yield.

Mr. KING. I am not clear that I correctly understood the question of the Senator from Louisiana. As I interpreted his statement, it was that under the bill as

he would have it, if not under the bill as it is before us, he would favor authority for corporations to be formed to furnish electric energy and lighting facilities to rural districts that do not now have them, and give to such corporations so formed such authority and such power as would enable them to go into regions contiguous thereto, where there now are ample lighting facilities, and compete with the existing organizations which furnish light to those sections. Does the Senator favor that view?

Mr. OVERTON. Mr. President, if the Senator from Nebraska will yield, in answer to the Senator from Utah I cannot say that that is my view. What I was trying to ascertain from the Senator in charge of the bill, however, was whether he had given consideration to the very limited number of patrons who could utilize the provisions of this bill as section 4 is presently drafted.

I cannot say that I am in favor of the Government's creating corporations to go into the general utility business all over the United States, but it did occur to me offhand that it might be more practical and feasible to authorize the administrator to lend, to any company that is generating and transmitting electric current, funds that might be used in supplying rural areas which are not now being supplied with electric current.

Mr. NORRIS. The bill does not authorize, as I understand—I should not want it to authorize—the loaning of public money to a private corporation generating electricity, even though they were going to send it out into the country. It is useless for the Government to do that. The world is now open to all these companies, and has been for 25 years. They can get all the money they desire to increase either their generating capacity or their transmission systems.

Mr. OVERTON. But, if the Senator will pardon me, they cannot get it at such a low rate of interest as the bill contemplates.

Mr. NORRIS. No.

Mr. OVERTON. If they could get it at the low rate of interest and under the advantages contemplated by this bill, they could extend their transmission lines into areas that are not now being furnished with electric energy.

Mr. NORRIS. Mr. President, judging from my experience and, I think, from the experience of the country, the big power systems which have been holding up rural electrification ever since they had a grip on the country are in no position now to come to the Government of the United States and ask it to loan them money at 3 percent to go into investments for the purpose of making some more money.

It is not the idea that any of these organizations will make a dollar. I would not be here advocating this bill if that were the purpose. It is not to enable anyone to make money out of these public funds, but to get the benefit of electricity and its comforts to people who do not now have those benefits. There is not going to be any profit making out of this.

Mr. KING. Mr. President, I may say to the Senator from Louisiana that the figures indicate a remarkable development in the production of electrical energy in the United States, as well as in other countries, and the figures also show that from 1882 the average cost in cents per kilowatt hour has been reduced from 25 cents to 5.39 cents in the United States.

As I stated to the Senator from Nebraska a few moments ago, an examination of the facts shows that in many sections of the United States, in the rural districts, where there are many inhabitants who do not have electric lights within their homes, three out of every four have an opportunity to have electricity when they do not have it. In other words, there are many lines carrying electricity through rural districts, and the power is adequate to meet all demands, but only one out of every four in the districts I have in mind—and they are districts which would be provided for under the bill—avail themselves of the opportunity to obtain electric power. So that many of the rural districts where there are thousands of homes which are not electrically lighted might be electrically lighted if the people would avail themselves of the facilities at their doors.

Mr. OVERTON. Mr. President, will the Senator from Nebraska yield to me again?

Mr. NORRIS. I yield.

Mr. OVERTON. The Senator from Utah has developed the thought I had in mind in a much better way than I could have developed it. He brings out very graphically that power lines owned by private corporations, which have transmission lines going through rural districts, are not furnishing the people in the rural districts with electric power and energy and light, for the reason that the people are not contracting for it.

Mr. NORRIS. Because the companies are asking too much money for it.

Mr. OVERTON. The reason is that the price they have to pay is too great.

Mr. NORRIS. Exactly.

Mr. OVERTON. What I had in mind was this: If the bill should authorize the Administrator to lend to such a company funds not to be used generally in the conduct of its business but to be used solely in supplying persons in rural areas who are not being supplied with electric current, and supplying them with the advantages of electric energy, it would be perhaps much more helpful than to restrict the power of the Administrator to lend money to corporations which would have to be formed to generate and supply current to rural communities, because the cost of organizing such a company, and the cost of building the plant would be prohibitive, and they would not be in as good a position as a company already organized, having its transmission lines running through the sections to supply the people with current. Does the Senator from Nebraska catch my thought?

Mr. NORRIS. I do; but I do not agree with the Senator. The Senator from Louisiana and the Senator from Utah would advocate, as I understand, the lending of money to private generating corporations which are now operating if the companies would agree to build lines into the country and supply the people.

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

Mr. NORRIS. I yield.

Mr. KING. I hope the Senator does not include me in that category, because I should be very much opposed to that.

Mr. NORRIS. I am opposed to it; and I am very glad to hear the Senator make that statement.

Mr. KING. I am opposed to the Federal Government's going into the power business or lending money for the purpose of generating electricity.

Mr. NORRIS. Private corporations which have their lines running along farms and which are not supplying farmers in the communities are nothing new. That condition has existed for years, and the farmers on bended knees have been before the great corporations asking them to put in these rural lines. The companies have sometimes installed them, but under conditions which were so exacting that the ordinary farmer who did not have an income outside of the income from his farm could not afford to pay the prices charged. I have said today once before, probably when the Senator was not in the Chamber, that in many instances they have required the farmers to pay enough money to build the entire line, and after they built it, and the farmers did not own it, they then had to pay rates which would return to the owners of the property, the power company, an amount of money sufficient to give them a return on the investment which the farmer himself had made.

The bill before us does not provide that we shall lend money to a private corporation in order to build lines for the purpose of making more money for themselves; and, frankly, I would not favor such a provision.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McNARY. Mr. President, at this point I might recall the attention of the Senator from Nebraska to the statement

I made yesterday, and my suggestion in connection with people's utility districts in my State. My suggestion was that on line 15, page 3, after the word "municipalities", we insert the words "people's utility districts." Such an amendment would meet a situation peculiar to the State of Oregon, where, under statute, the farmers are permitted to organize in groups under this designation. I am sure the power is included in the word "municipalities", but in order to assure the farmers of that western section of the country, I am simply asking that this designation be put into the bill, because it is carried in a recent statute of my State.

The PRESIDING OFFICER. Is there objection to the amendment being considered at this time?

Mr. NORRIS. Mr. President, let me ask the Senator a question, so that his reply will be in the RECORD. I agree with the Senator that the amendment is unnecessary, but I see no objection to it, if I understand it. The particular language is contained in a statute passed by the legislature of the Senator's State?

Mr. McNARY. Yes.

Mr. NORRIS. It applies only to public utilities, not to privately owned corporations?

Mr. McNARY. Oh, no.

Mr. NORRIS. It does not apply to utilities out of which a profit can be made.

Mr. McNARY. Not at all.

Mr. NORRIS. I have no objection to the amendment.

Mr. KING. Mr. President, I should like to inquire of the Senator whether it is his understanding or expectation that States and cities will borrow money from the Federal Government for the purpose of erecting public generating plants?

Mr. NORRIS. I doubt very much if that will be done. I do not think even municipalities will do so very often. It will be the subdivisions. If there is any such thing, there will be very little of it.

Mr. KING. I may say to the Senator that it has been my intention, when individual amendments to the bill may be offered, rather than amendments submitted by the committee, to move to strike out the words "States, Territories, and subdivisions and agencies thereof, municipalities", so that it would read "make loans to private cooperative, non-profit or limited-dividend corporations", and so forth, including the organizations referred to by the Senator.

Mr. NORRIS. I am sorry the Senator intends to offer the amendment. I shall, of course, oppose it.

The PRESIDING OFFICER. Is there objection to the proposed amendment of the Senator from Oregon [Mr. McNARY]?

Mr. KING. With the understanding, Mr. President, that it will not interfere with the amendment which I shall offer, I have no objection.

Mr. NORRIS. No; the amendment of which the Senator has spoken will not interfere with the amendment offered by the Senator from Oregon.

Mr. KING. I have no objection.

Mr. McNARY. Will the clerk state the amendment I have offered?

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, line 15, after the word "municipalities" and the comma, it is proposed to insert "people's utility districts."

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, in section 4, page 3, line 22, after the word "construction", to strike out "of generating plants and", and to insert in lieu thereof "and operation of generating plants"; in line 24, after the words "energy to", to insert "persons in"; and in line 24, after the word "areas", to insert "who are", so as to read:

for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing of electric energy to persons in rural areas who are not receiving central station service.

The amendment was agreed to.

The next amendment was, in the same section, on page 3, line 25, after the word "service" and the period, to strike out "Such loans shall be self-liquidating within a period of not to exceed 40 years, shall bear interest at a rate not to exceed 3 percent per annum, and shall be payable out of income" and to insert in lieu thereof the following:

Such loans shall be on such terms and conditions relating to the expenditure of the moneys loaned and the security therefor as the Administrator shall determine: *Provided, however,* That all such loans shall be self-liquidating within a period of not to exceed 40 years, and shall bear interest at a rate not to exceed 3 percent per annum.

Mr. NORRIS. Mr. President, I desire to offer an amendment to the committee amendment.

On page 4, line 6, after the word "determine", I move to insert "and may be made payable in whole or in part out of income."

Mr. KING. May I inquire of the Senator the purpose of that amendment? Does he assume that without those words the loans must be paid from capital or from assessments?

Mr. NORRIS. I will say to the Senator that I offer the amendment only as a precaution. Personally, I hardly believe it is necessary; but the language stricken out provides for the payment out of income, and it was feared that striking out that language might make it mean that payment could not be made in any other way, and there might be a case where the borrower would have some other means of paying. A doubt was raised that payment could be made out of income under the committee amendment. So, as a matter of extra precaution, I wish to put in that language.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. NORRIS] to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

Mr. KING. Mr. President, I was willing to have the amendment just tendered by the Senator from Nebraska agreed to; but I have an amendment to offer to the committee amendment. In line 8, page 4, I move to strike out "forty" and insert in lieu thereof "twenty."

Mr. President, it seems to me that in view of, I may say, the fragility of the appliances which are placed in the homes, the fact that they deteriorate so quickly, perhaps in some 15 or 20 years, the lighting fixtures—

Mr. NORRIS. This amendment does not apply to them. It has no application to home fixtures and appliances.

Mr. KING. It applies only to the transmission lines?

Mr. NORRIS. Yes.

Mr. KING. May I ask the Senator if he does not think 40 years is too long a time?

Mr. NORRIS. It may be. That is another proposition which is more or less arbitrary. I have talked it over with a great many people and have talked it over with officials of the R. E. A., and have suggested to them that I thought there would be an attempt made to make the time 20 years instead of 40 years. Of course they agreed that any time fixed would be more or less arbitrary, but they said they would very much dislike to see the time made 20 years. They concede, of course, that the Senate can make the time anything it pleases; and if it were cut down from 40 to 20 years, it would not be a handicap. I call the Senate's attention, however, to the fact that if the loan expires at the end of the life of the material, when it will have to be renewed, it will deprive the organization at some times of some working capital. If the loan should be left at 40 years and the depreciation account should provide for the replacement of the system in 20 years, collections would be made on the loan which would be in the hands of the organization for a longer period than if the loan itself expired at that time.

I do not think I should have any objection if the Senator should move to strike out "forty" and insert "thirty."

Mr. KING. I move to strike out "forty" and insert "twenty-five." I will ask my friend from Washington [Mr.

BONE] to give us his view on that question, as I regard him as an expert on the subject.

The PRESIDING OFFICER. Is there objection to the amendment to the committee amendment?

Mr. NORRIS. Yes, Mr. President; there is an objection pending.

Mr. KING. I should like the Senator from Washington [Mr. BONE] to give his views as to depreciation and obsolescence.

Mr. BONE. Mr. President, I should not want to qualify as an expert in such matters, although I have represented a great many mutual companies and groups which are interested in the power business. I think much would depend upon the climate as to the length of life of poles. It may run anywhere from 18 years to possibly, at the outside, 30 years where poles are heavily creosoted.

I was much interested in the comment indulged in by Senators as to amortizing the capital. I do not care to take issue with anyone on the subject, but I really feel that 40 years is a pretty long time; and I was about to ask the Senator from Nebraska, at the time the Senator from Utah asked me to say something about this matter, whether he does not think it would be wise to have in the bill a provision requiring the setting up of an obsolescence or depreciation fund on the system, and require that by statute, so that along with the necessity of amortizing the capital these systems might be required by statute to set up an obsolescence fund, because they will have to do that in any event.

Mr. NORRIS. I was interrupted and I did not hear all that the Senator said.

Mr. BONE. I will propound one question to the Senator. I was wondering whether it would not be desirable—I think the Senator will agree with me—if it were a requirement of the bill that any of the little companies or municipal groups that take up one of these loans should be required to set up a proper depreciation or obsolescence fund.

Mr. NORRIS. I should not have any objection to an amendment which required that. The bill does not, because I have gone on the assumption that the organization is going to do that. In fact, I do not see how they can carry out the provisions of the bill unless they do; but I have no objection to an amendment which will make that requirement a positive one.

Mr. BONE. I was thinking, perhaps, of some general language that would require, as a condition precedent to the loan, that the outfit securing the loan should set up a proper element of depreciation and obsolescence, and make collection for it.

Mr. NORRIS. I have no objection to that.

Mr. BONE. As to the length of life of a pole line, I think a great deal would depend on the climate in which the line was built. In some more rigorous climates and in some warm climates poles would not last as long as in other places. It is pretty hard to say what the average life of a pole line might be, but I think 30 years would be the extreme life.

Mr. NORRIS. The Senator, as I see the matter, has an erroneous idea of what we are trying to do here. This provision does not mean that the loan must expire at the time the poles lose their efficiency. Those are entirely different things. In fact, it would be an impossibility. We could not make a loan and say, "This loan will be amortized so that it will be paid at the time the pole rots off." As the Senator says, a pole will rot off in one community at a certain time and the same kind of pole will rot off in another community at another time. The poles will not all be alike.

I hope Senators will not get in their minds the idea that the loan agreements must expire at the same time that the poles in the line lose their usefulness. Depreciation will be set up, and new lines will be built; and the loan may extend over any length of time, regardless of the life of the poles carrying the transmission line.

Mr. BONE. Under the bill, at the end of 20 years 60 percent of the loan would have been amortized?

Mr. NORRIS. Yes.

Mr. BONE. I suggested the obsolescence and depreciation factor only because the companies naturally would wish fully

to fortify and protect themselves against the necessity of replacements when their systems wore out.

Mr. NORRIS. Oh, yes. The amount set up to rebuild the line so as to keep it in good order would take into consideration the life of the poles. That is true; but there is no reason why the loan should terminate at the same time. The two matters are entirely independent of each other.

I should not be willing to accept the Senator's amendment for a 25-year loan, but I shall interpose no objection if the Senator will make the time 30 years, instead of 25. Otherwise, I hope the amendment will be voted down.

Mr. KING. Mr. President, let us pass this amendment for the moment. I do not care to call for a vote now, and I should have to ask for a quorum call to do that. We may agree upon the matter.

Mr. NORRIS. Very well. The amendment to the committee amendment has been agreed to. Let the other proposed amendment go over.

Mr. KING. Yes; that is agreeable.

Mr. McNARY. Does the Senator desire to have the Senate act upon the language he suggested just a moment ago, that the loan may be paid out of income?

Mr. NORRIS. That has already been agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, in section 5, on page 4, line 13, after the words "premises of", to strike out "consumers of electric energy along the lines or systems financed under the provisions of section 4, and for the acquisition and installation of electrical and plumbing appliances and equipment by such consumers" and insert "persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment by such persons", so as to make the section read:

Sec. 5. The Administrator is authorized and empowered, from the sums hereinbefore authorized to be appropriated, to make loans for the purpose of financing the wiring of the premises of persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment by such persons. Such loans may be made to any of the borrowers of funds loaned under the provisions of section 4 to individual consumers or to any person, firm, or corporation supplying or installing the said wiring, appliances, or equipment. Such loans shall be for such terms, subject to such conditions, and so secured as reasonably to assure repayment thereof, and shall be at a rate of interest not exceeding 3 percent per annum.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. KING. Mr. President, I will ask the Senator from Nebraska to let that amendment go over. I wish to make a little investigation regarding the word "plumbing", though I may have no amendment to offer.

Mr. NORRIS. Very well.

The PRESIDING OFFICER. On request, the amendment will be passed over temporarily. The next amendment will be stated.

The next amendment was, in section 7, page 5, line 18, after the word "property", to insert "for such period as may be deemed necessary or advisable to protect the investment therein, but not to exceed 5 years after the acquisition thereof", so as to make the section read:

Sec. 7. The Administrator is authorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise to acquire, property pledged or mortgaged to secure any loan made pursuant to this act; to pay the purchase price and any costs and expenses incurred in connection therewith from the sums authorized to be appropriated in section 4 of this act; to accept title to any property so purchased or acquired in the name of the United States of America; to operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein, but not to exceed 5 years after the acquisition thereof; and to sell such property so purchased or acquired, upon such terms and for such consideration as the Administrator shall determine to be reasonable.

Mr. KING. Mr. President, I have no objection to agreeing to that amendment, with the understanding that I may offer as an amendment to it a further provision as to the steps necessary to be taken in order to "make assurance double sure" of protecting the Government. Let the amendment be agreed to with that understanding.

Mr. NORRIS. Very well.

The PRESIDING OFFICER. Without objection, the amendment is agreed to. The next amendment of the committee will be stated.

The next amendment was, on page 6, section 9, line 21, after the word "efficiency", to insert "without regard to the provisions of civil-service laws applicable to officers and employees of the United States", so as to make the section read:

Sec. 9. This act shall be administered entirely on a nonpartisan basis, and in the appointment of officials, the selection of employees, and in the promotion of any such officials or employees no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency without regard to the provisions of civil-service laws applicable to officers and employees of the United States. If the Administrator herein provided for is found by the President of the United States to be guilty of a violation of this act, he shall be removed from office by the President, and any appointee or selection of officials or employees made by the Administrator who is found guilty of a violation of this act shall be removed by the Administrator.

Mr. McNARY. Mr. President—

Mr. NORRIS. I understand the Senator from Oregon desires that amendment to go over.

Mr. KING. It had better be rejected.

Mr. McNARY. Mr. President, I think yesterday in a colloquy with the Senator from Nebraska the Senator himself said that he thought that amendment should be eliminated. I think at this time we are in a position to qualify the amendment by inserting certain language which would restore the application of the Classification Act except as to experts and engineers and others engaged in professional work. Whether that would meet general approval I do not know. I said earlier in the morning in the absence of the Senator from Michigan [Mr. COUZENS] and the Senator from Wisconsin [Mr. LA FOLLETTE] that I did not want action taken on this amendment unless there was a call of the roll. I am not in position to accept it as it has been presented. Personally I should like to have the personnel remain at all times within the civil-service law, if it can be worked out. I say that without regard to what party is in power. It is a fair attitude and one I have heretofore assumed.

We have on a few occasions modified that by excepting from the civil-service law some of those engaged in professional lines or technical lines. I think that is the substance of the proposal which has been offered by the Senator from Nebraska. I suggest to the Senator that his proposal might be read by the Clerk, and if there is any argument, then I think the amendment ought either to go over or we should have called to the Chamber those Senators who are absent.

Mr. COUZENS. Mr. President, will the Senator from Nebraska yield to me at that point?

Mr. NORRIS. Yes.

Mr. COUZENS. I understood the Senator to say in an oral conversation that he thought this amendment ought to be disagreed to.

Mr. NORRIS. Yes; and I have no objection to its being disagreed to now. I have another amendment which I wish to offer when we get through with the committee amendments which I think will satisfy the Senator from Oregon and which is entirely satisfactory to me.

Mr. COUZENS. Let us have the pending amendment disagreed to, and we can take that up thereafter.

Mr. NORRIS. That is what I want to do, if there is no objection to it. Let the amendment be disagreed to.

Mr. McNARY. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee, which has just been stated by the clerk.

The amendment was rejected.

Mr. KING. I understood the Senator from Nebraska had an amendment to offer. Would he like to offer it now?

Mr. NORRIS. I have four or five amendments to offer. As soon as we get through with the committee amendments, I am going to offer them.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 7, section 11, line 14, after the word "duties", to insert "The Administrator may make such expenditures (including expenditures for personal services; supplies and equipment; lawbooks and books of reference; directories and periodicals; travel expenses; rental at the seat of government and elsewhere; the purchase, operation, or maintenance of passenger-carrying vehicles; and printing and binding) as are appropriate and necessary to carry out the provisions of this act", so as to make the section read:

Sec. 11. In order to carry out the provisions of this act the Administrator may accept and utilize such voluntary and uncompensated services of Federal, State, and local officers and employees as are available, and he may appoint such officers and employees as he may find necessary, and prescribe their duties. The Administrator may make such expenditures (including expenditures for personal services; supplies and equipment; lawbooks and books of reference; directories and periodicals; travel expenses; rental at the seat of government and elsewhere; the purchase, operation, or maintenance of passenger-carrying vehicles; and printing and binding) as are appropriate and necessary to carry out the provisions of this act.

Mr. KING. Mr. President, I am not going to object to the amendment, but I wish at this time to make an observation which is applicable to many departments and bureaus of the Government. An investigation will demonstrate, in my opinion, an excessively large amount used by various Federal organizations for books, papers, periodicals, traveling expenses, and for the purchase of automobiles. I have asked for information, and I expect to have it within the next few days, showing the hundreds if not thousands of automobiles used by the various Federal departments and organizations.

I wished to make that statement so that the organization to be created by this bill may not come within the category of those organizations which, in my opinion, are too prolific in the expenditure of money for automobiles and other expenses.

The PRESIDING OFFICER. Without objection, the amendment—

Mr. COUZENS. Mr. President, I am not willing to have the amendment agreed to in its present form.

Mr. NORRIS. I want to have a word on the amendment. I understand there is some objection to it. The same objection was made yesterday; and last night and this morning, in the few minutes I had at my disposal, I have given some study to this matter. I said yesterday that it was an amendment similar to provisions embodied in most of the bills providing for various governmental activities which the Congress has passed. I have not made a complete investigation; I did not have time to do so; but I have here about a dozen laws passed by Congress, every one of which contains in substance the provision embodied in the amendment, and in some cases in identical language. I have here copies of some of the acts Congress has passed in which either that language, or language similar to it, has been used. Among those laws is the National Industrial Recovery Act, the Emergency Relief Appropriation Act of 1935, the National Housing Act, approved June 27, 1934, the Home Owners' Loan Act of 1933, and the Federal Power Commission Act, amendment of June 23, 1930, section 2.

I cannot see, Mr. President, why we should single this particular activity out and strike this language from the enabling act for that organization and at the same time put it into practically all other laws. Here is the language that Congress used in the Industrial Recovery Act:

And may make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for law books and books of reference, and for paper, printing, and binding) as are necessary to carry out the provisions of this act.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. O'MAHONEY. Does the Senator understand that the old established branches of the executive departments have the same authority?

Mr. NORRIS. Yes; I so understand.

Mr. O'MAHONEY. It is my understanding that they do not have, and that the provisions to which the Senator is

referring in a number of laws were inserted in those particular measures because they were emergency measures and it was deemed necessary to set the organizations up in a very short space of time.

Now, may I ask the Senator, does he not understand that in establishing a permanent agency of the Government Congress might well be guided by a different principle and require the Administrator to come to Congress and show the necessity for the personal services, for the books, for the supplies, and so forth, before the debt is incurred?

Mr. KING. That is a good suggestion.

Mr. NORRIS. No; that is not good. I said in answer to the Senator's question, as I understood it, that I understood the permanent departments all have that kind of a provision.

Mr. O'MAHONEY. I can speak with accuracy only as to the Post Office Department.

Mr. NORRIS. But the provision that we are now seeking to enact is not for a permanent department of the Government; the proposed new agency is going to expire in 10 years if we enact the pending bill. It is not permanent. The other laws to which I have referred have not been for permanent organizations. The National Industrial Recovery Act, perhaps, might be said to have been temporary.

Mr. O'MAHONEY. Mr. President, will the Senator yield again?

Mr. NORRIS. Let me give the Senator some more examples from the list I have. I am going through with what I have here.

Let us see what was said in the Agricultural Adjustment Act.

The administrative expenses provided for under this section shall include, among others, expenses for personal services and rent in the District of Columbia and elsewhere, for lawbooks and books of reference, for contract stenographic-reporting services, and for printing and paper in addition to allotments under the existing law.

Then the Housing, Renovation, and Modernization Act contains this language:

May make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for lawbooks and books of reference, and for paper, printing, and binding) as are necessary to carry out the provisions of this title and titles II and III.

Again, in the act to reorganize the Federal Power Commission—and that comes a great deal nearer being permanent than the agency proposed to be created by the pending bill; that is a permanent organization:

The Commission may make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for lawbooks, periodicals, and books of reference, and for printing and binding) as are necessary to execute its functions.

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

Mr. NORRIS. Yes.

Mr. COUZENS. May I point out to the Senator that in the case of the Federal Power Commission their estimates have to pass through the Budget and appropriations have to be made for them each year. That is not true of the agency to be created under the pending bill.

Mr. NORRIS. Oh, yes; as I understand they will have to have annual appropriations every year, or they will not be able to do anything. They will be dependent upon annual appropriations.

Mr. COUZENS. That has not been so with respect to the N. R. A. and some other acts.

Mr. NORRIS. I do not know as to that. Probably that is true. However, this organization will have to get appropriations every year.

Here is another one, the public-works construction project, which may make such expenditures for personal services, for law books, paper, printing, binding, and so forth, as are necessary to carry out the provisions of the title. I could go on further with four more cases that I have of the same kind.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

THE PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Wyoming?

Mr. NORRIS. I yield.

Mr. O'MAHONEY. I can speak from knowledge only with respect to the Post Office Department, but I think the same condition exists in the Department of the Interior, the Department of State, the Department of Justice, and all the regular departments, and that it is impossible for the heads of those departments to do the things the Administrator of this bill will be given authority to do if this amendment shall be adopted. The Postmaster General has no authority to buy as many automobiles as he deems necessary. The Secretary of the Interior cannot do that. In every instance the heads of the regular departments must go before the Appropriations Committees of the Congress and show a reason for the expenditures.

I submit to the Senator that if this principle, which was written into the emergency measure, is now to be written into every bill which comes before Congress, it will be practically impossible for Congress to impose any limitation whatsoever upon the executive departments. My feeling is that the precedent the Senator is asking us to follow is a very bad one.

Mr. NORRIS. I am asking the Senate to follow a precedent which, so far as I can find, has no exception. If it is not followed, this organization will be crippled. They will have to come here for appropriations for everything. They cannot get anything without it. Not a cent will they get without appropriations, and Congress will have complete control.

Mr. O'MAHONEY. I find the amendment in line 15 authorizes "expenditures including expenditures for personal services." In line 12 and 13, page 7 of the bill it is provided that the Administrator "may appoint such officers and employees as he may find necessary, and prescribe their duties." What is the difference between the two provisions?

Mr. NORRIS. I do not know that they have any relation to each other whatever. The appointment of an official and the buying of a law book have no relation to each other whatsoever.

Mr. O'MAHONEY. I did not refer to the purchase of a law book. I referred to the language in line 15 which authorizes expenditures for personal services.

Mr. NORRIS. Now, what is the Senator's question?

Mr. O'MAHONEY. I refer to line 15, page 7.

Mr. NORRIS. Yes; "including expenditures for personal services."

Mr. O'MAHONEY. I invite the Senator's attention now to lines 12 and 13 on the same page:

He may appoint such officers and employees as he may find necessary, and prescribe their duties.

What additional power does the Senator propose to give by the amendment authorizing "expenditures for personal services"?

Mr. NORRIS. I do not see the point of the Senator's question. I see no relationship whatever between the language he has referred to in the two places. In the beginning of section 11 the idea is, as is stated, that—

to carry out the provisions of this act the Administrator may accept and utilize such voluntary and uncompensated services of Federal, State, and local officers and employees as are available, and he may appoint such officers and employees as he may find necessary, and prescribe their duties.

That applies to the particular officers there referred to. The truth is that this work, in laying out farm organizations in the country to be electrified, will be done in large part by the farmers themselves and by local officials. In some States are organizations with paid officials provided for by law who are interested as a part of their duty in that kind of work. They do most of the work in a great many cases. In order to give it legal effect the Administrator is given power to appoint them, to appoint "such officers and employees as he may find necessary" to carry on that work.

Mr. O'MAHONEY. It refers to the appointment of Federal officers and Federal employees. That constitutes personal service, does it not?

Mr. NORRIS. No; it does not.

Mr. President, the only desire I have is to put this organization on its feet in such manner that it will not be crippled. I am afraid if we strike out the amendment we will cripple it. It has been argued today that the language is not necessary. I said yesterday I thought it was not necessary, but when I commenced to look through the different laws we have on the statute books. I could not find in the case of any organization where this language was not included in the act creating it. I confess I began to feel then that this language is necessary.

In some respects the engineers who go out to set up these organizations are going to make maps and charts. It will cost some money to do such work. They will meet all kinds of questions in addition to the questions the officials in the other organizations have to deal with and to whom we have already given this power. I feel, no matter what we may think or what we may have in mind, that if we should strike out this language we would really injure the organization, and, I am afraid, seriously cripple it so that it could not carry on and perform its functions.

Mr. KING. Mr. President—

THE PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. KING. I suggest to my friend from Nebraska that this question is controversial, that we have not now a quorum present, and that probably a yea-and-nay vote will be asked on the amendment. I suggest that it be passed over.

Mr. NORRIS. Very well.

THE PRESIDING OFFICER. The amendment will be passed over.

Mr. COUZENS. Mr. President, I suggest the absence of a quorum.

THE PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Clark	Keyes	Pittman
Ashurst	Connally	King	Reynolds
Austin	Coolidge	La Follette	Robinson
Bachman	Costigan	Lewis	Russell
Bailey	Couzens	Logan	Schwellenbach
Barbour	Davis	Lonergan	Sheppard
Benson	Dickinson	Long	Smith
Bilbo	Donahey	McAadoo	Steiner
Black	Duffy	McGill	Thomas, Okla.
Bone	Frazier	McKellar	Thomas, Utah
Borah	George	McNary	Townsend
Brown	Gibson	Maloney	Trammell
Bulkley	Glass	Metcalf	Truman
Bulow	Gore	Minton	Vandenberg
Burke	Hale	Murray	Van Nuys
Byrd	Harrison	Neely	Wagner
Byrnes	Hastings	Norbeck	Wheeler
Capper	Hatch	Norris	White
Caraway	Hayden	Nye	
Carey	Holt	O'Mahoney	
Chavez	Johnson	Overton	

Mr. LEWIS. I reannounce the absence of Senators as heretofore announced by me today.

I also desire to announce that the senior Senator from Maryland [Mr. TYDINGS], the junior Senator from Maryland [Mr. RADCLIFFE], the junior Senator from Pennsylvania [Mr. GUFFEY], and the junior Senator from Rhode Island [Mr. GERRY] are detained in attendance upon the funeral of the late Governor Ritchie, of Maryland.

THE PRESIDING OFFICER (Mr. DUFFY in the chair). Eighty-one Senators having answered to their names, a quorum is present.

Mr. COUZENS. Mr. President, I should like to point out to the Senator from Nebraska that I think there is a conflict between the amendment on page 7, line 15, and the language on page 6, line 21, where it is proposed to put these employees under civil service and the Classification Act, other than the members of the professional and engineering service. Under that provision of the bill, the Administrator is restricted with respect to wages and service and classification; but there is a conflict with that provision in the amendment now under consideration, on page 7, line 15.

I understand, from the Senator from Nebraska, however, that that amendment has gone over.

THE PRESIDING OFFICER. The amendment was passed over.

Mr. COUZENS. I should like to conclude my statement as a matter of record. My contention is, that on line 15, page 7, the use of the language "including expenditures for personal services" leaves the matter wide open for the Administrator to employ anyone he chooses, and to avoid the Classification Act and the civil-service laws. In other words, there are two places in the bill under which he could employ personal services.

The PRESIDING OFFICER. As the Chair has stated, the amendment now referred to by the Senator from Michigan has been passed over. The clerk will state the next amendment of the committee.

The next amendment was, on page 7, after line 21, to insert a new section, as follows:

SEC. 12. The Administrator is authorized and empowered to extend the time of payment of interest or principal of any obligation created pursuant to this act: *Provided, however,* That with respect to any loan made under section 4, the payment of interest or principal shall not be extended more than 5 years after such payment shall have become due, and with respect to any loan made under section 5, the payment of principal or interest shall not be extended more than 2 years after such payment shall have become due.

Mr. COUZENS. Mr. President, I should like to have the Senator from Nebraska tell us the purpose of that amendment. There is no provision in it as to whether the interest shall continue over the 5-year period and the 2-year period, or what occasion may arise to bring about the desirability of those extensions.

Mr. NORRIS. Of course, I cannot tell whether a case will ever arise where an extension will be desirable; but it was thought best to give the Administrator the power that is authorized to be given him in section 12 simply as a matter of safety, so that, on the other hand, when a loan came due he would not be compelled under the law immediately to proceed to collect it. He might be lenient; he might extend it; he might wait a while. If we did not put this language in the bill, the Administrator would feel that when a loan became due it was his duty to proceed at once to make collection. This amendment gives him a little leeway. That is the only reason for it that I know. It seemed only fair that the Administrator should have that much leeway.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment, was on page 8, after line 5, following the amendment just agreed to, to insert a new section, as follows:

SEC. 13. As used in this act the term "rural area" shall be deemed to mean any area of the United States not included within the boundaries of any city, village, or borough having a population in excess of 1,500 inhabitants, and such term shall be deemed to include both the farm and nonfarm population thereof; the term "farm" shall be deemed to mean a farm as defined in the publications of the Bureau of the Census; the term "person" shall be deemed to mean any natural person, firm, corporation, or association.

The amendment was agreed to.

The next amendment was, on page 8, line 15, to change the number of the section from 12 to 14.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. NORRIS. Mr. President, I have a few amendments which I desire to offer.

The first amendment is on page 2, line 1. I send the amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 1, after the words "United States", it is proposed to strike out down to and including the word "service" in line 2, and in lieu thereof to insert "rural electrification and the furnishing of electric energy to persons in rural areas who are not receiving central-station service."

Mr. NORRIS. That makes the language there correspond to the language further on in section 12. I think it makes the two perfectly harmonious.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska. The amendment was agreed to.

Mr. NORRIS. On page 5, line 16, after the word "section", I move to strike out "4" and insert "3." The numeral "4" is a mistake.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska. The amendment was agreed to.

Mr. NORRIS. On page 6, line 25, I move to strike out the word "act" and insert the word "section."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska. The amendment was agreed to.

Mr. NORRIS. Mr. President, I have another amendment on page 7, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 7, line 12, after the word "may", it is proposed to strike out down to and including the word "duties", in line 14, and in lieu thereof to insert "without regard to the provisions of civil-service laws applicable to officers and employees of the United States, appoint and fix the compensation of attorneys, engineers, and other experts, and he may, subject to the civil-service laws, appoint such officers and employees as he may find necessary and prescribe their duties."

Mr. NORRIS. All that amendment does is to carry out the understanding we had, I think, when we rejected, earlier in the day, the amendment to section 9. The effect of this amendment is to take out from the civil-service lawyers, engineers, and experts, and to leave everybody else under the civil service.

Mr. COUZENS. Mr. President, I suggest to the Senator that he omit from his amendment the provision that the compensation of these employees shall not be in accordance with the Classification Act. He will find that in almost all the bills to which he has heretofore been referring there is a provision that in addition to taking the civil-service examination, the compensation shall be in accordance with the Classification Act.

I ask that this amendment go over so that we may look up the exact language, because I think the compensation in accordance with the Classification Acts should be adhered to in this case, as in the past. I do not think the Senator objects to that.

Mr. NORRIS. No; I should not object to that, but I do not think this amendment affects that.

Mr. COUZENS. I think it does.

Mr. NORRIS. I may be wrong, though. If the Senator wishes to have the amendment go over, let it go over.

The PRESIDING OFFICER. The amendment will be passed over.

Mr. NORRIS. Mr. President, those are all the amendments I have.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. NORRIS. Unless some other Senator wishes to speak at this time, under the agreement with the Senator from Arkansas [Mr. ROBINSON], I ask unanimous consent that next Wednesday at 12 o'clock the Senate proceed to the consideration of this bill, and that it shall not be laid aside, except by unanimous consent, until it shall be finally disposed of.

The PRESIDING OFFICER. The Chair is advised by the parliamentary clerk that the unanimous-consent agreement requested by the Senator from Nebraska would require a roll call.

Mr. NORRIS. Then I think I will modify the request so as to avoid that. I have no objection to a roll call, except that we have recently had one, and it might inconvenience some of the Senators to have another; and we have this understanding. Every Senator knew of it, I think. However, let the roll be called, so that no complaint may be made.

Mr. McNARY. Mr. President, I have just entered the Chamber. What is the proposal?

Mr. NORRIS. I have asked unanimous consent that on next Wednesday at 12 o'clock the Senate shall proceed to the consideration of the pending bill, and that it shall not be laid aside, except by unanimous consent, until finally disposed of.

Mr. McNARY. The request fixes no specific time at which a vote shall be taken?

Mr. NORRIS. Oh, no. The Chair has said that he thought it would require a roll call. Whether it does or not, I have no objection.

Mr. McNARY. I am quite familiar with the rule, and it does not require a roll call on a request of this kind. A roll call is required only when a definite time for a vote is fixed. I have no objection to a roll call, and perhaps one should be had.

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Clark	Keyes	Pittman
Ashurst	Connally	King	Reynolds
Austin	Coolidge	La Follette	Robinson
Bachman	Costigan	Lewis	Russell
Bailey	Couzens	Logan	Schwellenbach
Barbour	Davis	Lonergan	Sheppard
Benson	Dickinson	Long	Smith
Bilbo	Donahey	McAdoo	Steiner
Black	Duffy	McGill	Thomas, Okla.
Bone	Frazier	McKellar	Thomas, Utah
Borah	George	McNary	Townsend
Brown	Gibson	Maloney	Trammell
Bulkeley	Glass	Metcalfe	Truman
Bulow	Gore	Minton	Vandenberg
Burke	Hale	Murray	Van Nuys
Byrd	Harrison	Neely	Wagner
Byrnes	Hastings	Norbeck	Wheeler
Capper	Hatch	Norris	White
Caraway	Hayden	Nye	
Carey	Holt	O'Mahoney	
Chavez	Johnson	Overton	

Mr. LEWIS. I desire to announce that the Senator from Rhode Island [Mr. GERRY], the Senator from Pennsylvania [Mr. GUFFEY], the junior Senator from Maryland [Mr. RADCLIFFE], and the senior Senator from Maryland [Mr. TYDINGS] are absent attending the funeral of Hon. Albert C. Ritchie.

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

Is there objection to the request for unanimous consent proposed by the Senator from Nebraska?

Mr. ROBINSON. Mr. President, I ask that the proposed agreement be reported.

The PRESIDING OFFICER. The clerk will state the request.

The LEGISLATIVE CLERK. It is proposed that on next Wednesday at 12 o'clock the Senate proceed to the consideration of the bill (S. 3483) to provide for rural electrification, and for other purposes, and that it be not laid aside, except by unanimous consent, until finally disposed of.

Mr. ROBINSON. Mr. President, the only suggestion I have to make about the proposal of the Senator from Nebraska is as to the clause that the bill be not laid aside without unanimous consent. Our custom is to lay aside bills to take up appropriation bills, and under this proposal, if a single objection were made, that could not be done. I think the Senator would accomplish his purpose if he would merely ask that we proceed to the consideration of the bill on next Wednesday.

I will state that, so far as I am concerned, I shall be glad to cooperate in an effort to reach a conclusion. This morning we discussed the question whether it would be practicable to dispose of the bill commencing Wednesday, and I thought the Senator conceded that it might be necessary for it to go over. I should not like to have an arrangement made by which we could not consider other business. I will state to the Senator from Nebraska again that my purpose is to cooperate in an effort to have the bill disposed of.

Mr. NORRIS. The bill is now the unfinished business.

Mr. ROBINSON. That is true.

Mr. NORRIS. It can be laid aside at any time by a motion that will command a majority vote, I realize.

Mr. ROBINSON. I will make a request. I ask unanimous consent that the unfinished business be laid aside until next Wednesday at 12 o'clock.

Mr. NORRIS. Very well; that will accomplish the purpose.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request proposed by the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. GORE. Mr. President, I rise to remind the Senator from Arkansas that we discussed between us the advisability of bringing up the Panama Canal toll bill at an early date.

Mr. ROBINSON. Yes; I indicated to the Senator from Oklahoma some time ago that, so far as I was concerned, an opportunity would be given him to move to take up the bill. He was not ready at that time.

I am constantly confronted, in the business of the Senate, with a situation where there is no measure ready for consideration by the Senate. Senators announce that they desire to have a given bill taken up, I contribute to having that done, then am informed that they are not ready. That has happened with reference to three bills within the past week. So I will state to the Senator from Oklahoma that I know of no reason why he should not make his motion in the early future, if he is ready to make the motion.

Mr. GORE. I assumed the Senator had that in mind when he was interposing the objection a moment ago to the unanimous-consent arrangement. As soon as the Senator from New York [Mr. COPELAND] shall return, I will make the motion.

Mr. ROBINSON. I have no information as to when the Senator from New York will return, or when he will go away again.

Mr. GORE. The Senator from New York said he would return the middle of the week, and desired to have the matter go over until his return.

Mr. ROBINSON. I understand the unanimous-consent request has been agreed to.

The PRESIDING OFFICER. The unanimous-consent agreement has been made.

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 without amendment the joint resolution (S. J. Res. 217) postponing the effective date of certain permit and labeling provisions of the Federal Alcohol Administration Act.

SENATOR NEELY, OF WEST VIRGINIA

Mr. McADOO. Mr. President, the West Virginia Federation of Labor, in convention in the city of Beckley, W. Va., on August 27, 1935, passed a resolution concerning the services of our distinguished colleague the senior Senator from West Virginia [Mr. NEELY]. I ask unanimous consent to have the resolution read from the desk.

The PRESIDING OFFICER. Without objection, the resolution will be read.

The Chief Clerk read as follows:

Resolution of endorsement of the services of the Honorable M. M. NEELY, United States Senator from West Virginia, and pledge of labor for his nomination and reelection

Whereas over a long period of years, serving as Congressman representing the First Congressional District and for two full terms serving as United States Senator from West Virginia, the Honorable M. M. NEELY has continuously, throughout his entire length of service as Congressman and Senator, proven beyond all question of doubt his ability to serve the interest of the people of the State of West Virginia and has never faltered in his loyalty to the best interest of the State and its people; and

Whereas during his entire service he has remained true and steadfast to his teachings from the school of hard knocks received in his early life, and by so doing has never failed to cast his lot, either by vote, voice, or influence, in the interest of the common people, and especially is this true as to his activity in the interest of organized labor; and

Whereas very, very few Congressmen or Senators have ever compiled such a marvelous record of service as has the Honorable M. M. NEELY to recommend him to the voters for favorable consideration as the time approaches for primary election; and

Whereas the West Virginia Federation of Labor, in convention assembled in the city of Beckley, August 27, 1935, did by unanimous vote by the 608 accredited delegates in attendance, pass a resolution of endorsement for Senator NEELY: Now, therefore, be it

Resolved, That the executive board of the West Virginia Federation of Labor, in special called meeting this 15th day of February 1936, do here and now reaffirm the action of the convention, and in order to put the endorsement of the convention into effect take the following action:

1. Declare that out of gratitude for the service rendered by our distinguished Senator that we now make public our endorsement for his nomination in the coming primary and his election in November.

2. That we recommend to all other groups of citizens, either organized or unorganized, that they support Senator NEELY.

3. That the federation take the lead in an effort to call together in a conference representatives of all groups of organized labor for the purpose of planning labor's campaign in Senator NEELY's behalf.

4. That copy of this resolution be sent to Senator NEELY, copy given to the press and used in every way possible to further his candidacy.

Motion to adopt the resolution unanimously carried.

CROP-PRODUCTION LOANS TO FARMERS—VETO MESSAGE

Mr. ROBINSON. Mr. President, the Senate today received a message from the President vetoing Senate bill 3612, "To provide loans to farmers for crop production and harvesting during the year 1936, and for other purposes."

The bill carried an authorization of \$50,000,000. The President, in his veto message, calls attention to the fact that in the Budget message, transmitting the 1937 Budget, he stated:

If the Congress enacts legislation at the coming session which will impose additional charges upon the Treasury for which provision is not already made in this Budget, I strongly urge that additional taxes be provided to cover such charges.

The veto message indicates that the President regards the appropriation of \$50,000,000 as excessive in the sense that the entire amount would not be required to make provision for the loans which are in contemplation.

The President also shows that in 1935 a fund of \$60,000,000 was made available for the class of loans to farmers now under mention, and points out the further fact that the sum, or so much thereof as was used, was made available from a relief appropriation of \$525,000,000.

The President makes it clear that in his opinion it will be necessary to continue loans, for production purposes, of the class to which I am now referring during the present year. He regards the amount of \$50,000,000 as more than is necessary.

The bill which was vetoed today authorized maximum loans to individual borrowers not to exceed \$500. The class of borrowers to whom these loans are made have no collateral and no security other than the crop to be grown. They are, therefore, unable to obtain credit from any private source or from any other agency of the Government than the so-called seed-loan agency.

In some parts of the United States loans of this class have been made since the year 1921. It is gratifying to state that in most of the States the loans have been repaid in almost their entire amounts. In one State—the State of Arkansas—the total amount now outstanding for all years during which the loans have been made, as appears from a memorandum which I intend to insert in the RECORD, is a little more than 13 percent. In other States, for instance, the State of Mississippi, it is a little more than 8 percent. In the State of Alabama I believe it is approximately 9 percent.

These figures have reference to the aggregate amount that has been loaned during the period that has elapsed from 1921 until last year. There are some States whose payments reduce the average very materially. Those States which I particularly have in mind have been afflicted with drought and other disasters which have prevented, in many instances, the borrowers from having the opportunity to repay their loans. In all the States the process of repayment continues. During the present year considerable sums have been collected that matured in other years and remained unpaid.

The bill that was passed, and that has been vetoed, authorized, as I have said, maximum loans not to exceed \$500. It is a significant fact that in a number of the districts where these loans have been made from 95 to 99 percent of the loans have been for \$200 or less. I intend to insert

in the RECORD an itemized statement showing the number of loans under \$100 that have been made in the Baltimore, the Columbia, the Dallas, the Memphis, the Omaha, the Salt Lake, the Spokane, the Springfield, the St. Paul, the St. Louis, and the Wichita districts; as also the number of loans that have been made under \$200 and for more than \$100; the percentage of loans under \$200 and more than \$100; the number of loans under \$300 and more than \$200; the percentage of loans under \$300 and more than \$200; the number of loans under \$400 and more than \$300, and the percentage of those loans; the number of loans under \$500 but more than \$400, and the percentage of those loans that have been so made, that percentage being very small, in some of the districts less than one-half percent.

An analysis of the figures that are being presented shows that in the Memphis district 99 percent of the loans that have been made have been for \$200 or less; in the Baltimore district approximately 96 percent have been for \$200 or less; in the Columbia, S. C., district approximately 95 percent of the loans have been for \$200 or less, and in the Dallas district substantially the same percentage applies.

In some of the Northwestern States there has been a larger number of maximum, or approximately maximum, loans made than in the districts to which reference has last been made.

The President in his veto message recognizes the necessity for continuing for another year loans to the class of farmers which is described in the veto message, namely, those who are without collateral, and who, therefore, have no other source of credit.

I had hoped that the bill would be signed, but since the President declares that funds are already available that can be transferred from a relief appropriation heretofore made in such amount as may be necessary to make these loans, I do not suggest any further action. The necessary Executive order will be made for the transfer of the funds and the loans will be proceeded with. But I do deem it proper to state to the Senate that, from the information which has come to me, it is quite probable that the maximum amount of loans to any individual will be in the neighborhood of \$200. This maximum would not meet the requirements in all cases, but in many of the districts it will meet the necessities of the situation. In some of the districts referred to the average loan has been from \$50 to \$60.

I wish to add to what has already been said the statement that the record shows that the administration of the crop-production loans has been highly efficient; it has been prompt and economical. But for these loans thousands of farmers in the United States, both landowners and tenants, who are without credit or means of obtaining it from any other source than from the crop-production or seed-loan agency, would be unable to continue their operations, and would be forced to seek, as the President says in his message, some other form of Federal relief. It has been and still is my theory that everything reasonable that can be done should be done to encourage our citizens to be self-sustaining, to prevent them from becoming reliant on the Federal Government. I do not believe that any agency the United States has employed during the depression period has performed a more helpful or advantageous service than has resulted from the crop-production or seed-loan agency.

It may be astonishing to some who have not studied the subject to realize that nearly all the small loans have been paid in full; the man who has been able to get along with \$50, \$60, \$75, or \$100, who has no collateral from which collection can be enforced, who has nothing but his crop to hypothecate as security for the loan he obtains with which to make the crop, has paid up almost dollar for dollar. There are areas where it has been impossible for the borrowers to meet their obligations because the blight of drought has laid its withering touch on their fields and crops. Some persons and some organizations have been able to borrow large sums from some of the other agencies of the United States, and they are somewhat slow in reimbursing the Government; but within the limits, and with the exceptions I

have tried to describe, the farmers who have been compelled to rely on the crop-production loans or the seed loans, as we usually call them, have been prompt and diligent in meeting their obligations.

At this time I need only to add to what has been said that I am looking forward to the time when various forms of Federal expenditures for what we term "relief" may be diminished and finally discontinued. We have recognized, the Government has recognized, the extraordinary conditions that have existed during the last few years, and we have expended hundreds of millions, yes, billions of dollars in rendering assistance to citizens who, without such assistance, would be unable to carry on, would be compelled to rely upon charity. In my opinion, the system has been wholesome. In the main the funds have been well administered. Without doubt, there are exceptions. Indeed it would be remarkable if it were otherwise.

I hope that the arrangement which the President has in mind in lieu of that provided for in the bill will prove reasonably adequate. His object, of course, is to carry out the declaration read a few moments ago and embraced in his veto message pertaining to the Budget. The obligations of the Government are numerous and in the aggregate very great. I know that we are all interested in maintaining the highest standard of national credit that is possible. It seems to me that the circumstances show that the credit of the Government is well sustained. I know it is better to lend a small amount of money to a man who wishes to be independent and who desires to maintain his family without recourse

to other forms of Government assistance; I know it is better to provide him with a limited and necessary credit. In doing that we safeguard the welfare of many citizens who need and who deserve assistance.

Mr. President, I ask leave in connection with my remarks to print in the RECORD sundry statements, tables, and information referred to during my address.

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

FARM CREDIT ADMINISTRATION,
Washington, D. C., February 21, 1936.

Hon. JOSEPH T. ROBINSON,

United States Senate.

DEAR SENATOR: In accordance with your request of Mr. Garwood this morning, there are forwarded herewith two enclosures:

(1) A copy of the statement of the emergency crop and feed-loan office as of January 31, 1936, which gives in considerable detail the number of crop loans made by States in 1934 and 1935; the total of all crop loans made during the years from 1921 to 1935, inclusive; and a statement of drought loans.

These various tables show the number and amount of loans made, by States and by regions; the amount collected and the percentage of collections; the number of loans uncollected, in whole or in part; and the total amount of money outstanding from each loan to be collected in each State and in each region.

(2) A table showing the number of loans under \$100; number of loans of more than \$100 but less than \$200, number of loans more than \$200 but less than \$300, number of loans more than \$300 but less than \$400, number of loans over \$400 but not more than \$500 made under authority of the act of February 20, 1935. Each item is shown for each regional office. In addition to the numbers, percentages are also shown.

Very truly yours,

PHILIP G. MURPHY,
Assistant Director, Emergency Crop and Feed Loan Section.

Number of loans in multiples of \$100 made by emergency crop and feed-loan office under act of Feb. 20, 1935

Office	Number of loans under \$100	Percent of loans under \$100	Number of loans under \$200 but more than \$100	Percent of loans under \$200 but more than \$100	Number of loans under \$300 but more than \$200	Percent of loans under \$300 but more than \$200	Number of loans under \$400 but more than \$300	Percent of loans under \$400 but more than \$300	Number of loans under \$500 but more than \$400	Percent of loans under \$500 but more than \$400	Total loans made
Baltimore	9,059	68	3,648	28	425	3	72	1/2	65	1/2	13,269
Columbia	63,221	77	15,108	18	2,952	3 1/2	656	7 1/2	472	1 1/2	82,409
Dallas	24,815	53	11,607	25	5,756	12	2,566	5	2,341	5	47,085
Memphis	75,902	92	5,756	7	862	1 1/2	242	272	272	1/2	83,034
Omaha	8,266	18	15,859	34	12,049	26	5,499	12	3,905	8	45,578
Salt Lake	977	42	716	30	466	17	113	5	142	6	2,354
Spokane	5,272	35	5,096	33	3,361	21	1,239	8	403	3	15,371
Springfield	882	28	930	30	964	29	149	5	240	7	3,105
St. Paul	19,818	28	15,826	22	13,013	18	9,338	13	14,273	19	72,263
St. Louis	10,536	76	2,498	18	526	4	165	1 1/2	80	1/2	13,805
Wichita	12,898	33	14,372	36	7,362	19	2,556	6 1/2	2,097	5 1/2	40,223
Total	231,646	56	91,416	23	47,556	11	22,596	5 1/2	24,290	5 1/2	418,501

NOTE.—(1) Of total loans made in 1935 under Feb. 20 act, 370,618 loans were in amounts less than \$300. The percentage of such loans was 89 percent. (2) Of total loans made in 1935, 231,646 loans were in amounts less than \$100. The percentage of such loans was 56 percent.

SUMMARY—EMERGENCY LOANS JANUARY 1936

Advances: No new emergency loans were made during January 1936. Moreover, cancellations during the month, particularly in Puerto Rico, more than offset additional advances on loans approved prior to December 31, 1935. The net result was a reduction in the total number and amount of loans made from the 1935 appropriation from 424,216 loans totaling \$57,347,352 through December 31, 1935, to 424,188 loans aggregating \$57,342,462 through January 31, 1936.

Total emergency loans made in all loan years through January 31, 1936, numbered 2,872,306 and aggregated \$361,387,999. Included in these figures are 300,614 drought relief loans of 1934-35, amounting to \$72,008,540.

Collections: During January, collections on all emergency loans aggregated \$2,412,591, a reduction of \$1,605,292, or 39.9 percent from the comparable figure for the previous month. The following table shows the amount of collections during January, by loan years, with comparable data for December (see table in opposite column):

It will be noted from the above table that there was a decrease in collections during January on crop and feed loans for each loan year and also on drought-relief loans as compared with December 1935. While this decline reflects net collections for the country as a whole, slightly increased collections were reported in 13 States on 1933 and prior-year loans, in 12 States on 1934 emergency crop loans, and in 7 States and Hawaii on 1935 emergency crop loans. This is the first month in which collections have been reported in Hawaii. Florida, Wisconsin, and Minnesota were the only States in which January collections for each loan year were greater than for the previous month. Increased collections during January 1936 on 1934-35 drought-relief loans were reported for eight States, two of which, namely, Florida and Minnesota, are among the three States mentioned above.

Emergency loans by year	Collections					
	January 1936			December 1935		
	Amount	Percent of total January collections	Percent of total loans made	Amount	Percent of total December collections	Percent of total loans made
Crop and feed loans:						
1933 and prior...	\$197,615	8.2	0.10	\$279,128	6.9	0.14
1934.	123,613	5.1	.33	170,018	4.2	.45
1935.	1,275,572	52.9	2.46	2,268,708	56.5	3.96
Total	1,596,800	66.2	.55	2,717,854	67.6	.93
Drought-relief loans:						
1934-35	815,791	33.8	1.13	1,300,029	32.4	1.89
Grand total	2,412,591	100.0	.67	4,017,883	100.0	1.11

Total collections on loans made from the 1935 appropriation through January 31, 1936, represented 40.1 percent of the total amount of advances, while total collections on loans made from the 1934 appropriation through January 31, 1935, represented 48.6 percent of the total amount advanced.

Unmatured loans outstanding on January 31, 1936, amounted to \$5,711,138 or 16.6 percent of 1935 loans outstanding. These unmatured loans represent vegetable and winter-wheat loans in the continental United States, coffee and tobacco loans in Puerto Rico, and vegetable and coffee loans in Hawaii.

EMERGENCY LOANS

TABLE 1.—Number and amount of loans made and collected through January 1936 and balances outstanding Jan. 31, 1936, by loan years

Loan year	Loans made		Amount collected during period						Balance outstanding at end of period		
			Through Dec. 31, 1935		January 1936		Total through Jan. 31, 1936				
	Number	Amount	Amount	Percent of loans made	Amount	Percent of loans made	Amount	Percent of loans made	Number	Amount	Percent of loans made
1921-33.....	1,702,316	\$194,145,411	\$138,588,869	71.4	\$107,615	0.1	\$138,786,484	71.5	641,230	\$55,358,927	23.5
1934.....	445,188	37,891,586	22,075,387	58.3	123,613	.3	22,199,000	58.6	182,581	15,692,586	41.4
1935:											
April.....	165,391	19,225,604	275				275		165,391	19,225,329	
May.....	208,545	28,554,801	10,367				10,642		373,896	47,769,763	
June.....	19,480	3,505,725	49,661				60,303		393,127	51,225,827	
July.....	6,110	1,284,448	136,462				196,765		398,683	52,373,813	
August.....	8,783	1,992,858	1,818,367				2,015,132		396,537	52,548,304	
September.....	8,759	1,626,095	4,294,314				6,309,446		377,594	49,880,085	
October.....	5,475	734,282	8,315,920				14,625,366		309,439	42,298,447	
November.....	872	155,295	4,850,370				19,475,736		271,146	37,603,372	
December.....	801	268,244	2,268,709				21,744,445		251,260	35,602,907	
1936: January.....	—28	—4,890			1,275,572		23,020,017		239,371	34,322,445	
Total.....	424,188	57,342,462	21,744,445	37.9	1,275,572	2.2	23,020,017	40.1	239,371	34,322,445	59.9
Total.....	2,571,692	289,379,459	182,408,701	63.0	1,596,800	.6	184,005,501	63.6	1,063,182	105,373,958	36.4
1934-35 drought-relief loans.....	300,614	72,008,540	6,494,957	9.0	813,791	1.2	7,310,748	10.2	262,597	64,697,792	89.8
Grand total.....	2,872,306	361,387,999	188,903,658	52.3	2,412,591	.6	191,316,249	52.9	1,325,779	170,071,750	47.1

Farm Credit Administration, division of finance and research.

1935 EMERGENCY CROP AND FEED LOANS

TABLE 2.—Number and amount of loans made, by types, through Jan. 31, 1936

District and State	Crop		Feed		Wheat		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
District 1:								
Maine.....	1,504	\$384,465					1,504	\$384,465
New Hampshire.....	134	12,725					134	12,725
Vermont.....	180	16,165					180	16,165
Massachusetts.....	163	30,765					163	30,765
Rhode Island.....	93	18,620					93	18,620
Connecticut.....	799	110,880					799	110,880
New York.....	232	41,570					232	41,570
Total.....	3,105	615,190					3,105	615,190
District 2:								
Pennsylvania.....	1,555	161,330					20	\$1,705
Delaware.....	221	28,335					2	95
Maryland.....	1,011	107,825					22	3,145
Virginia.....	9,683	725,740					212	15,925
West Virginia.....	527	28,370					16	725
Puerto Rico.....	2,030	373,970					2,030	373,970
Total.....	15,027	1,425,570					272	21,595
District 3:								
North Carolina.....	25,389	2,111,167	9	\$460				25,398
South Carolina.....	27,319	2,672,431	3	190				27,322
Georgia.....	28,866	2,664,140						28,866
Florida.....	¹ 2,671	318,815						2,671
Total.....	84,245	7,766,553	12	650				84,257
District 4:								
Ohio.....	1,368	119,287	7	525	244	10,735	1,619	130,547
Indiana.....	715	61,780	114	7,935	52	2,830	881	72,545
Kentucky.....	3,700	190,480	39	1,610			3,739	192,090
Tennessee.....	11,081	633,586	1	15			11,082	633,601
Total.....	16,864	1,005,133	161	10,085	296	13,565	17,321	1,028,783
District 5:								
Alabama.....	7,178	365,361					7,178	365,361
Mississippi.....	19,632	1,062,236	9	375			19,641	1,062,611
Louisiana.....	20,510	1,328,363	52	1,915			20,562	1,330,278
Total.....	47,320	2,755,960	61	2,290			47,381	2,758,250
District 6:								
Illinois.....	2,380	250,630	1,047	73,505	91	7,670	3,518	340,805
Missouri.....	2,305	204,535	1,381	71,685	362	22,425	4,048	208,645
Arkansas.....	24,113	1,917,215	458	17,898			24,571	1,935,113
Total.....	28,798	2,381,380	2,886	163,088	453	30,095	32,137	2,574,563
District 7:								
Michigan.....	4,497	346,010	101	4,620	41	2,085	4,639	352,715
Wisconsin.....	6,418	442,400	7	225			6,425	442,625
Minnesota.....	17,318	2,584,156	16	715			17,346	2,585,301
North Dakota.....	41,000	11,446,903	143	10,606	1,352	76,443	42,495	11,634,072
Total.....	69,233	14,819,529	267	16,226	1,405	78,958	70,905	14,914,713

¹ Includes 1,840 vegetable loans for \$267,958.

1935 EMERGENCY CROP AND FEED LOANS—continued

TABLE 2.—Number and amount of loans made, by types, through Jan. 31, 1936—Continued

District and State	Crop		Feed		Wheat		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
District 8:								
Iowa	1,157	\$128,835	111	\$8,885	3	\$225	1,271	\$137,945
South Dakota	31,470	7,789,421	382	27,990	200	21,330	32,052	7,833,741
Nebraska	11,458	1,867,870	396	40,110	736	82,560	12,590	1,990,540
Wyoming	1,619	278,230	17	1,195	145	28,055	1,781	307,480
Total	45,704	10,084,356	906	78,180	1,084	132,170	47,694	10,274,703
District 9:								
Kansas	7,905	1,190,300	304	22,315	11,382	2,275,645	19,591	3,488,260
Oklahoma	5,207	453,830	117	8,070	2,666	462,330	7,990	924,230
Colorado	6,706	1,170,860	201	23,270	1,035	149,350	7,942	1,343,480
New Mexico	3,451	535,960	528	50,000	722	170,415	4,701	756,375
Total	23,269	3,350,950	1,150	103,655	15,805	3,057,740	40,224	6,512,345
District 10: Texas	42,188	4,618,443	189	15,020	5,804	1,535,695	48,181	6,169,158
District 11:								
Arizona	326	64,490	1	195	38	8,260	365	72,945
Utah	919	74,995	57	2,580	96	13,880	1,072	91,455
Nevada	53	6,296					53	6,296
California	761	153,210	2	425	65	12,495	828	166,130
Hawaii	70	15,360					70	15,360
Total	2,129	314,351	60	3,200	199	34,635	2,388	352,186
District 12:								
Montana	9,809	2,068,350	328	25,500	714	71,430	10,851	2,165,280
Idaho	1,748	254,665	146	10,335	132	23,095	2,026	288,095
Washington	1,269	304,430	20	1,325	9	2,605	1,298	308,360
Oregon	951	136,245	19	2,295	151	27,925	1,121	166,465
Total	13,777	2,763,690	513	39,455	1,006	125,055	15,296	2,928,200
Grand total	391,659	51,881,105	6,205	431,849	26,324	5,029,508	424,188	57,342,462

¹ Includes 1,119 vegetable loans for \$172,005.

Farm Credit Administration, division of finance and research.

1935 EMERGENCY CROP AND FEED LOANS

TABLE 3.—Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936

District and State	Loans made		Amount collected	Balance outstanding		District and State	Loans made		Amount collected	Balance outstanding				
	Number	Amount		Number	Amount		Number	Amount		Number	Amount			
District 1:														
Maine	1,504	\$384,465	\$233,478	1,001	\$150,987	39.3								
New Hampshire	134	12,725	6,574	80	6,151	48.3								
Vermont	180	16,165	9,645	105	6,520	40.3								
Massachusetts	163	30,765	16,629	98	14,136	46.0								
Connecticut	93	18,620	10,012	53	8,608	46.2								
New York	799	110,880	74,583	396	36,297	32.7								
New Jersey	232	41,570	29,585	112	11,985	28.8								
Total	3,105	615,190	380,506	1,845	234,684	38.1								
District 2:														
Pennsylvania	1,575	163,035	56,646	1,247	106,389	65.3								
Delaware	223	28,430	10,480	176	17,950	63.1								
Maryland	1,033	110,970	39,731	823	71,239	64.2								
Virginia	9,895	741,665	542,330	3,698	199,335	26.9								
West Virginia	543	29,095	15,414	295	13,081	47.0								
Puerto Rico	2,030	373,970	1,000	2,028	372,970	99.7								
Total	15,299	1,447,165	665,601	8,267	781,564	54.0								
District 3:														
North Carolina	25,398	2,111,627	1,912,615	5,961	199,012	9.4								
South Carolina	27,322	2,672,621	2,447,480	7,026	225,141	8.4								
Georgia	28,866	2,664,140	2,500,241	5,299	163,899	6.1								
Florida	2,671	318,815	65,028	2,043	253,787	79.6								
Total	84,257	7,767,203	6,925,364	20,829	841,839	10.8								
District 4:														
Ohio	1,619	130,547	71,782	940	58,765	45.0								
Indiana	881	72,545	45,652	408	26,893	37.1								
Kentucky	3,739	192,090	128,572	1,704	63,518	33.1								
Tennessee	11,082	633,601	521,692	3,466	111,909	17.7								
Total	17,321	1,028,783	767,698	6,527	261,085	25.4								
District 5:														
Alabama	7,178	365,361	352,649	677	12,712	3.5								
Mississippi	19,641	1,062,611	971,669	3,649	90,942	8.6								
Louisiana	20,562	1,330,278	1,119,618	6,448	210,660	15.8								
Total	47,381	2,758,250	2,443,936	10,774	314,314	11.4								

1935 EMERGENCY CROP AND FEED LOANS—continued

TABLE 3.—Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936—Continued

District and State	Loans made		Amount collected	Balance outstanding		District and State	Loans made		Amount collected	Balance outstanding				
	Number	Amount		Number	Amount		Number	Amount		Number	Amount			
District 6:														
Illinois	3,518	\$340,805	\$204,234	1,802	\$136,571	40.1								
Missouri	4,048	298,645	159,323	2,504	139,322	46.6								
Arkansas	24,571	1,935,113	1,568,504	11,383	426,609	22.0								
Total	32,137	2,574,563	1,872,061	15,689	702,502	27.3								
District 7:														
Michigan	4,639	352,715	157,799	3,078	194,916	55.3								
Wisconsin	6,425	442,625	147,262	5,088	295,363	66.7								
Minnesota	17,346	2,585,301	909,612	13,865	1,675,689	64.8								
North Dakota	42,495	11,534,072	1,166,518	40,504	10,367,554	89.9								
Total	70,905	14,914,713	2,381,191	62,535	12,533,522	84.0								
District 8:														
Iowa	1,271	137,945	75,684	695	62,261	45.1								
South Dakota	32,052	7,838,741	1,307,192	29,296	6,531,549	83.3								
Nebraska	12,590	1,990,540	550,461	9,913	1,440,079	72.3								
Wyoming	1,781	307,480	94,446	1,457	213,034	69.3								
Total	47,694	10,274,706	2,027,783	41,361	8,246,923	80.3								
District 9:														
Kansas	19,591	3,488,260	144,082	18,979	3,344,228	95.9								
Oklahoma	7,990	924,230	241,648	6,158	682,582	73.9								
Colorado	7,942	1,343,480	369,116	6,660	974,364	72.5								
New Mexico	4,701	756,375	182,593	4,017	573,782	75.9								
Total	40,224	6,512,345	937,389	35,814	5,574,956	85.6								
District 10: Texas														
48,181	6,169,158	3,253,271	23,836	2,815,887	47.3									
District 11:														
Arizona	365	72,945	30,144	258	42,801	58.7								
Utah	1,072	91,455	38,852	694	52,603	57.5								
Nevada	53	6,296	4,007	25	2,289	36.3								
California	828	166,130	101,588	406	64,544	38.9								
Hawaii	70	15,360	244	70	15,116	98.4								
Total	2,388	352,186	174,833	1,453	177,353	50.4								

1935 EMERGENCY CROP AND FEED LOANS—continued

TABLE 3.—Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936—Continued

District and State	Loans made		Amount collected	Balance outstanding			
	Number	Amount		Number	Amount		
					Total	Percent of loans made	
District 12:							
Montana	10,851	\$2,165,280	\$742,766	8,582	\$1,422,514	65.7	
Idaho	2,026	288,095	183,167	1,011	104,928	36.4	
Washington	1,298	308,300	190,519	646	117,841	38.2	
Oregon	1,121	166,465	73,932	702	92,533	55.6	
Total	15,296	2,928,200	1,190,384	10,941	1,737,816	59.3	
Grand total	424,188	\$7,342,462	23,020,017	239,371	\$4,322,445	59.9	

Farm Credit Administration, division of finance and research.

1934 EMERGENCY CROP AND FEED LOANS

TABLE 4.—Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936

District and State	Loans made		Amount collected	Balance outstanding			
	Number	Amount		Number	Amount		
					Total	Percent of loans made	
District 1:							
Maine	1,263	\$301,973	\$100,637	1,048	\$195,336	64.7	
New Hampshire	118	11,045	5,645	71	5,400	48.9	
Vermont	228	18,360	9,071	142	9,289	50.6	
Massachusetts	167	23,930	15,227	81	8,703	36.4	
Connecticut	152	23,300	16,839	62	6,461	27.7	
New York	801	90,595	71,050	262	19,545	21.6	
New Jersey	249	31,700	25,303	91	6,397	20.2	
Total	2,978	500,903	249,772	1,757	251,131	50.1	
District 2:							
Pennsylvania	2,149	209,215	108,568	1,339	100,647	48.1	
Delaware	237	26,150	14,395	145	11,755	45.0	
Maryland	1,256	128,400	77,069	757	51,331	40.0	
Virginia	10,909	760,070	664,300	2,488	95,770	12.6	
West Virginia	795	40,825	22,607	420	18,218	44.6	
Total	15,346	1,164,630	886,939	5,149	277,721	23.8	
District 3:							
North Carolina	35,096	2,701,670	2,588,589	4,202	113,081	4.2	
South Carolina	31,805	2,757,185	2,640,919	4,506	116,266	4.2	
Georgia	39,206	3,034,120	2,913,755	4,994	120,365	4.0	
Florida	3,791	335,560	173,569	2,022	161,991	48.3	
Total	109,898	8,828,535	8,316,832	15,724	511,703	5.8	
District 4:							
Ohio	3,255	251,190	195,011	1,057	56,179	22.4	
Indiana	1,480	101,395	84,275	393	17,120	16.9	
Kentucky	6,766	309,480	263,484	2,063	45,996	14.9	
Tennessee	13,862	746,885	709,911	1,789	36,974	5.0	
Total	25,363	1,408,950	1,252,681	5,302	156,269	11.1	
District 5:							
Alabama	15,253	709,445	778,296	1,206	21,149	2.6	
Mississippi	27,942	1,474,215	1,373,514	4,650	100,701	6.8	
Louisiana	22,678	1,221,362	1,130,922	3,983	90,440	7.4	
Total	65,873	3,495,022	3,282,732	9,839	212,290	6.1	
District 6:							
Illinois	1,636	150,470	116,464	557	34,006	22.6	
Missouri	6,261	442,210	272,794	3,161	169,416	38.3	
Arkansas	42,151	1,935,113	1,477,668	20,412	457,445	23.6	
Total	50,048	2,527,703	1,866,926	24,130	660,867	26.1	
District 7:							
Michigan	7,174	510,809	306,184	3,909	204,625	40.1	
Wisconsin	11,071	622,919	192,415	8,218	430,504	69.1	
Minnesota	11,927	976,489	284,504	8,894	691,985	70.9	
North Dakota	29,767	3,793,239	256,888	28,430	3,536,351	93.2	
Total	59,939	5,903,456	1,039,991	49,451	4,863,465	82.4	
District 8:							
Iowa	971	107,212	56,922	554	50,290	46.9	
South Dakota	12,407	1,769,290	183,101	11,679	1,588,189	89.6	
Nebraska	4,240	506,263	141,488	3,201	364,775	72.0	
Wyoming	1,225	178,577	76,981	828	101,596	56.9	
Total	18,843	2,561,342	458,492	16,262	2,102,850	82.1	

1934 EMERGENCY CROP AND FEED LOANS—continued

TABLE 4.—Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936—Continued

District and State	Loans made		Amount collected	Balance outstanding			
	Number	Amount		Number	Amount		
					Total	Percent of loans made	
District 9:							
Kansas	14,299	\$2,450,100	\$137,797	12,078	\$2,012,303	82.1	
Oklahoma	9,174	836,070	329,184	6,064	506,886	60.6	
Colorado	5,509	711,174	222,156	4,255	489,018	68.8	
New Mexico	5,052	774,910	205,331	4,153	569,579	73.5	
Total	34,034	4,772,254	1,194,468	26,560	3,577,786	75.0	
District 10: Texas	49,202	4,873,889	2,654,879	20,248	2,219,010	45.5	
District 11:							
Arizona	441	66,100	51,064	152	15,036	22.7	
Utah	1,307	132,709	82,623	651	50,086	37.7	
Nevada	38	4,105	3,480	9	625	15.2	
California	666	99,005	83,714	149	15,291	15.4	
Total	2,452	301,919	220,881	961	81,038	26.8	
District 12:							
Montana	6,597	789,853	135,895	5,767	653,958	82.8	
Idaho	1,829	236,750	198,530	525	38,220	16.1	
Washington	1,855	413,995	365,155	449	48,840	11.8	
Oregon	931	112,265	74,827	467	37,438	33.3	
Total	11,212	1,552,863	774,407	7,208	778,450	50.1	
Grand total	445,188	37,891,586	22,199,000	182,581	15,692,580	41.4	
1921-35 EMERGENCY CROP AND FEED LOANS							
TABLE 5.—Number and amount of loans made and collected through January 1935 and balance outstanding Jan. 31, 1936							
District and State	Loans made		Amount collected	Balance outstanding			
	Number	Amount		Number	Amount		
					Total	Percent of loans made	
District and State	Loans made		Amount collected	Balance outstanding			
	Number	Amount		Number	Amount		
					Total	Percent of loans made	
District 1:							
Maine	5,855	\$1,526,925	\$1,073,052	2,794	\$453,873	29.7	
New Hampshire	498	55,100	37,978	230	17,122	31.1	
Vermont	718	61,953	38,217	368	23,736	38.3	
Massachusetts	499	86,334	57,370	231	28,964	33.5	
Rhode Island	1	160	1	1	160	100.0	
Connecticut	331	65,680	49,891	117	15,769	24.0	
New York	3,513	520,385	398,315	1,212	122,070	23.5	
New Jersey	1,051	188,168	155,044	366	33,124	17.6	
Total	12,466	2,504,685	1,809,867	5,319	694,818	27.7	
District 2:							
Pennsylvania	7,687	907,600	478,641	4,894	428,968	47.3	
Delaware	727	101,357	48,612	500	52,745	52.0	
Maryland	4,099	520,677	270,633	2,651	250,044	48.0	
Virginia	73,632	6,603,261	4,735,304	31,259	1,867,957	28.3	
West Virginia	10,531	827,676	410,046	6,389	417,630	50.5	
Puerto Rico	2,030	373,970	1,000	2,028	372,970	99.7	
Total	98,706	9,334,550	5,944,236	47,721	3,390,314	36.3	
District 3:							
North Carolina	180,703	17,403,967	16,072,360	31,631	1,331,598	7.7	
South Carolina	185,423	19,573,598	17,853,586	40,628	1,720,012	8.8	
Georgia	221,835	22,209,589	20,271,049	49,664	1,938,540	8.7	
Florida	23,593	2,625,059	1,368,532	10,818	1,256,527	47.9	
Total	611,554	61,812,213	55,565,536	132,741	6,246,677	10.1	
District 4:							
Ohio	14,165	1,506,203	1,047,154	5,821	459,049	30.5	
Indiana	14,809	1,644,678	1,167,874	5,719	476,804	29.0	
Kentucky	71,328	4,595,037	3,262,904	32,169	1,332,133	29.0	
Tennessee	92,054	6,827,992	5,823,229	28,451	1,004,763	14.7	
Total	192,356	14,573,910	11,301,161	72,160	3,272,749	22.5	
District 5:							
Alabama	116,264	10,330,052	8,729,983	27,948	1,600,069	15.5	
Mississippi	174,784	15,113,632	13,650,147	51,821	1,463,485	9.7	
Louisiana	130,174	10,700,361	9,873,437	32,416	916,924	8.5	
Total	421,222	36,234,045	32,253,567	112,185	3,980,478	11.0	

1921-35 EMERGENCY CROP AND FEED LOANS—continued

TABLE 5.—Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936—Continued

District and State	Loans made		Amount collected	Balance outstanding			
	Number	Amount		Number	Amount		
					Total	Percent of loans made	
District 6:							
Illinois	9,211	\$1,004,922	\$694,914	3,982	\$310,008	30.8	
Missouri	48,794	5,014,956	3,508,831	23,428	1,506,125	30.0	
Arkansas	243,391	20,759,766	18,039,544	88,145	2,720,222	13.1	
Total	301,396	26,779,644	22,243,289	115,555	4,536,355	17.0	
District 7:							
Michigan	24,383	2,104,799	1,347,132	12,442	757,667	36.0	
Wisconsin	34,080	2,348,553	1,033,050	22,541	1,315,503	56.0	
Minnesota	46,933	5,286,976	2,176,559	32,071	3,110,212	58.8	
North Dakota	168,542	32,474,805	6,411,459	141,930	26,063,346	80.3	
Total	273,038	42,214,928	10,968,200	208,984	31,246,728	74.0	
District 8:							
Iowa	5,173	705,176	495,065	2,219	210,111	29.8	
South Dakota	101,669	20,865,310	5,689,270	82,589	15,176,040	72.7	
Nebraska	30,349	4,855,375	2,047,825	20,341	2,807,550	57.8	
Wyoming	9,262	1,544,066	776,510	5,762	767,546	49.7	
Total	146,453	27,969,917	9,008,670	110,911	18,961,247	67.8	
District 9:							
Kansas	49,694	8,851,612	1,886,209	41,506	6,965,403	78.7	
Oklahoma	60,118	5,289,732	3,272,412	29,097	2,017,320	38.1	
Colorado	28,445	4,359,810	1,803,976	19,835	2,555,834	58.6	
New Mexico	26,209	3,632,205	1,670,649	17,498	1,961,556	54.0	
Total	164,466	22,133,359	8,633,246	107,936	13,500,113	61.0	
District 10: Texas							
	224,978	22,611,323	15,516,343	75,804	7,094,980	31.4	
District 11:							
Arizona	2,264	408,871	276,036	1,023	132,835	32.5	
Utah	10,614	1,110,843	788,293	4,460	322,550	29.0	
Nevada	423	64,262	54,315	100	9,947	15.5	
California	2,523	444,955	352,404	667	92,551	20.8	
Hawaii	70	15,360	244	70	15,116	98.4	
Total	15,894	2,044,291	1,471,292	6,320	572,999	28.0	
District 12:							
Montana	76,565	14,064,157	4,338,660	56,240	9,725,497	69.1	
Idaho	14,943	2,291,280	1,904,704	4,112	386,576	16.5	
Washington	9,959	2,328,579	1,613,643	3,559	714,936	30.7	
Oregon	6,729	966,204	588,792	3,090	317,412	35.0	
Total	108,196	19,590,220	8,445,799	67,001	11,144,421	56.9	
Total, by States	2,570,725	287,803,085	183,161,206	1,062,637	104,641,879	36.4	
Agricultural credits	967	1,513,024	843,447	545	669,577	44.3	
Seed loan adjustment		63,350	848		62,502		
Grand total	2,571,692	289,379,459	184,005,501	1,063,182	105,373,958	36.4	

Farm Credit Administration, division of finance and research.

1934-35 DROUGHT RELIEF LOANS

TABLE 6.—Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936

District and State	Loans made		Amount collected	Balance outstanding			
	Number	Amount		Number	Amount		
					Total	Percent of loans made	
District 1: New York	399	\$48,823	\$16,982	330	\$31,841	65.2	
District 2: West Virginia ¹	1	295	50	1	245	83.1	
District 3: Florida	964	397,701	47,805	888	349,896	88.0	
District 4:							
Ohio ¹	1	120		1	120	100.0	
Indiana ¹	1	52		1	52	100.0	
Total	2	172		2	172	100.0	
District 5: Louisiana	7,363	452,553	52,067	7,013	400,486	88.5	
District 6:							
Illinois	1,446	124,849	70,511	715	54,338	43.5	
Missouri	20,602	2,029,663	686,655	14,556	1,343,008	66.2	
Arkansas	13,419	683,886	185,401	10,926	498,465	72.9	
Total	35,467	2,838,378	942,567	26,197	1,895,811	66.8	

Due to transfers from drought areas.

1934-35 DROUGHT RELIEF LOANS—continued

TABLE 6.—Number and amount of loans made and collected through January 1936 and balance outstanding Jan. 31, 1936—Continued

District and State	Loans made		Amount collected	Balance outstanding			
	Number	Amount		Number	Amount		
					Total	Percent of loans made	
District 7:							
Michigan ¹	4	\$1,675		4	\$1,355	81.5	
Wisconsin	5,775	1,024,170		44,887	5,445	979,283	
Minnesota	27,124	6,680,841		205,225	25,839	6,475,616	
North Dakota	44,408	12,120,470		237,505	43,314	11,882,955	
Total	77,311	19,827,156		487,927	74,602	19,339,229	
District 8:							
Iowa	7,135	1,006,995		244,359	5,485	762,636	
South Dakota	44,027	16,272,930		660,358	42,220	15,612,572	
Nebraska	24,920	7,258,870		732,663	44,462	6,526,207	
Wyoming	3,302	2,829,060		303,943	2,925	2,525,117	
Total	79,384	27,367,855		1,941,323	73,002	25,426,532	
District 9:							
Kansas	16,413	3,382,420		557,325	13,572	2,825,095	
Oklahoma	12,513	1,149,458		390,947	9,598	758,511	
Colorado	7,413	2,335,457		321,830	3,521	2,013,627	
New Mexico	5,482	1,812,887		419,620	4,610	1,393,267	
Total	41,821	8,680,222		1,089,722	34,116	6,990,500	
District 10: Texas							
	42,834	6,969,904		1,294,465	34,100	5,675,529	
District 11:							
Arizona	279	60,762		20,612	156	40,150	
Utah	4,007	1,752,497		156,543	3,521	1,595,954	
Nevada	103	119,849		23,811	85	96,038	
California	1,237	238,746		110,081	647	128,665	
Total	5,626	2,171,854		311,047	4,409	1,860,807	
District 12:							
Montana	6,394	1,668,580		230,362	5,559	1,438,218	
Idaho	1,668	1,045,174		116,895	1,383	928,279	
Washington	1,157	383,780		163,413	721	220,367	
Oregon	196	147,278		16,123	157	131,155	
Total	9,415	3,244,812		526,793	7,820	2,718,019	
Grand total, by States	300,587	71,999,815		7,310,748	262,570	64,689,067	
Net adjustment due to transfer of loans between offices				27	8,725		
Grand total	300,614	72,008,540		7,310,748	262,597	64,697,792	

¹ Due to transfers from drought areas.

Farm Credit Administration, division of finance and research.

Mr. FRAZIER. Mr. President, will the Senator from Arkansas yield?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from North Dakota?

Mr. ROBINSON. I yield.

Mr. FRAZIER. I unfortunately did not hear all of the Senator's remarks. As I understand, the money provided by the Executive order will be handled under the same method as it has been in the past?

Mr. ROBINSON. Yes. I think I did not state that and I thank the Senator for calling it to my attention. There should be added the statement that the necessary orders will be issued in the immediate future.

Mr. FRAZIER. I agree with the Senator that the crop loans have been handled very satisfactorily in the past. As to the \$200 limit, I think perhaps an average of that amount would satisfy our farmers in North Dakota; but in some instances, on account of the continued cold and severe winter and unusual amount of snow, shortages in feed are being reported. In such cases it might be necessary to have more than the \$200, and I presume the emergency will be taken care of.

Mr. ROBINSON. Mr. President, there is a further statement that should be made in connection with the figures which have been submitted. In some of the Northwestern States, where the records show that a comparatively small percentage of repayments during the present year have been made, that condition is due, in part at least, to the fact that the grains produced by the farmers who are the beneficiaries

of the law are still held. The policy of the Credit Administration is not to force quick sales of the crops produced. For that reason there are assets which in time will be applied to the loans, thus reducing the amount which appears unpaid from the figures presented.

Mr. FRAZIER. Mr. President, will the Senator yield further?

Mr. ROBINSON. Certainly.

Mr. FRAZIER. That is true in many cases in North Dakota at the present time, but there are also other communities where there was practically no grain produced.

Mr. ROBINSON. Yes; there was a complete crop failure due to drought.

Mr. FRAZIER. Yes; and in those cases the farmers will have to have aid to put in any crop at all.

Mr. SMITH. Mr. President, as the author of the measure which has been vetoed, may I say that the plan involved has been in operation for about 8 years. I was amazed, in view of the conditions which now exist and which have not very materially changed from other years, that there should be any question at all about the comparatively small sum involved for the benefit of those who have proved that they appreciate the fact that they have been enabled to be independent and not required to go on the charity rolls.

We have had a system of crop-production loans which everyone who has studied the method by which the farmer may get advances will admit is not an improvement over, if equal to, the advantage he might get from borrowing direct from a banker or private financier. In the first place, he has to have sufficient chattels upon which a mortgage can be taken to justify the loan. In addition to that he pays 6-percent discount. In addition to that he takes 5 percent of the amount of the loan in non-par-value stock. In addition to that he must pay from 2 to 3 percent for examination and recording of the papers. So when we speak of the work of the crop-production corporation in connection with these loans to those who can put up collateral, it scarcely can be called any favor to the individuals.

Therefore, I address myself to those who have had these advances from the Government on no security save the succeeding crop upon which a lien is taken. When one considers that these farmers have struggled along and made a crop, that their loans, which on the average have not exceeded \$200, are being paid back, in 4 or 5 of the districts, to the extent of 95, 96, or 97 percent, and that the balances still due are being reduced, I cannot understand why such a wholesome, efficient, and beneficial program should be questioned at all.

Mr. President, when we consider the proposal to loan \$50,000,000 to hold nearly a million farmers with self-respect on their farms, and compare it to the billions that are being spent otherwise, to me it is a most amazing situation.

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

Mr. SMITH. I yield.

Mr. CLARK. Is it not true that in the matter of recovery the seed-loan agencies have made at least as good a showing and probably a better showing than any other governmental agency and, in remedial effects, a far better showing than any other governmental lending agency has made?

Mr. SMITH. I do not think anyone can question that statement.

Mr. President, in order that it may be in the RECORD, I desire to state that when this question arose before the Committee on Agriculture and Forestry, there was not a dissenting vote. The fact of the matter is that every member of the committee was eager to register himself in favor of the continuation of this loan. It was not a question of charity, but a loan which these poverty-stricken individuals, these American citizens, out of their little product have paid back. The Negroes in my State come eagerly to pay up their loans. They seem to be proud of the fact that they are trusted by their Government. It is not a question of charity.

I say here and now that the amount of \$30,000,000 is wholly and intolerably too small for this purpose. I have had a letter from Mr. Larsen, the head of the Columbia district, comprising the States of Georgia, North and South Carolina, and Florida, stating that the requisitions made

upon him this year are already greater than those of last year. Why should we not extend this assistance to these poor individuals, who have to make affidavits that they cannot get loans from any other source? Why should we here and now, knowing the conditions as we do know them, and as every Senator knows them in his State, refuse to loan the amount that this body, ratifying what the Senate committee did, and the House, ratifying what its committee did, have agreed to loan?

Why should we now do such a thing? For the sake of economy? God help us! There is no loss here. If we were giving somebody \$60,000,000 it would be a bagatelle compared to what we have already given; but we are not giving away a penny. This year, in my district and in the Memphis district and in the Dallas district, some of the delinquent loans of 1931 have been collected. The borrowers are still paying, and as the conditions improve as to market value they will pay 100 cents on the dollar.

I, for one, should like to see the Senate go on record as to whether it will sustain the veto on the grounds given by the President, or whether it prefers to express its opinion as to the necessities of the case.

I recognize and appreciate the fact that the President has said that he might issue an Executive order; but if it is necessary for us to find the wherewithal to provide \$50,000,000 of loans, why can we not do it? That would be only \$20,000,000 in excess of the amount the President could find.

I maintain that after the consideration and the enthusiastic support of the Agricultural Committee, and the practically unanimous support of this body, it is due to these American citizens, who have made the splendid showing they have, that we as a body should see that their faith in us shall not be shaken.

I have never received so many letters and telegrams on the passage of any other bill as I have on the passage of this bill this year; and I see no reason whatever why we should not express ourselves regarding it. Possibly we may not be able to pass the bill over the President's veto; but I do desire to have the people of my State know where I stand, and I think I voice the sentiment of every Senator who has the interests of these people at heart.

We have expressed ourselves almost unanimously on this subject, both in the House and in the Senate. The need for this money today is just as great as it was when similar bills were first passed. Without taking the time of the Senate further, I, for one, desire to state here and now that I shall endeavor, if possible, to have a vote on this question, and let each and every Member signify where he stands in relation to a suffering and deserving element of our people. I desire to go on record in that respect.

WORKS PROGRESS ADMINISTRATION IN WEST VIRGINIA

Mr. HOLT. Mr. President, it is with sincere regret—and I mean that—that I take the floor of the United States Senate today to discuss again the Works Progress Administration in the State of West Virginia.

I should not have talked about the Works Progress Administration had it not been that my colleague [Mr. NEELY] yesterday accused me of making some untrue statements, and said that my charges were preposterous. The CONGRESSIONAL RECORD does not show that statement. For some reason it has been changed. I brought the original copy of the remarks here to show that I have been charged with making untrue statements, and it has been asserted that my charges were preposterous.

I also take the floor with regret for this reason: I am one who has been with the administration, as I have told the Senate before, ever since and even before the nomination of President Roosevelt. I have consistently voted with the President of the United States except on the one issue of the bonus. I am not making these remarks to embarrass the administration in any way, because I am for the renomination of the President of the United States, and I am for his reelection; but I feel it my duty, as one who has stood with the administration, to tell the people of my State definitely, although they know it only too well, just exactly what the situation is.

I made on the floor of the United States Senate the following charges. None of them has been denied, and none of them can be truthfully denied.

I made personal charges against Mr. McCullough, and I will not repeat them. They are known to you from the RECORD.

I said that the Works Progress Administration in the State of West Virginia was a political machine and was a factional political machine, and that cannot be denied.

I said that they had county bosses, and that a person to get on relief got the O. K. of the county boss. I will submit a list of the persons who are the county bosses in the different counties of the State and tell you just how the appointees get on the relief rolls.

I said that in certain places where there was not a particular county boss there was a county committee, and the county committee passes upon the persons who are put upon the relief rolls.

I also made the charge that people in the State of West Virginia are out of work today because too much money is going for the administration of the W. P. A. and not enough is going to the workers in the State of West Virginia.

I showed that the increases of salary that have been given to 27 men would put 828 men to work and feed the families of those 828 men—just the increases in salary alone! I showed the salaries and increases in salaries. In order that there may not be any question about who they are, I am going to put in the RECORD the names of other persons sent me and show the salaries they formerly received and the salaries they are receiving today as shown by the list.

I find that Mr. Ed Hart, of the board of control, formerly received \$2,400. Today he is on the W. P. A. at \$2,700.

I find that Mr. Ben Puckett was on the pay roll of the F. E. R. A. at \$3,600. Today he is on the pay roll of the W. P. A. at \$4,500.

Mr. Elmer St. George was drawing \$3,060. He drew \$3,600.

I find that Mr. Cornwell, of the F. E. R. A., drew \$2,600 and today he is drawing \$2,700.

Mr. Walter King was employed by the F. E. R. A. at \$3,300. Today he is drawing \$3,500.

Mr. J. D. Alexander was drawing \$2,340. Today he is drawing \$4,500.

Mr. E. S. Puckett was drawing \$2,340. I find that today he is drawing \$2,900.

Mr. Amos Morton was drawing \$1,800. Today he is drawing \$3,000.

Mr. Morris McConihay was drawing \$1,440. Today I find that he draws \$2,100.

I find that June Moore was drawing \$1,320. Today on the pay roll at \$2,000.

I find Mr. Nebarith at \$1,620 and now on the pay roll in the Huntington district at \$3,300.

I find that Mr. Homer Frame was on the F. E. R. A. pay roll at \$1,800 and today is getting \$2,400.

I find that Mr. Jim Myer was getting \$2,100 and today is getting \$2,400.

I find that Mr. E. D. Johnson was on the pay roll at \$1,560 and now at \$2,400.

I find that Mr. Melton Maloney was getting \$1,800 in the bus company and on the W. P. A. \$3,000.

I find that Mr. Joe Blackburn was drawing \$2,400 and today, on the W. P. A. pay roll, is getting \$3,200.

I find that Mr. Dewey Phares was getting \$5 a day from the railroad and is on the W. P. A. pay roll at \$3,400.

I find that Mosby, a newspaper writer, was getting \$40 a week and today is on the pay roll at \$3,300.

I find McPherran was on the pay roll at \$3,000 and was getting \$2,400.

I find Frank Carte was on the pay roll at \$2,400 and was getting \$1,800.

I find that Kelly was on the pay roll at \$2,400; before drew \$1,716.

Mr. President, I give these names sent me. I promised the United States Senate that I would verify every charge I have made against W. P. A. I say that there is not a man

in the State of West Virginia, or a man in the United States Senate, who can successfully deny a single charge I have made against the W. P. A., and whenever anyone accuses me of telling an untruth, he will have to prove who is telling the untruth. I defy them. This great appropriation of money should be spent for the common people.

I do not make this charge against the national administration. I charge it against the State W. P. A. administration, in the State of West Virginia, which is under the dictatorship of a man who wanted to be governor. Thank goodness, we drove him out of the race. Now, since he has been driven out of the race, he wants to take the machine and try to make someone else governor, but he is not going to succeed in that.

Mr. President, I wish to state that I have been informed the communications bill, the bill for telephone and telegraph messages, from the time the administration started until the 1st day of January, amounted to \$25,118. Oh, they love to talk. Twenty-five thousand dollars was drawn, which should have been spent in feeding the people of the State of West Virginia.

I repeat those charges and say that the office of the State administration cost the people of the United States \$225,000 per year in recent months, just to run the State office, not including the seven district offices.

I charge that 813 men were on the pay roll of the supervisory force in the Huntington division of the State of West Virginia, and that cannot be denied. I will, if necessary, name every one of them and name the projects on which they worked.

Let me state another thing that is shown to me. I find that today there are five engineers assigned to one project less than 2 miles long, in the county of Kanawha. One of them draws \$200 a month, another \$100 a month, the other three \$150 a month. Yet they had an engineer on that project, and when they went out those men were sent back to report to room 406 of the Odd Fellows Building. I do not know whether they wanted to make an original survey of that particular building or not, but here they are charging this against the building of this particular road, known as the Wilson-Hollow road project. I bring along the actual record.

In other words, all these men were put on the pay roll. For what? For politics? I submit we should repudiate those things and should drive them out.

My colleague took me to task and sought to make it appear that I was against the national administration because I had gone along in the exposé of the W. P. A. Let me refer to the year 1934, when the Civil Works Administration, which was a part of the same organization that is now the W. P. A., was administered by that group. What did my colleague say about the Civil Works Administration of the State of West Virginia? I may be pardoned for reading into the RECORD what he said of the C. W. A. He spoke very highly of Harry Hopkins yesterday, but I shall read what he said of Harry Hopkins, according to the Associated Press.

I find that my colleague stated on January 26, 1934:

He is using the West Virginia works program to build up a Republican machine in many counties.

He spoke about taking a sackfull of complaints to the C. W. A.

On January 27 Mr. Beehler replied as follows:

The only crime has been a flat refusal to turn the C. W. A. program over to Senator NEELY and other politicians.

On January 30 this is what the Associated Press of Washington carried:

JANUARY 29.—Senator M. M. NEELY, Democrat, West Virginia, said tonight that he would carry his demands for Beehler's ouster to President Roosevelt. "I am not going to take any dictation from Beehler or from Hopkins, either", Senator NEELY said. "I am going to carry this matter directly to President Roosevelt, and I know he will see that justice is done."

Let me quote further. Hopkins, asked at a press conference late today if he intended to remove Beehler, replied:

No; of course not. Beehler is going to remain.

Reminded that Senator NEELY and the entire West Virginia House delegations had asked for Beehler's removal, Hopkins said:

Well, what of it?

That is an exact quotation of what occurred at that particular time. In other words, I turned the record over and said within an hour that if the C. W. A. was set up for political purposes the W. P. A. in West Virginia was set up 10 times more for political purposes. I said that if it was wrong to turn it over to the Republicans, it was wrong to turn it over to Democrats. It was meant to feed the people, not for any political machine or any political party.

I again bring the records and the telegrams along to show that my colleague did protest to them about the C. W. A. investigation, and said this:

Will you please specify where I ever authorized anyone to speak for me, ever made a charge of any kind against the administration of relief in Barbour County as indicated in your letter of December 26 to Director Hopkins, a copy of which is before me? The fact of the matter is that I eliminated Barbour County from my request for investigation.

It was perfectly all right to investigate the C. W. A. in the State of West Virginia; but it is terrible, I have become a heretic, because I want the W. P. A. investigated and want to drive out of office those political leeches, bloodsuckers, and those people who are using, for private gain, a fund that was set up for the common people.

Let me quote a little further. Here is a letter from the supervisor of personnel of the Fairmont district, which I will read. This is an exact copy of the letter, the original I have here:

The time to correct mistakes is before they are made, if possible; consequently we don't want anyone on these jobs who is not right.

Get that—

Consequently we don't want anyone on these jobs who is not right. These hundreds of applications going in should be taken around to the "designated"—

Listen to this—

These hundreds of applications going in should be taken around to the "designated" leaders in each county and sorted; then the local leaders can't blame the personnel office if the right boys are not on. This, to my mind, is paramount if this organization is to accomplish what it has to do in the next year.

What did that mean, on the face of it? I should like to know. That is an exact quotation from the personnel director of the Fairmont district.

Here is another letter from that man, whom I know very well, and he is a very fine fellow:

Mr. Oldham has understood from the beginning that Senator NEELY has designated a man or men in each of the Panhandle counties who were to act as advisers with him in that district and who supposedly were to be taken into conference on State matters pertaining to their counties. Mr. _____ and Mr. _____ were the ones supposed to be consulted with in Brooke County.

I will not read the names of these men, because they are not in the controversy.

Listen to this:

Since the requisitions for labor so far have been made up in this office, we have, since this happening in Brooke County, religiously placed as foremen and timekeepers on the projects the names of men suggested by our advisers. We have had no further complaints or trouble on the new projects which are starting in those counties. We are continuing to place the foremen and timekeepers as stated before and will continue to do so until further orders. May I ask your comment and suggestions on this procedure?

Listen to this:

We have earnestly tried to be very broadminded in permitting the advisor to consult with the party leaders in their respective counties in order that we may be assured of complete harmony and support at next primary and general election, rather than have some one person set himself up as a little king or dictator in his own right, raring back saying that the weight is all upon his shoulders and thereby taking the privilege of naming everyone in any county regardless of boundary lines or personal considerations and feelings.

I quote that from the record. In other words, here is actual proof of what they are doing, and the names of the people in the county.

Here is a letter to me from the county chairman of Wood County:

DEAR RUSH: I have had considerable contact with your brother and other members of the W. P. A. staff in their temporary office. I don't know whether you know it or not, because I didn't come to you with a lot of ballyhoo as to what I had done for you, but I built my whole structure around your candidacy in the primary and election. In the primary I used the key men in the labor organizations here, especially Morris Bull in the textile workers. I underwrote the expense of your campaign here and whatever the labor boys could not raise I made up the balance. I never wanted a political job.

This is where he starts in with what I wish to call to the attention of the Senate particularly:

I am only aiming to solidify and keep together the Democratic organizations. On all appointments made here by Senator NEELY he always checks my office first and we try to back the ones who are deserving and who we know will be dependable NEELY workers. Now, to keep the organization strong, I must still be at the head of it till after the primary. If there are any local boys you want to take care of here, let them contact this office, and I will back the play. But if they find they can go over my head it weakens the Democratic organization. In other words I must, in the words of the Chinese, "not lose face."

He goes ahead and tells whom they could contact. That letter was addressed on the 29th day of July from Parkersburg.

I wish I could tell the Senate what I wrote back to him, but it is not permissible to place it in the RECORD.

Let me go a little further in what was said at that particular time. Here is what the State personnel agent, Mr. Melton Maloney, in charge of all the personnel in the State, said:

From the very beginning my hands were tied. I was not allowed to do the job I had been drafted to do. Mr. McCullough told me on December 24 that he was powerless to do anything about it because he was being dictated to by—

Quoting Mr. McCullough:

Senator NEELY's personal organization in the State.

He names them. He names the six men who were in his personal organization, who need not be involved in this controversy. He goes ahead further in that letter and says:

No one could get a job from my bailiwick (Union district, in Kanawha County) unless approved by —.

Another man. He says they cannot understand that particular way of dealing with people.

In other words, the record will speak for itself. I bring in these things, and if anyone wants the original, I have it here, and I challenge anyone to say that it is not true, from the original letters I have at hand.

Let me show the Senate another little piece of politics. We have in the State of West Virginia a man by the name of Dan Fleming, who had a wonderful liberal record in the State senate. He was put in charge of finance in the Parkersburg district. What happened?

When the legislature met, Dan Fleming would not vote for Louis Henderson, the utility candidate for president of the senate. He would not do it because he said, "I have always waged my campaign against the utilities." What happened? When they got to Senator Fleming's salary he was given \$2,400, and every other finance director in the State of West Virginia was given \$2,900. He was punished to the extent of \$500 a year because he would not go along in putting in a utility candidate for president of the senate of West Virginia. I will get an affidavit from Senator Fleming to prove that, if anyone desires it.

Let me go a little further. There was George Oldham, who was a great member of the house of delegates, a man who had never been defeated at any time except in the Republican landslide, a man who had led the Democratic ticket. On Thursday I was told that Mr. Oldham was against my colleague and was talking about it. On the next Tuesday I found Mr. Oldham was fired. For the good of the service. On Thursday I found it out and on Tuesday he was fired.

What happened in the Gordon Enoch case in Parkersburg? He was superintendent of the Parkersburg district. Everyone knew that he was not doing anything. He was sitting there drawing \$3,100, and this was protested and his removal

asked for. Mr. McCullough had wired back to me: "I cannot let him go because he is endorsed by Senator NEELY."

Let us go a little bit further and show who is in charge of this set-up in the State of West Virginia. My colleague tried to make it appear that I was trying to build up a political machine in the State of West Virginia. I have made a check, and I have here, submitted to me by the personnel director, the list of all these employees, and who put them on the pay roll, and I find in the State office 127 employees, 11 of them directly charged to my colleague, 32 of them charged to appointees of my colleague, such as those who were appointed by the district attorney and those that are appointed by people who were appointed by my colleague, and I find that 14 of them are O. K.'d by Senator NEELY's committee, and I find that the Congressmen do not amount to much in the State of West Virginia, because out of 127 they only got 3 people on, so I find that 14 are charged to Senator NEELY's committee and 32 are charged to appointees of my colleague.

How many distress cases can you find on that list? Out of the 127 there were 4. Four, that is, out of 127. We find that 57 are directly charged to my colleague out of the 127.

But let me go a little bit further into the actual evidence of what was going on. I want to quote from the *Wheeling Intelligencer* of February 21, 1936:

The report shows conclusively that this control is vested in and tightly held by United States Senator M. M. NEELY and his ally and Warwick—

I will not mention the name.

Sixty-seven of the 127 appointments can be directly traced to these two men, and at least one-half of the remainder indirectly traced to them.

My colleague said I was trying to build up a political machine. How many do you suppose I got on the State office list? It will be said, perhaps, that it is a case of "sour grapes." I got 2 on out of 127. I continue to read:

One thing graphically portrayed by the report is confirmation of the widespread reports that Senator Rush D. Holt was left entirely out in the cold in the matter of patronage at the local offices of the W. P. A. It is disclosed that Holt is personally responsible for only two members of the staff—one of them a minor employee drawing \$105 a month.

In other words I admit that I was left out in the cold, and I am indeed glad that I was left out in the cold, because I do not have to take the responsibility for it.

Let us go a little bit farther ahead and see what happened. We find in that whole group of nonpolitical appointments about 11 out of the 127 that are not charged to some politician or some Senator or some Congressman or some boss or some committeeman. Of course, in the Fairmont district my colleague has had complete control of it and has named the appointees. I will go down the list. He appointed Robert Riley as assistant United States attorney. Before anyone was to get any job in that county Mr. Riley was to pass on it.

Mr. Robinson was appointed as United States attorney. Before anyone was to get any job in Harrison County Mr. Robinson passes on that particular job.

Oh, no; no politics in it! None at all! I challenge the questioning of that record.

Let us go to the other end of the State, the Lewisburg district. Out of 56 appointments, 10 of them are definitely charged to my colleague, and indirectly 9 of them are charged besides to political committees and the political bosses. In other words let us look at the record, as Al Smith says, and see who is in charge of the W. P. A. in West Virginia. If I were in charge of it I certainly would repudiate it mighty quick, because I think it is a rotten, disgraceful administration of a wonderful bill.

Let us go down to the Elkins district. We find 63 are employed and my colleague has about 10 of them directly and 8 of them indirectly charged to him.

How many do Senators suppose I have put on? Three on that list.

Now look at my home district. I took responsibility for the Parkersburg district, my home district. But, Senators, I will not have to take it long, because I made a speech on

the floor of the Senate against the W. P. A. on Monday, and on Friday my brother was fired out of it. Let me say that I had nothing in the world to do with the appointment of my brother. Not at all. Mr. McCullough said to a man, whose name I could bring in if I wanted to, "Do you not think it is a smart political move to put Holt's brother on, and then he has to keep his mouth shut?"

I was not then in the State of West Virginia. But, Senators, if it is a question of keeping my mouth shut or having my brother lose his office, I say that my brother's office does not mean half as much as the principle of a fight against all this rotten corruption. My brother said when he was fired he had to be fired because he would not build up a political organization for Mr. McCullough for Governor.

I was asked the other day to say where Mr. McCullough told me he wanted to be Governor. I will tell Senators where he told me. He told me that in the Mayflower Hotel in the city of Washington, and he told me that in the Daniel Boone Hotel at Charleston, W. Va. He said, "Fifty-five thousand men can make anybody Governor, and they know where they get their jobs." I challenge him to deny that, and I will tell him the exact date.

Let us look at the actual situation. The blame for it is due to what? It is due to the utter irresponsibility of the administrator—a 42-percent loan shark—a loan shark who has made money by charging the poor workingmen of my State 42 percent upon the loans. But did I not tell the Senate the other day that his name had been erased from the window, and that you will not see Mr. F. W. McCullough as president of that finance company. He is ashamed of it.

I again charge this and ask for a denial. I charge that the personal allegations that I have made against Mr. McCullough are true.

I charge that the W. P. A. in the State of West Virginia was built for a factional political machine.

I charge that there are bosses in most every county, and where there is not a county boss there is a county committee.

I charge that the people of the State of West Virginia cannot be put upon employment. Why? Because much money is given to a few "show horses" that are always down to get the blue ribbons.

What happened in Mason County, about which so much has been spoken? When we wanted a project passed at Leon, what did Mr. McCullough tell me? He said, "I will not approve that project, because those people do not vote right." He told me that personally.

Another thing: I charge that those salaries have been increased to huge amounts. Who suffers? The common people have to suffer. We have so much money to spend, and it may either go to the officeholders or to the workingmen, I think it should go to the workingmen, the people who have to go out and earn \$38.50 a month, as they do in parts of the State of West Virginia, not those who are earning \$3,000 and up to \$6,000.

Mr. McCullough, the administrator, has never been confirmed by the United States Senate. They do not dare put his record before the United States Senate and allow the question of confirmation to come before the Senate.

I charge that his office is throwing away money that should go to the common people. If my colleague wants to take the responsibility, I welcome it, and willingly give that to my colleague because I do not want it. I want to say that if NEELY accepts the responsibility the responsibility will be repudiated when the people decide upon it.

Mr. NEELY. Mr. President, it is not my intention to enter upon a discussion of the various charges which the junior Senator from West Virginia has just made. But the attention of the Senate is very respectfully invited to page 2746 of yesterday's RECORD, where the following appears:

Mr. Holt. It is true that Mr. Roth is a Republican, but in every single county in that district he had to consult a certain political boss or bosses. I have the list in my office and will be glad to bring it here, showing the names of those appointed, and the name of the boss whose endorsement he had to have before he could get anybody appointed.

Mr. NEELY. I challenge the junior Senator from West Virginia to obtain from Mr. Roth a statement that will, in the slightest degree, confirm, or tend to confirm, the charge that he has just

made to the effect that Mr. Roth was obliged to consult some political boss or bosses before he could make W. P. A. appointments.

Yesterday evening I sent Mr. Roth the following telegram:

FEBRUARY 25, 1936.

Hon. ROBERT F. ROTH,
Fairmont, W. Va.:

Senator Holt today publicly charged that before you could make W. P. A. appointments you had to consult a political boss or bosses in every county in your district. Will you please kindly wire me to collect whether this charge is true or false?

M. M. NEELY.

The following is Mr. Roth's response to my message:

FAIRMONT, W. VA., February 26, 1936.

Hon. M. M. NEELY,
United States Senator:

Re tel. Charge is false. I selected keymen. Personnel department furnished others. My own appointment was made upon recommendation of A. C. Spurr and Fred Kraft, of Upper Monongahela Valley Association. I asked McCullough to approve Harold F. Kramer for assistant director, M. E. Ashcraft director of finance, George J. Gow supervisor of projects and planning, Fred M. Jamison office manager and personnel supervisor. I also recommended Harry C. Louden to head the labor division. Kramer suggested Bill Gates as a very competent assistant to Gow. I made that assignment. I requested McCullough's approval of Sam Burke and Dan Cronin for keymen on statistics and pay rolls in finance division. I asked Kramer to select six or eight competent engineers throughout the district and, if possible, get men experienced in E. R. A. work. That was done and McCullough approved. McCullough demanded speed and advised that E. R. A. projects should be checked, revised, and taken over as the nucleus of W. P. A. program. Took oath of office on or about July 6. Fairmont office opened for business July 11, first in the State.

Kramer and Gow were with E. R. A. this district, the former division engineer and the latter as county administrator. Kramer's engineers went to work immediately in the field preparing projects for transfer. Kramer and his men remained in E. R. A. pay roll for the time being. Gow served in dual capacity with both administrations to effect speedy and harmonious transfer of overlapping business. Gow's salary with E. R. A. was discontinued. District 2 was first to put men to work in West Virginia, and by September 12 had worked up full 3-year program of some 900 projects totaling \$26,000,000. Fred Jamison was a furloughed F. H. A. employee, and had been ordered back to Parkersburg. I wanted him as office manager and reserve man to Ashcraft on account of wide experience in financial matters. McCullough hesitatingly granted my request. Burke and Cronin, both unemployed, were former employees in local code authority. I had intimate knowledge of their qualifications while myself employed in adjoining offices of Northern West Virginia Coal Association. I came to know Louden as a young man of outstanding ability in labor circles while serving as local county relief administrator.

If you are included as one of the political bosses referred to in telegram I can absolve you from that so far as I am concerned. Our personal acquaintance is limited to an introduction in the Fairmont Hotel the night of testimonial dinner to John L. Lewis.

ROBERT F. ROTH.

Mr. President, yesterday the junior Senator from West Virginia challenged me to refute any charge that he had made against the Works Progress Administration for his native State. It is very deferentially submitted that the message from Mr. Roth which has just been read to the Senate supplies all the refutation of one of the Senator's serious charges which any open-minded person could desire.

At a later date additional relevant and conclusive evidence will be presented to the Senate regarding other charges which the junior Senator has made. Further than this I trust that I shall not be compelled to go.

My conception of the important purposes of the Senate impels me to regret that personal complaints or quarrels are ever brought to the Senate floor. My self-respect as well as my respect and my affection for my friends in this body will always restrain me from initiating or participating in personal controversies here, excepting in case of intolerable provocation.

In response to the charges of the junior Senator from West Virginia regarding attempts to control the appointments of the Works Progress Administration, I venture to read to the Senate the following self-explanatory messages:

December 31, 1935:

GLEN S. CALLAHAN,

National Youth Administration, Charleston:

Democratic opposition to appointment Boyles, Barbour County. Recommend Raymond Murphy, Philippi, who has outstanding qualifications.

RUSH D. HOLT.

December 4, 1935:

MOSE DARST,

Fairmont:

Am personally interested in taking care of Gordon Sandridge, Belington, W. Va. Hope you can do so.

RUSH D. HOLT.

Mr. Darst is one of the officials of the Fairmont Works Progress office.

January 6, 1936:

GLEN S. CALLAGHAN:

If for any reason Berkeley County recommendation not advisable, have someone else in mind.

RUSH D. HOLT.

December 4, 1935:

GLEN S. CALLAGHAN:

Recommend Burdette Cutlip, of Braxton, W. Va., for organizer Emergency Relief education for Braxton County.

RUSH D. HOLT.

January 14, 1936:

GLEN S. CALLAGHAN:

Recommend Grant County N. Y. A. Administrator Harry C. Yokum, Pansy, W. Va.

RUSH D. HOLT.

January 13, 1936:

GLEN S. CALLAGHAN:

Recommend Ralph W. Haines for N. Y. A. Administrator position, Hampshire County.

RUSH D. HOLT.

January 12, 1936:

GLEN S. CALLAGHAN:

Recommend N. Y. A. Administrator, Hardy County, O. Lee Heltzel, Wardersville.

RUSH D. HOLT.

December 2, 1935:

GLEN S. CALLAGHAN:

Byron Randolph wires that Virgil Shack be named recreation director Harrison County.

RUSH D. HOLT.

November 6, 1935:

MOSE DARST:

Have requested that Byron Randolph be consulted about naming some foremen and timekeepers in Harrison County. Hope you will not overlook this, as I consider it very important.

RUSH D. HOLT.

January 6, 1936:

GLEN S. CALLAGHAN:

Recommend Fred Hedrick N. Y. A., Summers County. Very good training.

RUSH D. HOLT.

December 14, 1935:

GLEN S. CALLAGHAN:

Since Herman Jemison, Tyler County, did not get on Emergency, would like to have him placed on National Youth Administration.

RUSH D. HOLT.

December 4, 1935:

GLEN S. CALLAGHAN:

Recommend Herman B. Jemison as organizer of Wick, Tyler County.

RUSH D. HOLT.

December 16, 1935:

GLEN S. CALLAGHAN:

Hope in new set-up that you will be able to offer position to Hon. F. N. Zickafoose, former member board of governors, West Virginia University.

RUSH D. HOLT.

December 31, 1935:

GLEN S. CALLAGHAN:

Recommend Mineral County, Mrs. Lillian Keys; Tucker County, Laurence T. Hanby, Davis.

RUSH D. HOLT.

January 2, 1936:

GLEN S. CALLAGHAN:

Recommend for Mineral County, John Long Keyster; Tucker County, Lawrence T. Hanby, National Youth Administration.

RUSH D. HOLT.

December 2, 1935:

GLEN S. CALLAGHAN:

Wired recommendations for Randolph and Mercer. Am contacting other counties by wire. Expect all to reply by Wednesday. Contact me Tuesday, Astor Hotel, New York.

RUSH D. HOLT.

These telegrams sufficiently tell their own story. Therefore I refrain from commenting upon them.

Mr. President, my sole request to my friends in the Senate is that they withhold their judgment in this case until they shall have heard all of the evidence. The complete record will, in my opinion, convince them that the Works Progress Administration has properly discharged its duties in the State of West Virginia and should be acquitted of every serious charge that has been made against it.

Mr. HOLT. Mr. President, I am indeed glad that the senior Senator from West Virginia has spoken. I will present the list of appointees of the Works Progress Administration in his own district, and ask that it be printed, showing the names and salaries of the appointees, and who recommended each and every one of them as to counties.

I will also show that Mr. Callaghan wired me in Chicago, and wired me at the Hotel Astor in New York, and requested the certain particular recommendations that I later did file to him.

I did try to get Mr. Murphy appointed in Barbour County; but, due to the influence of the brother-in-law of the Senator who has just spoken, Mr. Murphy did not get the job. Mr. K. C. Epling got the job at \$1,800 a year.

I will say that in Hardy County and Berkeley County a particular application was requested from me.

As to Harrison County, my colleague did try to establish a definite dictatorship of Howard L. Robinson, who is United States attorney. I did protest because the people in that particular section of the State protested most vigorously to me that they had to go to him to get a job.

As to the other county, I want to ask who got the jobs. He said that he did not do that. All right. Now let us look and see who got the jobs. This is the record in his own district.

We find that in Brooke and Hancock Counties the appointee was recommended by the associates, who were named by the senior Senator from West Virginia to look after his activities in Hancock County.

Let us see who got the appointment in Wetzel County. He said I made a recommendation in Wetzel County. Who made that recommendation? A. C. Chapman, prosecuting attorney, and my colleague's particular friend in that particular county.

Now let us go ahead.

He said that I asked for Virgil Shack to be appointed in Harrison County. Well, I did ask for his appointment; but did I get it? No; I did not get it. Who got it? Harold Stewart, appointed by Howard L. Robinson, and put on the pay roll at \$1,800 a year.

He said I tried to get the appointment in Taylor County. Did I do it? Charles T. Wolfe, recommended by W. J. Gates and associates, was put on the pay roll.

I ask to have this list go into the CONGRESSIONAL RECORD as evidence of that particular thing.

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

Works Progress Administration in West Virginia
SECOND DISTRICT, FAIRMONT
(Total, 155 employees on this list, Jan. 27, 1936)

Title	Name	County	Annual salary	Recommendations
ADMINISTRATIVE CONTROL				
Acting director and chief engineer	Harold F. Kramer	Taylor	\$3,200	W. J. Gates and associates, Robert F. Roth.
Office engineer	C. Crow Batson	Monongalia	2,400	F. Guy Ash, Colonel Robinson.
District supervisor, women's work	Irene Gillooly	Harrison	2,100	Howard L. Robinson and associates.
Area engineer	W. L. Burton	Marshall	2,100	W. C. Ferguson and associates.
Do	Earl E. Brane	Harrison	2,100	Howard L. Robinson and associates.
Requisition engineer	O. R. Wilson	Preston	2,100	Harold F. Kramer, Robert F. Roth, J. V. Gibson.
Liaison officer	H. Sutton Sharp	Marion	2,100	C. E. Smith.
Administrative assistant	Moss McKay Durst	Monongalia	2,000	Terrence Stewart, Walter S. Hart.
Area engineer	James C. Reich	do	1,800	Jake Wharton, Walter S. Hart.
Do	Ray Shaw	Hancock	1,800	Sheriff J. A. Tope and associates.
Do	Homer E. Poling	Barbour	1,800	W. J. Gates and associates.
Office engineer	James W. Hewitt	Harrison	1,620	Harold F. Kramer.
Area engineer	L. F. Oneacre	Wetzel	1,500	A. C. Chapman and associates.
Do	C. W. Monroe	Marion	1,500	Homer C. Toothman and associates.
Junior engineer	Harry W. Weaver	Wetzel	1,500	A. C. Chapman and associates.
Supervising clerk	J. Paul Finley	Hancock	1,500	Sheriff J. A. Tope and associates.
Home economist	Aileen Berdine	Wetzel	1,500	A. C. Chapman and associates.
Senior stenographer	Bess J. Vernon	Hancock	1,200	Sheriff J. A. Tope and associates.
Do	Anne Rady	Harrison	1,200	Howard L. Robinson and associates.
Do	Mildred Stalnaker	Marion	1,200	Robert F. Roth.
Senior clerk	Bess A. Orr	Preston	1,200	J. V. Gibson and associates.
Junior stenographer	Leah Lipson	Marion	960	A. M. Rowe.
Requisition typist	Helen Weimer	do	720	C. E. Smith.
Do	Jane C. Staggers	do	720	Do.
PROJECTS AND PLANNING				
Supervisor	George J. Gow	Marion	1,800	Homer C. Toothman, C. E. Smith.
Assistant supervisor	W. J. Gates	Taylor	2,400	M. M. Neely, Rush D. Holt.
Junior engineer	Emory A. Hoke	Preston	1,500	Harold F. Kramer.
Senior stenographer	Fern Gwyn	Marion	1,200	C. E. Smith.
Junior stenographer	Clara Teti	do	960	C. E. Smith, Frank Miley, Van A. Bittner.
LABOR DEPARTMENT				
Supervisor	Harry C. Louden	do	3,100	Van A. Bittner, Frank Miley.
Assistant supervisor	P. F. Buckley	do	1,800	Do.
Supervising clerk	Joseph Holtz	Monongalia	1,500	F. Guy Ash, Frank Miley, Harry C. Louden
Senior clerk	W. G. Smallridge	Harrison	1,260	Howard L. Robinson and associates.
Senior stenographer	Maxine Hughes	Taylor	1,200	W. J. Gates and associates.
Do	Marie C. Silber	Marshall	1,080	W. C. Ferguson and associates.
Junior stenographer	Filomena Micozzi	Preston	960	J. V. Gibson and associates.
Junior clerk	Olive T. Mason	Marion	840	C. E. Smith.
Underclerk	Steve J. Antalos	Hancock	730	Sheriff J. A. Tope and associates.
Do	Wade H. Robinson	Harrison	730	Howard L. Robinson and associates.
Do	Mildred Kress	Brooke	780	Robert L. Rainsey and associates.
Do	Lelah M. Mauler	Taylor	780	W. J. Gates and associates.
Typist	Margaret J. Yager	Barbour	780	Do.
Do	Dorothy Evans	Preston	780	J. V. Gibson and associates.
Do	Ruth Stewart	Wetzel	780	A. C. Chapman and associates.
Underclerk	Lena Coffman	Marion	720	Earl Smith.
Do	Mary Ellen Knight	do	720	Frank Miley.
INTAKE AND CERTIFICATION				
Supervisor	Anne Tryon	Marshall	1,200	Selene Gifford.
Do	Katherine Dearien	Monongalia	1,200	Do.
Senior stenographer	Edythe M. Satterfield	Marion	960	Homer C. Toothman and associates.
Underclerk	Ruth Posten	do	720	C. E. Smith.

Works Progress Administration in West Virginia—Continued
SECOND DISTRICT, FAIRMONT—continued

Title	Name	County	Annual salary	Recommendations
FINANCE AND REPORTS				
Assistant supervisor	Samuel T. Burke	Marion	\$2,100	Marshall E. Ashcraft.
Certifying officer	Grover C. Starkey	Harrison	1,500	Howard L. Robinson and associates.
Assignment supervisor	J. Harry Meredith	do	1,500	Do.
Pay-roll clerk	Stanley C. Lantz	Monongalia	1,500	Terrence Stewart, Walter S. Hart.
Assistant supervisor, tools and equipment.	C. Glenn Emerson	Preston	1,500	J. B. Gibson and associates.
Verification clerk	James Madison Lyon	Harrison	1,320	Howard Robinson and associates.
Material and supply clerk	Vincent Tropea	Marion	1,260	Homer C. Toothman and associates.
Posting clerk	Alex V. St. Clair	Monongalia	1,200	Walter S. Hart, Jake Wharton.
Senior stenographer	Jessie D. Cox	Marion	1,200	J. Clyde Morris.
Master card-file operator	Lee Bowman	Taylor	1,020	W. J. Gates and associates.
Supervising typist	Rosanna Wilson	do	1,020	Do.
Comptometer operator	John Martin Creighton	Marion	960	Homer C. Toothman and associates.
Verification clerk	Roy Hunter	do	960	Do.
Posting clerk	Psul L. Falkenstein	do	960	Fred M. Jamison.
Verification clerk	William Ray Donlin	do	780	Homer C. Toothman and associates.
Do	George W. Ullom, Jr.	do	780	Do.
Do	George L. Kerr	do	780	Do.
Do	Walter C. Upperman	do	780	Do.
Typist	Gladys Barton	do	780	Fred M. Jamison.
Do	Josephine Thomas	Wetzel	780	Homer C. Toothman and associates.
Do	Nannie Belle Herron	Hancock	780	A. C. Chapman and associates.
Do	Mary Dott Hefner	Barbour	780	Sheriff J. A. Tope and associates.
Do	Eleanor McCarthy	Marion	780	A. D. Marks.
Do	Eunice T. Bennett	do	780	Homer C. Toothman and associates.
Do	Kathryn McKeever	do	780	Do.
Do	Virginia C. Rodgers	do	780	Frank Miley, Tony Teti.
Do	Jennie M. Boyce	do	780	Fred M. Jamison.
OFFICE MANAGEMENT				
Office manager	Fred M. Jamison	do	2,900	Homer C. Toothman, C. E. Smith, Alfred Neely.
Supervising clerk	Irene Fowler	do	1,200	C. E. Smith.
Junior clerk	W. D. Straight	do	1,020	M. M. Neely.
Junior stenographer	Gertrude S. Morgan	do	960	Fred M. Jamison.
Junior clerk-receptionist	Martha H. Mitchell	do	840	C. E. Smith.
Junior clerk-messenger	Louis Prozillo	do	840	Homer C. Toothman and associates.
Supply clerk	W. J. LaFollette	do	720	Harry C. Louden.
Underclerk-telephone operator	Josephine Scott	do	720	C. E. Smith.
SAFETY DEPARTMENT				
Supervisor	William Short	do	1,2400	Transferred by F. Witcher McCullough.
District safety representative	Ray Dillon	Taylor	1,500	W. J. Gates and associates.
Do	Albert Angellilli	Marion	1,500	Frank Miley.
Do	C. E. Chaddock	Ohio	1,500	George W. Oldham.
Junior clerk	T. B. Henderson	Marion	1,020	M. M. Neely.
Typist	Martha E. Sheets	Monongalia	780	Jake Wharton.
COMPENSATION DEPARTMENT				
District compensation officer	James P. Burns, Jr.	Marion	2,000	Appointment made in Charleston.
Claim adjuster	C. O. McVicker	Harrison	1,440	Frank Miley.
Do	Thurlow W. Harmon	Ohio	1,440	George W. Oldham.
Field investigator	H. E. Peters	Marion	1,200	Frank Miley, Harry C. Louden.
Stenographer	Fern Yost	do	960	James P. Burns, Jr.
PROCUREMENT DIVISION				
District procurement officer	W. O. Flesher	Monongalia	1,2,100	Jake Wharton.
Stenographer	Mabel V. Grimes	do	960	Do.
NATIONAL YOUTH ADMINISTRATION				
District director	George Jackson	Harrison	1,1,800	Herbert Fitzpatrick, national committee.
Stenographer	Betty Jane Cross	Marion	1,780	Glenn S. Callaghan.
County representatives:				
Barbour	K. C. Epling	Barbour	1,1,800	Do.
Brooke, Hancock	Kenneth H. Hill	Hancock	1,1,800	Sheriff J. A. Tope and associates.
Marshall, Wetzel	Glenn Jolliffe	Wetzel	1,1,800	A. C. Chapman and associates.
Harrison	Harold Stewart	Harrison	1,1,800	Howard L. Robinson and associates.
Marion	Eugene Watkins	Marion	1,1,800	Homer C. Toothman and associates.
Monongalia	Richard B. Tibbs	Monongalia	1,1,800	Terrence Stewart, Evelyn Yorke.
Ohio	Charles Nickison	Ohio	1,1,800	Robert J. Riley and associates.
Preston	William T. Brice	do	1,1,800	F. Witcher McCullough.
Taylor	Frank Fretwell	Preston	1,1,440	J. V. Gibson and associates.
	Charles T. Wolfe	Taylor	1,1,800	W. J. Gates and associates.
EDUCATION AND RECREATION				
District director	Florence H. Wilkinson	do	1,2,100	Prof. Joseph Rosier and others.
County representatives:				
Barbour, education	Edna Brown Boyles	Barbour	1,1,440	Glenn S. Callaghan, State office.
Brooke, education	Herbert T. Minnis	Brooke	1,1,440	Do.
Hancock, education	Donald M. Hartford	Hancock	1,1,440	Do.
Harrison, recreation	Wade Garrett	Harrison	1,1,330	Do.
Harrison, education	Winifred Mayer	do	1,1,440	Do.
Marion, education	Leslie E. Haught	Marion	1,1,440	Do.
Marion, recreation	Wilford R. Wilson	do	1,1,320	Do.
Marshall, education	R. G. Stewart	Marshall	1,1,440	Do.
Monongalia, education	P. E. Hampstead	Monongalia	1,1,440	Do.
Monongalia, recreation	Virginia Berry	do	1,1,200	Do.
Ohio, recreation	Jack C. Malone	Ohio	1,1,330	Do.
Ohio, education	Teresa Kossuth	do	1,1,440	Do.
Preston, education	John Hunt	Preston	1,1,440	Do.
Taylor, education	Clyde Hickman	Taylor	1,1,440	Do.
Wetzel, education	Mildred B. Monger	Wetzel	1,1,440	Do.

[See footnote at end of table]

Works Progress Administration in West Virginia—Continued
SECOND DISTRICT, FAIRMONT—continued

Title	Name	County	Annual salary	Recommendations
SANITATION DIVISION				
County supervisors:			<i>Monthly rate</i>	
Barbour	Walker Dadisman	Barbour	1 1/2 \$125	W. J. Gates and associates.
Brooke	George S. Hoover	Brooke	1 1/2 125	Robert J. Riley and Robert L. Ramsey want him off.
Hancock	Thomas T. Timothy	Hancock	1 1/2 125	Sheriff wants him off.
Harrison	Leon W. Collins	Harrison	1 1/2 125	Howard L. Robinson and associates.
Marion	W. A. Lawler	Marion	1 1/2 125	O. K., M. M. Neely.
Marshall	Harry Knox	Marshall	1 1/2 125	W. C. Ferguson and associates.
Monongalia	R. W. Hancock	Monongalia	1 1/2 125	O. K., Jake Wharton.
Ohio	George L. Johnson	Ohio	1 1/2 125	Robert J. Riley wants him off.
Preston	R. Milford Hardesty	Preston	1 1/2 125	O. K., J. V. Gibson and committee.
Taylor	Ralph S. Kunst	Taylor	1 1/2 125	W. J. Gates and associates wants him off.
Wetzel	Andy W. Finley	Wetzel	1 1/2 125	O. K., A. C. Chapman.
Nutrition supervisors:			<i>Annual salary</i>	
Barbour	Monna Phillips	Barbour	1 1/2 140	Forrest B. Poling and associates.
Brooke	Margaret Sanders	Brooke	1 1/2 200	Robert L. Ramsey and associates.
Hancock	Nina M. Young	Hancock	1 1/2 200	J. A. Tepe and associates.
Harrison	Beatrice Scott Smith	Harrison	1 1/2 272	Howard L. Robinson and associates.
Marion	Pauline N. Henderson	Marion	1 1/2 296	Mrs. Blanche Shack.
Marshall	Margaret H. Peel	Marshall	1 1/2 356	A. C. Chapman and associates.
Monongalia	Ida L. Wilson	Monongalia	1 1/2 356	Terrence Stewart, Evelyn Yorke, Bill Hart.
Ohio	Mary E. Gaynor	Ohio	1 1/2 392	Robert J. Riley and associates.
Preston	Georgia Wilson	Preston	1 1/2 392	J. V. Gibson and associates.
Taylor	Anne E. Cruise	Taylor	1 1/2 200	W. J. Gates and associates.
Wetzel	Blanche L. Heinzman	Wetzel	1 1/2 356	A. C. Chapman and associates.

WHEELING—SUB-DISTRICT OFFICE, OHIO COUNTY

Manager	George W. Oldham	Ohio	\$2,700	Rush D. Holt.
Area engineer	H. B. Wilson	do	2,100	Rush D. Holt, John B. Easton.
Supervising stenographer	Matilda Leichti	do	1,320	George W. Oldham.
Senior stenographer	Matilda Sauter	do	1,140	Do.
Senior clerk	Alma Gravius	do	1,020	Do.
Underclerk	Pauline A. Stollar	do	780	Do.

¹ These salaries are not included in the administrative pay roll paid on projects.

Total, on Fairmont administrative pay roll.

Total, on Wheeling administrative pay roll.

Total, this list paid on projects.

97

6

52

155

Grand total.

\$25 expenses.

Mr. HOLT. Mr. President, every single request I did make I made publicly, and I was not and am not ashamed of admitting any one of them. I did not go around in telephone booths and call up and make recommendations which I could withdraw. I did not send a recommendation and then send another letter along saying not to pay any attention to the recommendation.

Mr. President, as to President Roosevelt in the State of West Virginia, I challenge my colleague to show that he voted with the President of the United States on the floor of the United States Senate. In other words, who stood by the administration? I have stood by it, except on one issue—the bonus—and my colleague has not. My colleague has stood with the President not only when it was right in his own mind to do so, but particularly when a particular group told him to stand with him. In other words, check the record and see who is Roosevelt's friend in the State of West Virginia. I ask now for that checking.

LOS ANGELES AND SAN GABRIEL RIVERS

Mr. MCNARY. Mr. President, the senior Senator from California [Mr. JOHNSON] has been called away from the Chamber on account of public business. There is on the calendar House bill 7147, which the Senator from California desires to have considered. It is a bill providing for a preliminary examination of the Los Angeles and San Gabriel Rivers, which has passed the House and has been reported favorably from the Committee on Commerce of the Senate. I ask that the Senate proceed to the consideration of the bill at this time.

The PRESIDING OFFICER. Is there objection?

Mr. ROBINSON. What is the bill?

Mr. MCNARY. It is a bill providing for a preliminary examination of the San Gabriel and Los Angeles Rivers and their tributaries, merely for an examination by the Board of Engineers.

Mr. ROBINSON. I have no objection.

There being no objection, the Senate proceeded to consider the bill (H. R. 7147) authorizing a preliminary examination of the San Gabriel and Los Angeles Rivers and their tributaries; to include both drainage basins and their outlets, in Los Angeles County, Los Angeles, Calif., with a view to the controlling of floods, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination to be made of the Los Angeles and San Gabriel Rivers and their tributaries; to include both drainage basins and their outlets, in Los Angeles County, Los Angeles, Calif., with a view to the control of floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. MCKELLAR, from the Committee on Appropriations, reported favorably the nomination of Leo J. Voell, of Wisconsin, to be State director of the Public Works Administration in Wisconsin.

He also, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. DUFFY in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. Mr. President, I ask that the Army nominations go over for the present.

The PRESIDING OFFICER. Without objection, the Army nominations will go over.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

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 4 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Thursday, February 27, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 26 (legislative day of Feb. 24), 1936

POSTMASTERS

INDIANA

Dorothy B. Schirr, Westville.

MASSACHUSETTS

George G. Henry, Ashfield.
John J. Downey, Blackstone.
Richard F. Pender, Dalton.
Arthur I. Maguire, East Walpole.
James B. Kennedy, Greenfield.
J. Francis Megley, Holbrook.
James E. Harte, Lee.
Charles H. McCarty, Lenox.
Wilfred J. Tancrell, North Uxbridge.
Francis G. Fanning, South Lee.
Edward J. Sammons, Westfield.

MISSISSIPPI

Romie Green, Amory.
Andrew J. Roper, Saltillo.

NEW MEXICO

Verda J. Speight, Hot Springs.

OHIO

Earl C. Stiwald, Amherst.
Charles J. Sartor, Elyria.
John F. McGonagle, Junction City.
William L. Zeis, Port Clinton.
Minerva D. Case, Powell.

WISCONSIN

Gilbert W. Kaepernick, Iron Ridge.
Emma C. Andrews, Manitowish.
Wilfred J. Woulf, Niagara.
Esther B. Clausen, Woodworth.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 26, 1936

The House met at 12 o'clock noon.

Rev. John Compton Ball, pastor, Metropolitan Baptist Church, Washington, D. C., offered the following prayer:

O God, as we approach the springtime in nature, so may there dawn upon our souls new visions of Thy grace and glory. As we have walked in the delight of physical sunshine, so may we ever live spiritually in the sunshine of Thy smile. In the words of Thy blessed Book, grant to us today, according to the riches of Thy glory, the strengthening might of Thy spirit in our inner man; that Christ may dwell in our

hearts by faith; that we may be rooted and grounded in love and filled with the fullness of God. Let Thy rich blessing rest upon our beloved Speaker. Keep him in health and strength of body and soul. Bless every Member of this House of Representatives, and reach beyond them to their constituents, that no matter what our political affiliation or religious creed, we may be united in one great objective, and that to do the will of Him who hath breathed into us the breath of life and made us living souls. In the name of Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, without amendment, a bill of the House of the following title:

H. R. 9062. An act authorizing a preliminary examination of the Esopus Creek and its tributaries of Birch, Bushnelville, Woodland, Warner Bushkill, and Beaverkill Creeks; Sawkill, Rondout, and Neversink Creeks, Ulster County; Schoharie and Catskill Creeks, Greene County; Neversink, Beaverkill, East Branch of Delaware, Willowemoc, and Lackawack Rivers, Sullivan County; Schoharie Creek and its tributaries, Schoharie County, all located in the State of New York, with a view to the controlling of floods.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3998. An act to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season.

COMMODITY CREDIT CORPORATION

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from further consideration of the bill (H. R. 11104) to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season, and that the bill be referred to the Committee on Banking and Currency. I have consulted with the chairman of the Committee on Agriculture this morning, and that is satisfactory to him.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

THE PENNSYLVANIA STATE SENATE HAS DEPRIVED EVERY WAGE AND SALARY EARNER OF PENNSYLVANIA OF THE SECURITY TO WHICH HE IS ENTITLED UNDER THE FEDERAL SOCIAL SECURITY ACT

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, the Pennsylvania State Senate has failed the people of Pennsylvania again. Let me explain how.

The Social Security Act passed by the Congress of the United States is based upon a system of cooperation between the Federal Government and the governments of the 48 States. The Federal Social Security Act is not operative or effective in any particular State until the legislature of that State makes it effective.

The Federal Social Security Act imposes a pay-roll tax for the purpose of accumulating a fund out of which come the payments for unemployment insurance. This tax is paid into the Federal Treasury, but if a State passes a satisfactory unemployment-insurance law 90 percent of the tax is immediately paid into the State treasury, earmarked for unemployment insurance, and no longer goes to the Federal Treasury.

The whole purpose of the Federal plan is to provide an incentive for each and every State in the Union to pass an unemployment-insurance law. Thus, employers in all the States are placed upon the same competitive basis, so that the employers in a progressive State may not be punished as against employers in backward States.

STATE LACKS SECURITY LEGISLATION

A short time ago I discussed the tragic inadequacy of the Pennsylvania old-age-pension law. I showed that it utterly fails to meet even the minimum standards required by the Federal Social Security Act. It is clear to everyone who heard my speech or read it, that the State Legislature of Pennsylvania, in Harrisburg, has failed miserably to solve the old-age-pension problem. The State of Pennsylvania has an utterly inadequate old-age-pension law, a law which in large part is a fraud and a sham, because only one-third of the necessary money was appropriated.

NO LAW WHATEVER IN PENNSYLVANIA FOR UNEMPLOYMENT INSURANCE

But when we come to unemployment insurance we find that Pennsylvania has absolutely no law at all. With regard to unemployment insurance, the State legislature at Harrisburg refused to take even the first step toward meeting the Federal requirements for unemployment insurance and setting up an unemployment insurance system.

It is vitally important that the old people of this State be assured a measure of security in old age, so that they may avoid the poorhouse in the evening of their lives. It is equally important that the employees of this State be assured a measure of security, so that they may avoid the soup kitchen and the bread line in times of economic depression and industrial disorder.

THE FOUNDATION FOR UNEMPLOYMENT FUNDS

The provisions for unemployment insurance—or unemployment compensation, as it is called—are among the most important of the Social Security Act. I do not believe that these provisions of the Federal act are perfect. Indeed, I have criticized them many times, because they do not go far enough. But the Federal Social Security Act is a beginning. It does establish a foundation upon which we can build an adequate system of unemployment insurance that will assure security to the employees of industry and commerce. From the modest beginning made in the Federal act, we must and we shall go forward.

No longer must fear overcome the employees of this Nation. Loss of one's job must no longer mean the relief rolls, the bread line, or the charitable institution. Security must replace anxiety and despair. Unemployment insurance must replace the dole. Industrial and white-collar workers must have an unemployment-insurance law which will permit them to face the future with confidence.

THE AMOUNT OF PAY-ROLL TAXES

Under the Social Security Act the Federal Government levies a tax on pay rolls, beginning with 1 percent in 1936, 2 percent in 1937, and 3 percent in 1938 and in each year thereafter. All employers of eight or more persons pay this tax, based on the aggregate pay roll for the preceding year. The employers are not permitted to deduct the tax from the wages or salaries of their employees.

This tax is paid into the Federal Treasury. But in those States where unemployment-compensation laws are enacted, the employers are permitted to deduct their contributions to State unemployment funds up to 90 percent of the Federal tax.

Thus, in the State of Pennsylvania, the employers will pay the following tax to the Federal Treasury: About \$22,000,000 in 1936, forty-four million in 1937, and sixty-six million in 1938; a total of \$132,000,000 during the next 3 years. That estimate is on the basis of present unemployment and pay-roll figures. If business improves further, and pay rolls increase even only by 20 percent, the employers of Pennsylvania would pay about \$160,000,000 to the Federal Government in pay-roll taxes in the next 3 years.

STATE TO LOSE MILLIONS ANNUALLY

The purpose of this Federal tax is not to collect revenue, but to induce the States to pass unemployment-insurance laws and to place the employers of a particular State which passes such a law on a competitive basis with the employers of a State which does not have an unemployment-insurance law. If Pennsylvania had an unemployment-insurance law, \$144,000,000 out of these one hundred and sixty millions would be retained in Pennsylvania. But the reactionary elements in control of the State senate have refused to enact

the necessary legislation which would enable the employers of this State to retain this huge fund of \$144,000,000 for the benefit of their jobless former employees.

They are so blind and so stupid that they would rather lose this vast sum than permit the enactment of any social legislation, even if such social legislation will benefit the Pennsylvania jobless and thus benefit trade and industry in Pennsylvania.

GOVERNOR EARLE FAVERED LEGISLATION

The failure of the State legislature in Harrisburg to enact the necessary unemployment-insurance law must not be blamed on the administration of Gov. George H. Earle. The Governor and his associates sought to pass such an unemployment-insurance law. They sponsored it and fought for it. An unemployment-compensation bill which complied with the requirements of the Federal law was passed by the lower house of the State assembly at Harrisburg last summer. It was introduced at the request of Governor Earle and was passed by the Democratic majority of the lower house. However, when the bill reached the Republican-controlled State Senate of Pennsylvania—that last stronghold of dark reaction; the last remaining fortress of greed—it was promptly and effectively slaughtered. This measure of economic security for the millions of employees in Pennsylvania was blocked by these puppets of the predatory interests.

Why did the Grundy-controlled senators kill this unemployment-compensation bill? Certainly not on the ground of added expense. It would have cost the employers less than one-tenth of 1 percent of their pay rolls this year.

WOULD BENEFIT INDUSTRY

While the employers would have paid only an additional \$2,000,000, a total of \$22,000,000 would have been available this year for unemployment-insurance payments. Not only would this not have been a burden on industry and commerce in Pennsylvania, but a distinct benefit by making available an additional amount of purchasing power. Regardless of its merits, regardless of its provisions, the unemployment-insurance bill was promptly killed by the Republican-controlled State senate in Harrisburg, because it was social legislation. These reactionary senators would rather lose millions of dollars than take a single step in the direction of social legislation. For this reason they pickled the unemployment-insurance bill in a committee of the State senate without reading it, without studying it, and certainly without understanding it.

THE PALLBEARERS

Who were the senate stalwarts who blocked the road to security and killed this important bill? They were an aggregation of puppets, controlled and discredited henchmen. These were the pallbearers. When you know the associations and contacts of these gentlemen, you have no further need to understand why this, and every other piece of social legislation, was killed in the State senate.

REPUBLICANS BETRAYED PEOPLE

The action of the Republican-controlled State senate in scuttling this bill is a betrayal of every man, woman, and child in Pennsylvania. It is a betrayal of the people of Pennsylvania by the puppets of the short-sighted reactionary industrial barons. It was a cowardly betrayal of the people, because these reactionary senators did not have the courage to vote against this bill openly but killed it in committee, the usual and consistently effective slaughterhouse of all decent legislation.

In killing this bill these Republican senators have killed every chance they ever had of coming back into power. They have committed political suicide. They should, and most certainly will be retired to political oblivion.

PENNSYLVANIA WILL PAY MILLIONS OF DOLLARS BUT THE EMPLOYEES WILL NOT GET ONE CENT IN BENEFITS

Pennsylvania businessmen will pay about \$160,000,000 in pay-roll taxes during the next 3 years, but the Pennsylvania employees will not get one cent in benefits from this huge sum—a sum that was intended to be paid back or retained in Pennsylvania for unemployment-compensation benefits.

The Federal Government is willing to allow about \$144,000,000 to Pennsylvania in the next 3 years for its unemployment-insurance fund, but it cannot do so because the State senate refused to set up the machinery by passing an unemployment-insurance law.

SPECIAL SESSION TO ENACT LAW

When a special session of the State legislature in Harrisburg is called it must take up unemployment-insurance legislation or Pennsylvania will lose forever its just share of these benefits. Businessmen of this State are paying these millions of dollars into the Federal Treasury, and no one must be permitted to stand in the way of granting these benefits to the employees of this great industrial State, the keystone of the Nation.

I will endeavor to correct the injustice inflicted on the Pennsylvania employees and on the decent and level-headed employers of this State by the reactionary State senate. I will not stand idly by and see the employees of this Commonwealth lose these great benefits. Because the Grundy-controlled misrepresentatives in the State senate took orders from their short-sighted masters is no reason why the people should suffer.

TO HOLD PENNSYLVANIA FUND IN ESCROW

I have conferred with the Social Security Board in Washington and we are endeavoring to work out a plan to hold in escrow Pennsylvania's share of the unemployment-insurance benefits, for payment to Pennsylvania when the State legislature passes an unemployment-insurance act. I hope it will be possible to work out such an arrangement without injury to the system of unemployment insurance as it is contemplated throughout the Nation. In doing this, I am certain that I will have the support of the liberal Earle administration at Harrisburg.

TO SALVAGE LARGE SUMS

I hope that we can find a way to salvage these vast sums for the benefit of the jobless of Pennsylvania, and I hope that the people of Pennsylvania will elect senators at the forthcoming election next November to replace these reactionary messengers of blind and of greedy interests so as to assure the passage of an unemployment-insurance bill in the State of Pennsylvania.

REAL ESTATE TO BEAR BURDEN UNLESS LAW IS PASSED

Labor and industry in Pennsylvania and the people of Pennsylvania must face this issue squarely.

If no unemployment-insurance law is passed in Harrisburg, that means that no funds or reserves will be built up for the payment of unemployment-compensation benefits. It means that the entire burden of unemployment relief must be borne by the taxpayers of this State and, to a large extent, particularly by the home owner and farm owner of Pennsylvania. If the jobless in Pennsylvania will not receive unemployment-insurance benefits they must depend upon relief or public works. A substantial part of the expenditures for relief and public works is paid by the local counties and municipalities. These counties and municipalities obtain practically all their money from real-estate taxes. Therefore, it is clear that the failure to pass an unemployment-insurance bill in Pennsylvania will mean the assessment of large additional taxes on the home owners and farm owners of Pennsylvania who are already overburdened with taxes beyond reason and justice.

Remember, there is absolutely no saving for the taxpayers in killing or preventing the passage of an unemployment insurance bill which will comply with the provisions of the Social Security Act. Indeed, it would mean a loss for the Pennsylvania unemployed of about \$160,000,000 during the next 3 years.

Every thoughtful citizen will agree that the unemployed must not be permitted to starve. The funds for the maintenance of the unemployed must be obtained. Is it not far better to do this through a system of unemployment insurance, instead of the degrading and haphazard system of doles? The choice must be made. If industry and commerce in Pennsylvania will insist that its leaders and its spokesmen support measures for its best interests, not for its

worst, the road to economic security will be cleared and unemployment insurance will become a fact in Pennsylvania.

PENNSYLVANIA MUST JOIN PROGRESSIVE STATES

Pennsylvania must not be the backward State in the Nation. It should fall in line with other States in the passage of unemployment insurance. In fact, Pennsylvania should intelligently and courageously lead the parade. The people of Pennsylvania will understand this issue. The people of Pennsylvania want unemployment insurance. Pennsylvania wants to cooperate with the Federal Government in establishing a Federal-State coordinated system of unemployment insurance. Pennsylvania can, and I know that it will, establish unemployment-insurance laws in the Keystone State.

THE REPUBLICAN REACTIONARIES IN THE STATE SENATE MUST BE DEFEATED

Whoever stands in the way must be swept aside by the ballot. When the people understand that the Republican majority in the senate is responsible for depriving the wage and salary earners of Pennsylvania of unemployment-compensation benefits to which they are entitled under the Federal law, they will defeat every opponent of social security for the people of Pennsylvania.

To the great contributions which Pennsylvania has made in industry and commerce I am confident will be added this achievement in social legislation. Unemployment insurance must and will become a reality in Pennsylvania.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent that on tomorrow after the reading of the Journal and disposition of matters on the Speaker's table I be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RICH. Mr. Speaker, I ask unanimous consent that immediately following the address by the gentleman from New York [Mr. BOYLAN] on tomorrow I may be allowed to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BANKHEAD. Reserving the right to object, Mr. Speaker, I shall not object to the request of the gentleman from Pennsylvania, because the gentleman from New York [Mr. BOYLAN] has already been given 10 minutes, but I want to reiterate that our policy is, if possible, to undertake to finish the necessary appropriation bills at the earliest possible moment. It is going to somewhat strain us to conclude the bill for the Department of Agriculture in order to adjourn over Saturday. I know that most Members do not want to come back to the House on Saturday because of the many duties in their offices, but we must finish the Department of Agriculture appropriation bill this week if possible. I trust that no further requests will be made for time to address the House before we finish this bill. I shall not object to the request of the gentleman from Pennsylvania.

The SPEAKER. Is there objection?

There was no objection.

JUSTICE FOR THE STAR-ROUTE CARRIERS

Mr. WITHROW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address delivered by our colleague, Mr. HILDEBRANDT, of South Dakota.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WITHROW. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address by Hon. FRED H. HILDEBRANDT, First District of South Dakota, February 21, 1936, under the auspices of N. B. C., in a Nation-wide hook-up in a series of addresses:

Friends of the radio audience, the star-route branch of the United States Postal Service is one of the most important divisions, one to which the entire country is deeply indebted, and one which, I regret to say, has been neglected at times while we were busily trying to assure fair play to other branches.

The position of the star-route carrier is distinctly different from that of other carriers and postal employees, for star-route contracts are awarded to the lowest bidder. Theoretically, this is an equitable arrangement for the carrier as well as an economical one for the Government. In practice it is economical enough for the Government but it is far from equitable for the carrier—in fact, it is almost ruinous to many carriers.

You wonder why I make such a statement, but the reason is simple if you are familiar with the prevailing arrangement. Competition among men seeking star-route contracts has increased steadily in late years and, in countless cases, carriers desiring to retain the routes they have been serving, have made bids that were too low. The consequence has been that various carriers are making their daily trips over star routes at an actual loss. I could quote from a vast number of letters from carriers, not only in my own State of South Dakota, but from States in every portion of the country describing the desperate circumstances in which they find themselves. The question will be raised, "Why do these carriers offer estimates that leave them no margin and even force them to work at a loss?"

The answer is that many of them are unable to get other work; have little homes that they do not want to lose; and are hoping against hope that even if they are "in the hole" financially now they may be able to file higher bids after the present contracts expire, thus making up for present losses. The pathetic part of it is that there is little in reality to encourage such optimism, for at the pace we are going the carrier will probably have to hold this next estimate down to a level as low as the one under which he is now operating.

I have given this subject much study. One reason is that I am a member of the House of Representatives Committee on the Post Office and Post Roads, and legislation dealing with any phase of the Postal Service is naturally referred to this committee. Another reason is that I am a former railroad man; and for years came in close contact with employees of the Postal Service in its numerous branches, and, therefore, know their problems. Aside from this, I have an extensive acquaintance with postal workers, with officials of the National Star Route Carriers Association, and with heads of other organizations of post-office employees.

To relieve the situation, I have introduced House bill 10756 entitled, "A bill to provide for the issuance of permanent contracts to all contractors and subcontractors on star routes, compensation thereon, establishing a preferred list covering former contractors, and for other purposes." Under this bill the Postmaster General is directed to grant permanent contracts to all star-route contractors and subcontractors who have rendered satisfactory service for at least 6 months prior to the date when the act takes effect. These permanent contracts would continue so long as the contractors comply with regulations. Provision is also made that the Interstate Commerce Commission shall fix fair and reasonable rates to be paid these star-route contractors instead of allowing them to continue to bid below actual cost in order to hold their contracts.

I further specify in the bill that present contractors with satisfactory records for 6 months or longer but whose routes have been discontinued, shall be placed on a preferred list. Former contractors with 4 years or more of service, who lost contracts through no fault of their own, would also be placed on a preferred list.

This measure, in my judgment, would go far toward righting conditions for star-route carriers. It would eliminate future competition in which the rivals would force each other down to lower and lower compensation. It would likewise assure the carrier of a steady job at the expiration of his present contract and remove the sword of economic uncertainty that is now hanging over his head. While it might not mean increased pay at once for present contractors, it would prevent further reductions. Moreover, as time went on, the Interstate Commerce Commission would adjust existing pay and raise it where the carrier is found to be serving the route at an unreasonably small figure. It should not be long, with such a law in force, before all star-route carriers receive adequate sums.

As an illustration of the injury done these contractors, in one city in my district there are four rural routes, the pay of the carriers being fixed by law at a fair level. In the same city, mail is carried on three star routes by men who had to nearly split pennies in their bids to land the contracts and who are operating at a virtual loss. The postmaster there has pointed out that if it is just for one class of carriers delivering mail by motor vehicles to have a flat compensation stated in the law, it is equally just to treat the other class in the same way.

One star route in the mentioned section is served by a contractor for \$1,200 a year. The distance is 144 miles. A standard garage gave the cost of operating an auto on the route for the year as \$1,850. Adding \$50 a month for a young man who drives the route, the whole cost rises to \$2,450 a year—more than twice the annual sum paid to the contractor.

I am sure that all fair-minded citizens will see the need for legislation to correct this evil. Certainly all who know much regarding the tasks of star-route carriers will agree to this. Several Congressmen have expressed similar opinions. I hope that before the present session adjourns my bill will have become a part of the law of the land.

EXPLANATION OF VOTE

Mr. SAUTHOFF. Mr. Speaker, I regret to report that my colleague from Wisconsin, Mr. GEHRMANN, fell and broke

several ribs and therefore was unable to be present at the roll call on yesterday. Had he been present, he would have voted "no."

FRAZIER-LEMKE BILL

The SPEAKER. Under the first special order for today the Chair recognizes the gentleman from Washington [Mr. KNUTE HILL] for 10 minutes.

Mr. KNUTE HILL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KNUTE HILL. Mr. Speaker, I also request that, as I have only 10 minutes, I may be permitted to proceed without interruption.

A week ago yesterday, on Tuesday, February 18, two leaders of this House rose to address us. I say "leaders." I have always thought that leaders were to lead, rather than to drive by promises, threats, or intimidation. I submit that neither of those gentlemen touched on the question at issue. What was the question and what is the question at issue? Was it the tilt between Father Coughlin, of Detroit, and the gentleman from New York [Mr. O'CONNOR], and the gentleman from Pennsylvania [Mr. BOLAND]? No; it was not. Let the Irish settle their own disputes. It is no concern of ours. Whatever he intends to do, whether it be in Pennsylvania, New York, or elsewhere, is his affair. It is not the affair of the House. Was the question and is the question the Frazier-Lemke bill? No. Although the gentlemen discussed that at some length. Because they did, I want to read from a sound-money man, Lewis Douglas, who represented Arizona in this House and was later Director of the Budget. I read from the Kansas City Star:

BELIEVE IT OR NOT—GREENBACKS VERSUS BONDS

There is no fundamental difference, says Lewis W. Douglas, former Director of the Budget, between the issuance of new currency, virtually greenback money, and the issuance of Government bonds which represent more public debt. The lack of essential distinction, he shows, arises from the fact that the Nation's currency, Government bonds, and Government checks are alike "pieces of paper." In short, the country is not legally on a specie basis, its currency being no more redeemable in gold or silver than are its bonds. Therefore the former Director of the Budget sees no more reason to become alarmed about paying the bonus with "new money" than about paying it with baby bonds. Yet the difference, if not fundamentally different, is different in its "psychology." The issuance of greenback or printing-press money would immediately be seen as outright inflation and fears would be aroused accordingly. The other process, the issuance of bonds, is more subtle, less obvious.

And, I may add, more profitable to the bankers of the country.

No; that was not the issue. The issue, Mr. Speaker, was and is: Shall the Rules Committee of this House composed of 14 members, 8 being a majority, prevent consideration, open discussion, and a record vote on important legislation? This is the issue, and I submit again that neither of these gentlemen touched on this issue in their speeches. I challenge you, my good friends, to bring this issue out on the floor of the House instead of fighting a priest in Detroit with words, and I think you will find more than a score of Members here foemen worthy of your steel.

The President of the United States has been charged by some with being responsible for preventing action on this bill. I deny it. I want to read what he said when he was Governor of New York. It shows his attitude then, and I do not think he has changed it. I quote:

There are three ways of defeating proposed legislation. One is the method followed in the early days of our Republic, and which most truly conforms to the correct practice of a democracy. This is consideration of each proposal in open session and serious debate, in an open-minded and nonpartisan spirit and with a sincere desire to weigh its merits. If it is found inadvisable or unwise, it is then slain after a fair and open battle, and the reasons for such action are open for all the voters to examine and judge for themselves. This is the way in which all bills of real importance which have been shown any considerable approval and support by the voters of the State should be treated.

The second method is by the lash of the party whip, the demand on the legislators by their party leaders that they divide according to their political affiliations and leave to the master minds of their organizations the responsibility as to whether such action is justified or not. In this procedure the bill, when brought up for dis-

cussion, is foredoomed to failure, and all debates thereon are of a purely perfunctory nature; nor can any argument of reasoning change the final vote. There is no possible justification for the adoption of this course on bills which are avowedly nonpartisan in character.

Then, there is the third method of killing legislation by secret strangulation, known more politely as "killing a bill in committee." If it is a measure that commands considerable support, or if it is a measure the principle of which no party would dare openly oppose, it is given a mock hearing or no hearing at all. The committee which holds the power of life or death over the measure solemnly meets and behind closed doors and for reasons best known to themselves proceeds, by a vote of its majority * * * to refuse to report the measure for open discussion and debate. * * * This is the most objectionable and least defensible method of defeating legislation of any importance that could well be conceived.

Mr. BOLAND. Mr. Speaker, will the gentleman yield for a question?

Mr. KNUTE HILL. I am sorry, I have but 10 minutes. If I may have 5 minutes extra, I will yield.

Mr. BOLAND. Will not the gentleman yield for a short question?

Mr. KNUTE HILL. If the gentleman will get me 5 minutes extra.

The SPEAKER. Does the gentleman from Washington yield to the gentleman from Pennsylvania?

Mr. KNUTE HILL. If I may have 5 minutes extra I will.

Mr. BOLAND. Because of the fact the gentleman has made some accusation against me, I believe he should yield for a short question.

Mr. KNUTE HILL. If I be given 5 minutes extra, I will yield.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 5 minutes, so he may answer some questions.

Mr. CHRISTIANSON. Mr. Speaker, reserving the right to object, will the gentleman yield?

Mr. KNUTE HILL. I must yield first to the gentleman from Pennsylvania.

Mr. CHRISTIANSON. Will the gentleman yield to me?

Mr. KNUTE HILL. Mr. Speaker, I hope this is not taken out of my time.

The regular order was called for.

The SPEAKER. The regular order is called for. Is there objection to the request of the gentleman from Minnesota?

Mr. CANNON of Missouri. Mr. Speaker, much as I regret to, in view of the fact we have already been delayed 1 day on the agricultural appropriation bill, and in view of the further fact that we have other special orders pending this morning wherein doubtless increased time will be asked, I must object.

Mr. KNUTE HILL. Mr. Speaker, that was the sentiment of the President of the United States when he was Governor of New York. Last year six of us went down to see him, and I state on my word of honor—and you can ask anyone of the six to verify it—that he made the statement that he had nothing to do with it and believed it ought to come up on the floor of the House. The author of the bill, Mr. LEMKE, of North Dakota, went to see the President last Monday and received the same statement. So until something definite comes up to prove the contrary, I believe the President had nothing to do with it.

Now, what do we want? This bill has passed the Agricultural Committee in the Senate unanimously. It has passed the Agricultural Committee in the House, some say by 18 to 5, some say by 15 to 5; we do not know; but we do know that it passed by an overwhelming majority. Then it went to the Rules Committee, and I have seen a letter to one of the members of the committee which was appointed in regular order by the Committee on Agriculture, and the records so show, to represent this committee before the Rules Committee—a letter in which the gentleman from New York said something to this effect:

Replying to your letter of June 5—

Or whatever date it was—

I will bring this matter up before the committee.

In this way he recognized that these two gentlemen—the gentleman from Iowa [Mr. GILCHRIST] and the gentleman

from Wisconsin [Mr. BOILEAU]—were the actual representatives of the Committee on Agriculture to go before the Rules Committee and ask for a rule.

Thirty-two legislatures have memorialized Congress to pass this bill. This shows the importance of it; and we could go on in the discussion and show why this bill should come up on the floor of the House.

I wish to say just one or two things more, for the time is short.

Let us refer to the debate in the House, had on December 8, 1931, when the so-called 145 discharge rule was adopted, when the Democratic Party came into power. The gentleman from North Carolina, Mr. Pou, chairman of the Rules Committee, said:

This discharge rule provides for the discharge of committees under certain circumstances. It even provides for the discharge of the Committee on Rules. I have no objection to that. As long as I am at the head of the Rules Committee there is not going to be any "sitting on the lid." [Applause.] I am willing at any time, if any gentleman thinks the Rules Committee is attempting to stifle legislation, to have you put your discharge rule into operation.

The gentleman from Georgia, Mr. Crisp, author of the discharge rule, said:

Mr. Speaker and my colleagues, this is the day I long have looked forward to—a Democratic Speaker, this House under Democratic rule, carrying out the great principle of democracy that a majority shall rule, and the adoption of rules with sufficient authority and so adjusted that they shall be rules for the entire House, not to meet any political exigency of any party but to insure the fundamental right of democracy that a majority of the House may work its will under the terms of those rules. [Applause.]

The gentleman from New York, Mr. LaGuardia, accurately stated the situation thus:

In all fairness, I want to say that when it looked as if the Republicans would organize the House, I contacted the Rules Committee, when it was sure that if they did organize they would require every vote, and opened negotiations, and we were then given absolute assurance that these amendments would be acceptable. When conditions changed, the distinguished gentleman from Georgia [Mr. Crisp] gave us assurance that the changes would come from his side. I want to say to the new Members that this indicates the usefulness of our small group that for 10 years has been protesting; and I say also that this pill is as bitter to swallow to some Members on the Democratic side as it is to some of the older Members on the other side.

Our great parliamentarian the gentleman from Missouri [Mr. CANNON] summarized the rule as follows:

In the pending resolution we have the solution of the problem. Here at last is a workable rule. Here is a provision under which recalcitrant committees, whether standing committees or committees of conference, may be discharged and the House afforded an opportunity for the discussion of measures it desires to consider. It is a provision which conforms to every requirement of the ideal rule. It permits the majority to legislate when it desires to legislate. And it safeguards the rights of the minority. These two qualifications constitute the highest test to which a rule may be subjected. The resolution merits the support of Members on both sides of the aisle. It removes the last obstacle to the complete democratization of the rules of the House.

The gentleman from New York [Mr. O'CONNOR] shows that he favored the 145 discharge rule then, when he said:

I was a Member of the Sixty-eighth Congress when the Republicans had a very slender majority. By sheer force we on the Democratic side, aided by some of the real patriotic Republicans, actually pried out of the Republicans the 160-Member discharge rule. That was a galling pill for the old G. O. P. to swallow. As soon as the party "fit to rule" came back in power in the Sixty-ninth Congress, with a real working majority, the party of Hoover put back the 218-majority rule. [Applause.] Now they attempt to go out to the country and claim credit for this liberalization of the rule. Such insincerity!

That is not all he has said. Last year when they changed the rule from 145 to 218 the genial chairman of the Rules Committee said, and I repeat his words (p. 13, CONGRESSIONAL RECORD, Jan. 3, 1935):

Mr. O'CONNOR. Let me tell my good Democratic friend, who has a great deal of interest in many so-called "progressive" measures, for which I admire him, that whenever 145 Democrats honestly want consideration of a measure in this House I am sure they are going to get it.

I am here to tell you that out of a total of more than 240 who have signed more than 145 Democrats have signed their names to this petition, yet we are refused a chance to

bring it up on the floor of the House. Why does he not keep his promise?

You will remember that the bonus question came up time and time again, until at last we were compelled to meet the issue, and we passed it. I am here to tell you today that you cannot down this question; it is coming up like Banquo's ghost to plague you not only this year but next year and succeeding years until it is settled by the membership on the floor of this House in an open discussion and by a record vote.

Now, this is the issue, and if these gentlemen are willing to meet us on this issue, they will permit the bill to come up for discussion on the floor of the House. [Applause.]

They cannot escape their responsibility by subterfuge any longer. If these leaders when in the minority demanded that the rights of minorities should be protected they cannot now deny that the requests of a majority should be respected. If these gentlemen, the Member from New York [Mr. O'CONNOR] and the Member from Pennsylvania [Mr. BOLAND] want to leave a real legacy to their sons (whom they so feelingly mentioned) let it be the record that they stood for open discussion and a record vote on all important legislation not only when the Democratic Party is the minority party but also when it has an overwhelming majority in the House.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. KNUTE HILL. Yes.
[Here the gavel fell.]

COMMITTEE ON THE JUDICIARY

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to proceed for 1 minute in order to make an announcement which I believe will be of interest to the Members of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, on Monday next the Committee on the Judiciary will call up the Ritter impeachment matter for the consideration of this House.

MAJ. GEN. JOHNSON HAGOOD

The SPEAKER. Under a special order, the Chair recognizes the gentleman from Pennsylvania [Mr. FADDIS] for 10 minutes.

Mr. FADDIS. Mr. Speaker, since I have only 10 minutes to address the House I will ask that I not be interrupted during that time.

Mr. Speaker, from the storm of criticism that recent alleged disciplinary action against Gen. Johnson Hagood has aroused, the public might be led to believe that disciplinary action has never been resorted to before in the history of this Nation. May I call the attention of the Members of the House and of the American public, as well as the newspapers of this Nation, to the fact that many, many times during the history of this Nation the President of the United States has, under the authority vested in him by the Constitution as Commander in Chief of the Army and Navy, felt it necessary to inflict disciplinary action upon various high-ranking officers of both the Army and Navy because by their statements they have produced impressions which were inimical to the discipline of our armed forces.

We recognize, of course, that it is highly necessary that the higher-ranking officers of the Army and Navy shall be allowed to testify before committees of either the House or the Senate. When they are summoned to appear in this capacity we desire them as witnesses because in their field we believe them to be competent. I have examined very carefully the testimony which Gen. Johnson Hagood gave before the Subcommittee on Appropriations, and I find that for the most part his testimony is in line with that which the committee wished to secure from him. But most certainly in some places he used as a license the permission which was granted to him when he appeared before that committee, and in order to show you that he himself understood why he was appearing may I read some excerpts from

his own statement. On page 600 of the committee hearings of Tuesday, December 17, General Hagood himself, in his opening statement, said:

I am not here to urge appropriations. I am only here as a witness to answer questions as to the needs of my command.

Further, General Hagood stated:

As a member of the executive branch of the Government, I do not feel justified in carrying this matter beyond the point of indicating to you our needs.

By his own statement he has clearly indicated that he understood his purpose in being there, and also that he realized that he should confine himself to his own professional field. Why, then, did he not do so? In his own field, which, because of his 43 years of service, has been, so to speak, a cloistered one, he is a material, competent, and valuable witness. When he departs from this field he, to a certain extent, lessens the value of his testimony. When he presumes to encroach upon the functions of other branches of our Government and to criticize the actions approved by his Commander in Chief he is not only badly out of place but he violates the cardinal principle of the service, namely, loyalty to his superiors. He has departed from the fine traditions of his profession. In the Army his service has been most distinguished, and we honor him for it. As a civil administrator he lacks the proper understanding of the W. P. A. and its purposes. By the plan, which his remarks would lead us to believe he proposes, the spending of the money would not be carried out with the idea of allocating it to those localities according to the needs of the unemployed. By his plan only those States which are fortunate enough to contain military establishments would receive more than their fair share. By his plan only certain classes would be benefited by the money expended. Furthermore, it so happens that some of the largest taxpaying States have within them a very small percent of the Army posts. The W. P. A. may be far from being perfect, since it is susceptible to the errors of all human endeavors. It was planned and is being administered with the idea in mind of being spread as nearly in accord with the needs of the unemployed as possible. It is under the direction of those of our officials elected by the people for that purpose. I believe I can truthfully say that as far as the armed forces of this Nation are concerned, that the majority of the Members on both sides of the aisle make every attempt to keep them out of politics, regardless of the politics of the administration in power. Discipline is discipline, regardless of politics, and it is the difference between an army and a mob.

To those gentlemen on the Republican side who would like to use this as a political issue, may I call attention to the fact that only a few days ago the Committee on Military Affairs refused to reach back into the past and set aside the action of a court martial in the case of another officer connected with the United States Army, which court martial was called on the order of a Republican President and its proceedings approved by the same authority. In this case—that of General Mitchell, to be exact—the objectionable features did not reach beyond the field of the officer concerned, while General Hagood has gone entirely outside of the field of his own activities. The committee felt that if they did interfere their action would not be conducive to the discipline of our armed forces.

Any attempt to make this a political issue is only an effort to raise a smoke screen, because, after all, the President of the United States is commander in chief of the armed forces and he is responsible for their discipline. Any references to the Secretary of War, The Assistant Secretary of War, or the chief of staff are only efforts along the same line, because the discipline of the armed forces of this Nation is also their responsibility and is dependent upon the actions taken by them in such instances as this. If the action was disciplinary on their part, it is clearly in accord with their duties under the oaths which they took upon assuming their respective offices. Their actions and motives are above reproach. Instances are too plentiful during the past for me to even attempt to name them; but, nevertheless, the

feeling should not be allowed to go throughout this Nation that this is the first and only incident of its kind in history.

Mr. Speaker, the action of the President of the United States in this matter, if taken for disciplinary purposes, has been taken in order that he may insure, as far as he can do so, that the traditions of this Nation insofar as the military power being subordinate to the civil power is concerned, shall be maintained. I do not believe that anyone well acquainted with the discipline of our armed forces can dispute for one moment but what such action is absolutely in accord with the traditional spirit of our armed forces. If further defense of this matter should become necessary, no doubt facts can be produced which will dispel very effectively any lingering doubts of the justice of the action.

Mr. McSWAIN. Will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from South Carolina.

Mr. McSWAIN. The purpose in asking this question is to seek information and is not propounded in a critical or controversial spirit. The distinguished gentleman from Pennsylvania is proceeding upon the theory that the removal of General Hagood from command of the Eighth Corps Area and of the Third Army is as the result of some disciplinary action. I am waiting to find out whether that is true or not. May I ask the gentleman if he has any information with reference to whether or not the President of the United States as commander in chief did take this action in order to discipline General Hagood? I am asking this question for information.

Mr. FADDIS. No; I do not know that as a fact, and if I made such statement I have made it inadvertently. I have merely risen to undertake to correct a certain impression throughout this Nation; that this action, if taken as a disciplinary measure, is not by any means the first occurrence of its kind. The press of this Nation has frequently reverberated with alarming complaints of high-ranking officers of our Army and Navy indiscreetly injecting themselves into foreign and domestic affairs. [Applause.]

EXTENSION OF REMARKS

Mr. PARKS. Mr. Speaker, may I submit a unanimous-consent request?

In view of some things that were said over the radio last night with reference to this matter of General Hagood, who is a warm, personal friend of mine, I ask unanimous consent that I may print here some correspondence that occurred between the committee and General Hagood.

Mr. RICH. Mr. Speaker, reserving the right to object, while I am interested in this discussion and think General Hagood ought to be defended, I question whether we ought to clutter up the RECORD with a lot of things that are in the record of the hearings.

Mr. PARKS. This is not in the record of the hearings at all, but is in response to statements made over the radio. It is a fair and impartial statement composed of documentary matter that I think no one should object to.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas.

There was no objection.

Mr. PARKS. Mr. Speaker, last night over the radio a statement was made that General Hagood had not been given an opportunity to revise his remarks before the War Department subcommittee. That statement is erroneous, and I ask unanimous consent that I may insert in the RECORD a statement of my own concerning the matter, together with correspondence with General Hagood on the entire subject.

Mr. Speaker, I was prompted to ask for this time by reason of a statement made over the radio last night to the effect that General Hagood had not been permitted to revise his testimony. That statement is entirely erroneous. It is the invariable rule of the Committee on Appropriations to give witnesses an opportunity to revise their testimony.

On December 21, 1935, John Pugh, the secretary to my subcommittee, addressed the following letter to General Hagood:

DEAR GENERAL: I am forwarding herewith transcript of your testimony of December 17.

If you get it back here by the 10th of January it will be all right.

Of course, you know you are at liberty to delete any portion which you feel it would not be proper to publish.

If deletion should take out any question or if modification of a statement or answer should make desirable or necessary the modification of a question, please call attention thereto when you return the testimony.

Please note the inserted question on page 127 (a).

With all good wishes to you and yours,

Very sincerely,

Pursuant to that letter, General Hagood wrote to Pugh under date of December 30, 1935, as follows:

MY DEAR MR. PUGH: (1) I am returning, under separate cover, by registered mail, my recent hearing before your subcommittee. I hope you will find it satisfactory. I have had no occasion to change any of the questions.

2. I would like very much to have about a dozen copies of my own hearing when it is printed. Perhaps when the Printer sets it up he would be willing to set out that number of copies to be roughly fastened together separately and not included in the general binder with the rest of the hearings.

With best regards to yourself and my other friends on the committee.

Yours very sincerely,

Now, it is only fair to say that after the hearings had been printed and bound, but before their release, General Hagood did communicate with me by letter, telegram, and a personal call about withholding a portion or all of his testimony. Had the request been made before the hearings had been printed, I should have been only too glad to have complied. Having been printed, it was finally agreed between the general and myself to let it go out as printed.

I believe, Mr. Speaker, while I have the floor, that I should give the background and official correspondence in connection with this matter, in order that there may not be any more guessing.

Four members of the War Department Subcommittee—Messrs. McMILLAN, SNYDER, DOCKWEILER, and myself—conducted an inspection of military activities at and in the vicinity of San Antonio during the period September 20-23, 1935.

General Hagood was absent at the time attending Army field exercises in the Seattle area. His absence was almost at my insistence. On August 23, 1935, I wired General Hagood, while at sea en route from Honolulu to San Francisco, as follows:

Appears now party will not be prepared to leave San Diego for Texas before evening of September 16 at earliest. Imperative my judgment that you attend maneuvers from very beginning, and I should greatly regret your delaying our account. Please designate someone who can be spared from maneuvers without personal detriment, irrespective of rank, to act in your stead and we shall manage all right. Of course, shall miss seeing you, but maneuvers too important for men of your station and caliber to miss. I am sincere about this.

The general's son, Lt. Johnson Hagood, Jr.—and I have never met a finer or more intelligent young officer—met our party at San Diego and remained with us throughout our stay in the Eighth Corps Area, the headquarters of which are at San Antonio.

On October 5, 1935, following my return to my home in Arkansas, I wrote a letter to General Hagood and another one to General Conley, the then Acting Adjutant General of the Army, as follows:

To GENERAL HAGOOD:

I regret, of course, that circumstances were such as to cause us to be deprived of your companionship and guidance during our stay in your corps area, but congratulations are due you in at least two ways. Firstly, in the selection of one so admirably and generally accomplished to serve in your stead; and, secondly, in having such an all-around splendid son. He won the respect, admiration, and affection of everyone in the party, men and women, and I predict for him a very distinguished career.

Our schedule did not permit us to visit Fort Huachuca and inclement weather at the last moment precluded a flight to Fort Clark. Otherwise, I should say our inspection was quite thorough, and we gained a very splendid picture of conditions and of the essentials for which provision sooner or later will need to be made.

It is the plan now to begin the hearings on the 1937 Army budget around the 2d of December. If I can so order things, and I believe I can, I should like to have you appear before us. *

Please express my very cordial greetings to both Mrs. Hagoods. They were most gracious, kind, and hospitable, and it was a genuine pleasure and privilege to meet them and partake of their genuine hospitality.

I am enclosing a copy of a letter I have today forwarded to The Adjutant General.

With warm personal regards.

To GENERAL CONLEY:

First Lt. Johnson Hagood, Jr., United States Army, was detailed to and did accompany my subcommittee on its recent inspection of military establishments and activities in Texas. His knowledge, poise, and tact were positively amazing. He discharged his responsibilities with the ease one would look for in an officer much superior in rank.

I wish the Department to know that Lieutenant Hagood made a most favorable impression upon every member of my party. The Army may well be proud of him, and I know I voice the sentiments of all of my colleagues.

On October 17, 1935, I wrote again to General Hagood, as follows:

I have your letter of the 11th instant, and since writing you, to accommodate a member of the committee, I have deferred the time of beginning our hearings to about December 16.

Now, this is my idea: At the outset of our hearings and before hearing the Chief of Staff or other officials of the War Department, we would have you and certain other general officers from the field make statements to the subcommittee, first, as to the needs under the jurisdiction of each, and then, if they so elect, as to the Army as a whole or any phase or branch of it which they may feel would be informative and would be helpful to the committee in building up the Military Establishment in the most orderly and effective way, not necessarily immediately but as rapidly as the administration's fiscal policy would permit. In the printed hearings these statements would appear after the hearings of Department officials.

With warm personal regards.

On November 25, 1935, I addressed a letter to the Secretary of War, as follows:

In consequence of the official inspection trip of the committee last summer, I deem it of considerable importance to have a number of the higher ranking officers whom we contacted come to Washington for conference purposes and formally to appear before the committee.

We observed conditions at a number of points which need to be corrected, and if I can conceive of or devise any method to correct them, wholly, or by degrees, it is my firm intention so to do. I have in mind nothing which has not the approval of the War Department. There may be some question as to priority, but, if so, that is a matter that can be worked out with you and General Craig.

It seems to me imperative that we have directly available the counsel of the men under whose field jurisdiction the matters I have reference to lie. I feel, furthermore, that the testimony of such men upon matters over which they respectively have jurisdiction, to the extent that it may be proper to publish it, would be of inestimable value and of very great assistance in furthering the interests of the Military Establishment as a whole.

Consequently, I respectfully request that the following officers be ordered to report to Washington not later than December 15. In the case of General Malone, I should like to have him available for call 10 days earlier:

Maj. Gen. Johnson Hagood, U. S. A.
Maj. Gen. Paul B. Malone, U. S. A.
Maj. Gen. Hugh A. Drum, U. S. A.
Maj. Gen. Lytle Brown, U. S. A.

The foregoing letter was acknowledged by Acting Secretary of War Woodring, on November 29, 1935, as follows:

Receipt is acknowledged of your letter of November 25, 1935, requesting that Major Generals Hagood, Malone, Drum, and Brown be directed to appear before your subcommittee at the coming hearings on the War Department appropriation bill, commencing December 16.

Orders have been issued to insure the presence of these officers as you request and to provide that General Malone will be available 10 days earlier. It is possible that, due to delay of a transport, General Drum may not arrive until December 17.

The War Department is thoroughly in accord with your desire to have the first-hand view of these officers, and it believes with you that their presence will further the interests of the Military Establishment as a whole. It is also thoroughly appreciative of the active interest the committee has shown and is showing in improving conditions known to exist in the Army.

As you state, there may be some question of priority. Questions of War Department policy, and of what is or is not contained in the present estimates, are bound to arise. I, therefore, feel that it would serve the committee's interest best and facilitate its business

were the Chief of Staff or his personal representative present at the same time. Will you advise me if this meets with your approval?

To which I replied under date of December 3, 1935, as follows:

I thank you for your letter of the 29th ultimo (no. OGS 20863-28), with respect to the appearance of certain general officers before the War Department subcommittee.

I appreciate what you say about our not being wholly apprised of the contents of the estimates at such an early date. Outside of the details of the seacoast-defense estimates and of any estimates that may be submitted for construction at military posts, as to both of which I shall endeavor to inform myself in a general way before the hearings commence, I am not particularly concerned about other details for the purpose of hearing these general officers. Frankly, I should say that each be accorded an executive hearing. You may be sure, however, that it is my purpose to confer and advise with General Craig as our hearings progress and at their conclusion and to work out a bill with his counsel.

Mr. Speaker, that constitutes the history of this matter up to the conduct of the hearings. I have nothing further

CONSERVATION OF AGRICULTURAL LAND RESOURCES

Mr. JONES presented a conference report on the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers by providing for a permanent policy of Federal aid to States for such purposes.

FEDERAL ALCOHOL CONTROL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate joint resolution (S. J. Res. 217) postponing the effective date of certain permit and labeling provisions of the Federal Alcohol Administration Act.

The Clerk read the Senate joint resolution, as follows:

Resolved, etc., That section 3 (c) of the Federal Alcohol Administration Act, approved August 29, 1935, is amended by striking out "March 1, 1936" and inserting in lieu thereof "July 1, 1936."

Sec. 2. Section 5 (e) of such act is amended by striking out "March 1, 1936" and inserting in lieu thereof "August 15, 1936, in the case of distilled spirits, and December 15, 1936, in the case of wine and malt beverages."

Mr. SNELL. Mr. Speaker, reserving the right to object, I think the gentleman should make a short statement. As I understand, there is no objection to the resolution; but I think the gentleman should make a statement telling the House just exactly what it does.

Mr. DOUGHTON. Under the present Federal Alcohol Administration Act the time for issuing permits to distillers and those of whom permits are required, expires on March 1, and the Federal Alcohol Administration informs the committee it will be impossible to get these permits issued by that time, and unless the time is extended there will be more or less demoralization in the administration of the law.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. Is it not a fact that it was expected there would be permanent legislation prepared before the expiration of these permits, namely, March 1; and that being impossible, this is simply a continuation of the present permit law until such time as permanent legislation can be prepared?

Mr. DOUGHTON. That is correct. There is such a bill pending in the Senate, but it is realized that it cannot be enacted before March 1.

Mr. SNELL. How long is the present law extended under this resolution?

Mr. DOUGHTON. Until August 15, December 15, and July 1, respectively. I understand there is no objection to the resolution.

Mr. FIESINGER. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Ohio.

Mr. FIESINGER. I thought the Senate bill extended the time to December 1 of this year.

Mr. DOUGHTON. No; it does not.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Pennsylvania.

Mr. RICH. As chairman of the Ways and Means Committee the gentleman is responsible for seeing that funds are raised to take care of the expenditures of our Government. The gentleman is extending the time for issuing these permits and I should like to know what arrangement the Ways and Means Committee is making now to meet the expenses which the Government is incurring.

Mr. DOUGHTON. That is a rather broad question.

Mr. RICH. I should like to have the chairman of the Ways and Means Committee speak for the committee about that.

Mr. DOUGHTON. I could not speak for the committee on a matter of that sort.

Mr. RICH. Then speak for the administration. Somebody has got to speak here soon or we are going to find that we are wrecking the Nation.

Mr. DOUGHTON. I hope the gentleman will wait 3 or 4 days and then I think the question will answer itself.

Mr. RICH. Is it possible that the chairman of the Ways and Means Committee cannot answer that question?

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE BUDGET

The SPEAKER. Under the special order of the House, the Chair recognizes the gentleman from New York [Mr. TABER] for 10 minutes.

Mr. TABER. Mr. Speaker, under the provisions of title 31, section 13a of the United States Code, otherwise known as the Budget law, the President of the United States was required, if the estimated receipts of the Government were below the estimated expenditures for the ensuing fiscal year, to make recommendations for taxes, loans, or other appropriate action to meet the estimated deficiency.

I quote the language of that section:

(13a) Recommendations of President accompanying Budget. If the estimated receipts for the ensuing fiscal year contained in the Budget, on the basis of laws existing at the time the Budget is transmitted, plus the estimated amounts in the Treasury at the close of the fiscal year in progress, available for expenditure in the ensuing fiscal year are less than the estimated expenditures for the ensuing fiscal year contained in the Budget, the President, in the Budget, shall make recommendations to Congress for new taxes, loans, or other appropriate action to meet the estimated deficiency.

When the Budget estimate was submitted in January 1935 for the fiscal year 1936 showing an estimated deficit of \$3,900,000,000, the President made no recommendations for taxes. While he could under the law have gotten by with a recommendation as to loans, no appreciation has been shown on the President's part that it is absolutely necessary that we have a balanced Budget in this country and get our expenditures down within our means.

The President, when he made his submission of the Budget on the 6th of January 1936, for the fiscal year 1937, attempted by a peculiar arrangement of figures to indicate that the Budget for the regular departments of the Government was balanced. Since that time estimates have come along for nearly \$3,000,000,000. There are in prospect supplemental estimates on the part of the President approximating between two and three billion dollars, and perhaps more, to waste the people's money on foolish projects which have absolutely no merit, and which prevent economic recovery and destroy the morale of our people.

I quote the provisions of section 14, paragraph b, of title 31 of the code, as follows:

(14b) Whenever such supplemental or deficiency estimates reach an aggregate which, if they had been contained in the Budget, would have required the President to make a recommendation under subdivision (a) of section 13 of this title, he shall thereupon make such recommendation.

Whenever a supplemental or deficiency estimate is sent up, the President is directed to make such recommendations as to taxes or borrowings as may be necessary to balance the

Budget. There have, to date, been no such estimates! It would be necessary, in order to balance the Budget, to raise at least \$3,000,000,000 and probably \$4,000,000,000 in a single year.

An additional deficit has been created in the farm situation for the fiscal year 1936. An additional deficit for the year 1937 will be created by the farm situation and also by the bonus. For 1936 this additional deficit will be approximately \$600,000,000.

Including the bonus, the deficit for so-called ordinary operations of the Government will run \$3,000,000,000 for 1937, and yet the President has presented no adequate program for complying with the Budget law, nor to meet the responsibilities that are his to balance the Budget.

From what information I can get, he intends to make no such recommendations. I wish to impress upon the Congress the absolute necessity of raising taxes enough to balance the Budget if this country is to begin to take steps toward recovery.

I have in my hand the daily balance sheet of the United States Treasury. It shows expenditures over receipts of \$2,346,000,000 so far this year, an excess of \$151,000,000 above last year's excess. If you come to consider the excess of repayments that have been made by farmers and the railroads over last year, you will find that we are \$158,000,000 worse off than we were last year on our spending program, or a total of \$309,000,000 worse off than we were a year ago at this time.

The increase in expenditures in the ordinary expenditures of the Government is \$356,000,000 over last year. The number of employees of the Government is shown in the following table:

Date	Employees	Monthly pay roll	Annual pay-roll basis
December 1935.....	815,789	\$125,631,309	\$1,507,575,768
December 1933.....	591,675	80,414,085	964,969,020
Increase.....	224,114	45,217,224	542,603,688

Never in all history has there been a situation where the President had so failed to meet his responsibilities, where he had so failed to show any sense of responsibility whatever for the situation into which he has gotten the country.

And during all this time the number on relief has continually mounted. The number of unemployed, as shown by the figures of the American Federation of Labor of practically 11,500,000, has remained the same.

Business cannot start until the Government shows some business in its own enterprise.

The President has continually belabored business for its failure to put people to work. His own operations are preventing business from doing this very thing. [Applause.]

Mr. BOYLAN. Will the gentleman yield for a question?

Mr. TABER. Not at this time.

[Here the gavel fell.]

AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. McREYNOLDS in the chair.

The Clerk read the title of the bill.

Mr. WOODRUM. Mr. Chairman, I do not want to become involved in this controversy over the alleged disciplinary action taken toward General Hagood, but it seems to me one or two points in the transaction have been overlooked and that they ought to be emphasized, not only for the consideration of the committee but for the consideration of the public that seems to be interested in the matter, certainly from the

newspaper standpoint. First, let me say this: I have not talked to any member of the War Department, nor to anybody at the White House, nor to anybody anywhere, except one or two Members of Congress on the floor today, to verify some information that I thought I understood.

The Army has a very rigid rule that prohibits its officers from giving information, and it is the usual custom when a high-ranking Army officer is called before congressional committees that a routine exemption goes through permitting that officer to talk. The exemption permits the officer to give legitimate, dignified information relative to matters under inquiry by the committee. It does not give him a license to go down and call anybody names; it does not give him a license to be disloyal to his Commander in Chief; it does not give him a license to speak forth and decide matters of executive and legislative policies, regarding which he has nothing to do; nor does it send him forth to make a stump speech. In this particular case, let us trace the matter chronologically for a moment. A request was made of the War Department to permit General Hagood to testify without restriction. That request was granted. The permission was to answer questions and give information regarding appropriations. He appeared before the committee, and gentlemen will find by reading the hearings that he was asked to give information on the needs of the Army posts. What did he do? He made a stump speech. He squared off in an arrogant, dictatorial, critical way, evidently smarting under his idea that the Army posts had not been treated fairly in the way of appropriations, and proceeded to ridicule and criticize the policies of the administration and his Commander in Chief. I say to you that he should have been disciplined whether his Commander in Chief be a Republican or a Democrat. What did he say? He refers in one place in the following manner, speaking of the relief program:

The wastefulness and inadequacy of such a system will be discussed later.

Further:

Since that time I have poured a lot of money down rat holes. It is harder for me to get 5 cents to buy a lead pencil than to get a thousand dollars to teach hobbies to C. C. C. boys. I do not like the Government standard lead pencil and I cannot get by the Comptroller with the kind of pencils that I like. But C. C. C. hobbies are exempted from the Comptroller's decisions.

Under the W. P. A. I can get \$200 to build a gravel walk to the garden house, but I cannot get \$10 to repair a "busted" steam pipe.

Read his testimony, gentlemen. There is plenty more like that. There will not be any difference of opinion on the proposition. No gentleman on the floor will contend that General Hagood did not go away beyond his right in that regard.

Let us see the temper of the gentleman. The remarks were sent to him, and his attention was directed to the statements that he had made. He was asked whether or not he desired to change them, and he said he did not desire to change them. If you are going to have discipline, if Army discipline is going to mean anything, then I say to you I do not know what the War Department will say, and I do not know whether his recall was for disciplinary purposes, but it ought to have been. I do not wish for one minute to undertake to dim the splendid military record of General Hagood, but he ought to stay in his uniform and stay on his reservation, and not undertake to step out and pass caustic criticism on the policies of his Commander in Chief. I do not believe there is a man on the floor of this House who believes if one of General Hagood's subordinates down the line had squared himself away and passed caustic criticism on the method in which he was handling his command that he would not have been on the carpet, plenty good and fast.

I yield back the remainder of my time. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [MR. BLANTON].

Mr. BLANTON. Mr. Chairman, in every hearing on an appropriation bill there is always much free and frank discussion off the record that is not even taken down by the committee stenographer and is never printed in the hearings.

Much confidential evidence is always given. Officers talk freely and frankly. Members talk freely and frankly. It is always understood that no record is to be made of it. Otherwise it would be impossible to get free and frank discussion and expression.

Much of the evidence given us by Gen. Malin Craig, Chief of Staff, was off the record and not even taken down by the stenographer. Much evidence that was given us by Gen. Paul Malone and Gen. Hugh Drum and General Brown, and the various generals who are chiefs of various branches of the service, was off the record and not even taken down by the committee stenographer, and is not printed in the hearings. Much evidence given us by Assistant Secretary of War Harry Woodring was off the record, and is not in the hearings. Discussions that were not even taken down, and that were off the record and are not in the hearings, would fill at least 50 printed pages.

That part of Gen. Johnson Hagood's discussion to which exception has been taken was his part of what he thought was a free, frank, honest, conscientious discussion of wise and unwise ways of spending money for the Army, and it should not have been taken down by the committee stenographer in the first place, and it should not have been written up by him in the second place, and it should never have gone into the hearings in the third place.

TO DELETE BENEATH HIM

I am surprised that the distinguished gentleman who preceded me would condemn General Hagood because he did not delete when the typewritten hearings were tendered him for revision. When these hearings were tendered General Hagood good with the information that he had statements in same critical of public spending, with the intimation that if he allowed same to be printed he might be held accountable, I have a great deal more respect for General Hagood for saying, "I did make those statements in a free, frank, honest, conscientious discussion of money spending in my corps area embracing a number of States, and since the stenographer wrote up what I said in this round-table executive session, I will be brave enough to stand behind it and not dodge by deleting," than I would have had if he had tried to hide or dodge. It was the duty of our committee to have deleted those objectionable parts. Our committee caused General Hagood to come before it. He was under our committee orders. From time to time some levity and facetious discussions took place. Otherwise the monotony would be unbearable. General Hagood had the right to believe that our committee would keep off-record discussions out of the stenographers' notes and out of the printed hearings. Our committee was most unkind to him in not ourselves keeping those objectionable parts out of the hearings.

TOLD THE GOSPEL TRUTH

Down deep in our hearts, all of us here know that General Hagood told the gospel truth. He misrepresented nothing. He was giving us his free, frank, honest, conscientious opinion and judgment on money spending for the Army. All of us know that officials in every one of our States have wasted public money. We all know that they have spent, when after the spending they will have nothing to show for it. Talk about stage money! All of us know that it has been passed around by many officials in all of our States as if it were stage money.

SHAKING ROCKS IN TIN CANS

Think of all of the money that has been thrown away right here in the Nation's Capital, shaking rocks in tin cans to scare starlings out of one tree into another, and having an army of men letting balloons on long strings up by the ceilings of one building to scare the starlings away to the ceiling of another building across the street. Does anybody here say that was not stage money? Then what kind of money was it? It did not destroy a single starling. All of them are still with us. Not one is missing.

IN AND AROUND SAN ANTONIO

Gen. Johnson Hagood had an excellent opportunity to know how public money has been thrown away in Texas, as Fort Sam Houston is only 2 miles from the office of Harry

P. Drought, State Administrator. Any little tin-can proposition that will reflect no worth-while accomplishment will promptly get Drought's approval, but it is almost impossible for all the powers under heaven to get him to approve a worthy project that would reflect credit upon our President and his administration. I am glad that something has occurred to bring all of this wasteful money spending to the attention of our President, for I know that he will stop it. I confidently believe, too, that when the facts about Johnson Hagood finally get before the President, he will restore this efficient, worthy, incomparable officer of our United States Army to his command.

ARMY'S BAD FAITH

With the permission of the House, I want to read you two letters that will demonstrate the bad faith of the Army, and of Gen. Malin Craig, Chief of Staff:

ABILENE, TEX., December 7, 1935.

Hon. GEORGE HENRY DERN,

Secretary of War, Washington, D. C.

MY DEAR MR. SECRETARY: Our committee, which frames the Army supply bill, during our hearings, to begin on December 16, will have before us as witnesses General Brown, General Drum, General Malone, General Hagood, and other prominent officers of the Army.

From long experience, I understand what restrictions are usually placed by the Department on Army officers when they testify before a congressional committee, which once in a while greatly handicaps the committee in getting first-hand information about matters with which they are vitally concerned.

With regard to the above-mentioned four distinguished major generals, our committee will want to feel free to ask them questions that will elicit full, free, and frank answers, unrestrained and uncontrolled by any restrictions that anyone in your Department could place upon them, and I desire to request of you that no such restrictions are placed upon them. If a member of a congressional committee can't ask a distinguished major general in our Army a question and have the benefit of that officer's frank answer, based upon his judgment and experience, then there is something vitally wrong with our set-up.

Please write me at my Washington office whether my request will be granted.

Very sincerely yours,

THOMAS L. BLANTON.

WASHINGTON, D. C., December 11, 1935.

Hon. THOMAS L. BLANTON,

House of Representatives, Washington, D. C.

MY DEAR MR. BLANTON: Your letter of December 7 addressed to the Secretary of War, Mr. Dern, has been referred to me for reply, as Mr. Dern has not yet returned from the Philippines.

The officers mentioned by you, who are to appear before you as witnesses, will be instructed by me in person that they are to answer you freely, fully, and frankly, and that there are no restrictions whatever placed upon their appearance before your committee by the War Department.

Very sincerely,

MALIN CRAIG,
Chief of Staff.

Who has been hurt, Mr. Chairman, by the true statement of General Hagood? Do not we Democrats welcome just criticism? I have too much confidence in our great President to believe that he would take offense because one of his friends brought to his attention something that was going on wrong. I like to think of my President as one of the biggest men in the world, inviting honest criticism, and profiting by it, too big to allow his Chief of Staff to behead a most valuable public servant for expressing his mind freely and truthfully. I confidently believe that the President, my President, in whom I have had implicit confidence, will do two things: First, he will do justice to Gen. Johnson Hagood by restoring him to his command, and, second, he will stop all of this wasteful money spending and teach all of the Harry P. Droughts in the United States that W. P. A. money is nothing else in the world but U. S. A. money that represents the taxes wrung from American citizens and must be spent wisely.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield 8 minutes to the gentleman from Nebraska [Mr. LUCKEY].

Mr. LUCKEY. Mr. Chairman, I am not going to yield to anyone. I have something to say, and I want to say it.

Within the past few weeks we have witnessed one of the most disgraceful persecutions ever visited upon an official

and gentleman of the United States Army. Major General Hagood has been ordered to relinquish his command and to return home, pending further orders. That one statement brings to light a situation within the War Department that is repugnant to every patriot and freedom-loving citizen within our land. An officer has been relieved of his command—his life work suddenly terminated. For what reason? Because he had the courage to express his personal opinion before a subcommittee of our own House of Representatives. He told that committee what he believed to be true, and as a result the petty underlings and those over them "ganged up" to visit their wrath upon Major General Hagood.

Maj. Gen. John Hagood is just another of our public servants who, because of his patriotism and love of country, has criticized those whom he felt deserved criticism. He is the second of our national-defense officers who have dared to tell the truth and who have paid for their courage. The other great man, the much-loved and admired "Billy" Mitchell, has gone on to his reward, and a great people are now learning of the real measure of his devotion. The present case demands an investigation, and you, my friends on both sides of the aisle, should demand that it be investigated. Are we to sit idly by and permit those who appear before our committees and subcommittees to be gagged by petty tyrants who today ride high in departmental office? We have been hearing of gags until we are nearly gagged with the very sound of the word. The gag now imposed by the War Department is the most vicious of which we have learned, as it is a direct attempt upon the part of War Department officials to prevent those appearing before our committee from speaking what they believe to be true. The War Department has placed itself in a position as prosecutor, judge, and jury, and they had the decision ready before they began the prosecution of the case.

Few, if any, believe that the testimony Major General Hagood gave was entirely responsible for the summary action of the officialdom of the War Department. He has been the center of criticism by the war dogs long before this present time. Only a few days prior to his testimony before the subcommittee I quoted a part of a speech given by General Hagood in April 1933 at Kansas City, Mo., in which he frankly criticized the way in which the national defense of our country was being handled. I want to read again an excerpt from that speech so that all of you can see why many in the War Department feared and hated our great patriot. I quote:

So far as the Army is concerned we have too many bureaus already, and we could spare six or eight of them with advantage to the national defense and to the joy of the taxpayer. There is no duplication between the Army and the Navy. But there is a duplication within the Army, and it is to be hoped that the President, with his extraordinary power, will be able to accomplish a consolidation and a simplification within the Army itself that could not have been accomplished with the complicated machinery set up by Congress.

The Army has too many overlapping agencies. We are overstuffed. I have twice as many staff officers, clerks, and orderlies as I need, but I cannot get rid of them under the existing set-up.

Our system of administration and supply is so complicated and involved that it would collapse at the outbreak of the next war just as it has collapsed at the outbreak of every war in the past.

We are tied hand and foot with red tape, borne down with unnecessary paper work, and laboring under a training system that could not be comprehended by emergency officers in time of war. I doubt very much if there be a general in the Army or an officer of the General Staff who has read the American training regulations—certainly not one who could pass an examination upon them.

Because of his real and true love for his country and because of his sincere desire to bring about the creation of an adequate and economical national defense, Major General Hagood has spoken freely when he believed it the patriotic thing for him to do. He has criticized the bureaucratic handling of our national defenses and has aroused against him the hatred of those petty patriots, secure within the dark recesses of the War Department, who would have been displaced long ago had we heeded the advice of General Hagood. Those petty patriots have finally undermined this great soldier and have seized upon the recent testimony to secure their ends. Who could believe that the War Department has been motivated by the general statement in regard

to work-relief funds? Such a statement would be a fraud, snare, and delusion. It is one more evidence that we are watching the insidious worm of maladministration eat deep within the national-defense structure. We have had scandals and will have plenty more if the truth comes to light. We pay our money more freely than does any nation on earth for national defense, and we get so little for our money that it has become a national disgrace. Are we going to sit idly by and watch honest American citizens and officers of our Army suffer to be gagged when they are appearing before our committees to give information that those committees demand? Are we going to allow such testimony to be used as the weapon for a personal attack upon an officer and gentleman whose dismissal has long been sought on entirely different grounds?

I want to pay my respects to the courageous and beloved gentleman from Texas [Mr. BLANTON], who had the courage yesterday to defend General Hagood. This is a Democratic administration, and it is primarily the responsibility of the party in power to see that justice is not abused. Undoubtedly the Department will prepare a careful press release stating that the removal of Major General Hagood was a routine affair, or something like that, but what American citizen would believe such a statement? The Secretary of War has infringed upon the rights of this House. If this practice is to be continued, why not allow the War Department to prepare an official statement for our committees and then keep their officials at home? If the officers are to be gagged to prevent giving their own views and must only present those which have been placed in their mouths by the Department, the holding of hearings would be an empty formality. In no case could the fundamental truth be reached.

It is high time that we scrutinized the activities of the War Department more carefully. Since 1919 we have spent \$22,000,000,000 for preparedness—\$2,000,000,000 more than any other country has spent—yet we are faced with the inescapable fact presented by the War Department itself that we are woefully unprepared and have been sinking steadily in the rating of military powers. We should vote a gold medal to the officers who have the courage and honesty to expose the graft and racketeering in our War Department, which every succeeding year brings to light, graft and corruption that calls for increasing expenditures to give us what the grafters have kept us from having.

To every one of you who loves freedom and the preservation of the rights of the individual citizen, I urge that you join with me in demanding—not asking—that Major General Hagood be returned to his post of duty and that the shackles be freed from those who are doing their duty as honest and patriotic citizens of the land they love. [Applause.]

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. THURSTON. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. AMLIE].

Mr. AMLIE. Mr. Chairman, during the last few days, from time to time various Members have sought to call the attention of the membership to the plight of a large part of our population; that part which no longer has any place within the framework of our economic system. Whenever any attempt has been made along this line the reply has been that the credit of the Government is about to be exhausted or at least "Where is the money going to come from?"

I am going to devote my remarks to these two questions. In the first place, I do not believe that the credit of the United States stands in any imminent danger of exhaustion or destruction. The per-capita national debt at the present time amounts to \$225. The per-capita indebtedness of the citizens of the United Kingdom amounts to \$735. The per-capita indebtedness of the people of France amounts to \$530. If we take in not only the national debt but the local governmental debt and the guaranteed debts of these various governments, then the per-capita indebtedness of the United States is \$409; the per-capita indebtedness of the citizens of Great Britain is \$958. In other words, if we had as great an indebtedness in this country as they have in

England, we would have a national indebtedness of over \$100,000,000,000.

Mr. THURSTON. Will the gentleman yield?

Mr. AMLIE. I yield.

Mr. THURSTON. Just to explain the figures concerning the debts of the foreign nations, does it include the debt that those nations owe the United States Government, and which in the main they have repudiated?

Mr. AMLIE. No. These debts are not included; all foreign debts are excluded. Only the domestic debts of these countries are included. Not only would the indebtedness of this country amount to more than \$100,000,000,000, but the per capita wealth of this country is much greater than the per capita wealth of any other country. The per capita income of this country is much greater than the per capita income of any other country. We could, therefore, stand a much greater national debt in this country than could any other country in the world. Even a national indebtedness in this country of \$100,000,000,000 would be comparatively smaller than an actual national indebtedness of the United Kingdom at this time, in excess of \$50,000,000,000.

If the time ever comes when we do run into the danger of inflation and the evils that follow in the train of disastrous inflation, we still can follow a precedent that has been established by the present administration. In my opinion, it is the most significant legislative contribution of the New Deal. That is the establishment of the right of the Government of the United States to go out and require all citizens to turn over to the Government any gold they may have, and accept payment for that gold on the basis of \$20.67 an ounce instead of the market price of \$35 an ounce. As a result of this devaluation of the gold dollar and compelling owners of gold to accept 59 cents on the dollar, spokesmen of the administration have called attention several times on the floor of this House to the fact that a profit of \$2,800,000,000 was realized by the National Government by so doing.

I am going to mention the incident of a certain woman in Wisconsin who is very close to me because of family ties. I advised her in 1932 to take her money out of the banks in the town in which she lived and invest this money in the common stock of strong companies, but she did not want to invest in any securities of any kind, because practically all the money she had invested in securities she had lost. I then advised her to do that which she had a right to do, to simply put this money into gold and put it away in a safety-deposit box. She took it up with her banker, who assured her that my advice was nonsense, but she did put \$1,000 away and left the balance in three different banks. The banks closed and most of that money was lost. Then she had \$1,000 in gold. The Federal Government brought suit against her and threatened her with a fine of \$10,000 and 5 years' imprisonment if she did not turn this gold over and accept payment on the basis of 59 cents on the dollar. I could have taken the matter to the Supreme Court, but of course no one wants to appeal a small case of that kind. Besides, I was in favor of having this principle established, and I am glad that the New Deal has established this precedent.

Mr. WHITE. Will the gentleman yield?

Mr. AMLIE. I yield.

Mr. WHITE. Is not the action you described in demonetizing the gold the same as the action on silver where it has been demonetized?

Mr. AMLIE. I will grant that, but what I am saying is that if the Government can go out and take away from thousands of small citizens 41 percent of what they own, then, why cannot the Government go out and take away from the Mellons and the Fords and the Rockefellers 41 percent of what they own? [Applause.] The \$700 in profit that this woman was compelled to relinquish to the Federal Government meant a great deal more to her than would 41 percent of the fortunes of the Mellons, Fords, or Rockefellers to them.

In 1926 the Federal Trade Commission made a study of the distribution of wealth in this country, based upon the showings made by the probate records in this country, and

while this may not be the best method of ascertaining the distribution of wealth in the country, nevertheless, this study by the Federal Trade Commission is about the only study on this subject. What they found was that, on the basis of those probate records, if we permit \$100 to represent the total wealth of the country and 100 people the total population, then 1 man would own \$59, 1 man would own \$9, 22 men would own \$1.22, 76 men would own less than 7 cents each. If the Government would go out and not take over 41 percent but merely 20 percent of the holdings of this 1 percent, that would mean, under present values, about \$35,000,000,000.

If we were to tax the 1 percent as heavily as we have taxed the numerous small people who had their savings in gold we should merely by applying this principle raise a sum in excess of \$70,000,000,000. Now, this is a safe and sound procedure from an economic standpoint. In England, following the Napoleonic wars, David Ricardo and other economists advocated resort to the capital levy. Following the World War numerous economists in England advocated resort to the capital levy as a means of paying for the cost of war. Even a man like Stanley Baldwin, I am told, declared a private levy on his own capital and turned over the proceeds to the British Government as a patriotic citizen in much the same way that Mr. Justice Holmes, of our own Supreme Court, did in his will when he turned over to the United States Treasury the major portion of his estate.

The issue of a capital levy has been the principal plank in the platform of the British Labor Party during many campaigns. It is the plank that has engendered the greatest opposition to the Labor Party. Moreover, because the possibility of enacting a capital levy is a real threat to the people of wealth in England; they have been willing to bear patriotically a much greater load, than they are willing to bear in this country. And when the people of this country understand the meaning of a capital levy we shall hear with less frequency the phrase: "Where is the money coming from?"

I am not advocating a capital levy as a means of paying the operating costs of the national Government year by year. I doubt very much whether this would be practicable from an economic standpoint. If we were to pay our present operating costs by such a levy, it would require the sale of various securities from time to time which in turn might have a depressing effect on the market.

But even though this point might be considered for purpose of argument, I cannot see where this objection would hold to the Federal Government's resorting to the capital levy as a means of reducing the national debt whenever this debt shall have reached dangerous proportions.

What would happen under such a situation would be the forced sale of securities taken over by the Federal Government. But the proceeds of these sales would be immediately used for the retirement of existing Government obligations. When we are talking about a capital levy for the purpose of reducing the national debt, we have a situation where in operation \$1 will be released for investment for every dollar's worth of security that is put upon the market. To all intents and purposes it would work out in the aggregate as it would in the hypothetical case of a man who might be worth \$5,000,000, \$1,000,000 of which was in Government bonds. The bonds would simply be transferred by the owner to the Government for cancellation in order to reduce the Nation's indebtedness. As a matter of fact an average man with \$5,000,000 in securities probably has on an average \$1,000,000 invested in Government obligations. It, of course, makes no difference insofar as the operation of a capital levy on his holdings, whether he holds any Government obligations or not.

In effect a capital levy might, for instance, provide for a 2-percent levy on all individual fortunes between one hundred thousand and five hundred thousand, 3 percent on individual fortunes between five hundred thousand and one million, and an increase of 1 percent for each five hundred

thousand until a maximum levy of 20 percent should be reached.

If such a levy were put into force, the people affected would be required to make an estimate of their own net worth and be required to pay in the amount levied by such an act, pending actual determination. In case a man's holdings were in property that is not readily salable, then, of course, he would be given a period of time in which to work out this problem, the Government in the meantime being given a lien on a portion of his property.

As I have indicated, the use of a capital levy is not something altogether new in the field of economics. In the event that any Member is interested in this subject, I am including at this point the following bibliography on the subject of a direct levy on capital:

CAPITAL LEVY

Archibald Hutcheson: *Collection of Treatises Relating to National Debts and Funds*. London, 1721.

David Hume: *Political Discourses*. Edinburgh, 1752. Chapter on Public Credit.

David Ricardo: *The Works*. 1888. Chapter XVII and appendix, Essays on the Funding System.

J. S. Mill: *Principles of Political Economy*. Book V, chapter VII.

A. C. Pigou: *A Special Levy to Discharge War Debt*. Economic Journal, June 1918.

A. C. Pigou: *A Special Levy to Discharge War Debt*. Economic University Press, 1920.

A. C. Pigou: *Political Economy of War*, New York, 1921. Chapter XVII.

F. W. Pethick-Lawrence: *A Levy on Capital*. London, 1918.

Hugh Dalton: *The Capital Levy Explained*. London, 1923.

J. M. Keynes: *A Tract on Monetary Reform*. London, 1932.

American Economic Association: *Report of the Committee on War Finance*. *American Economic Review*, volume IX, no. 1, supplement no. 2 (1919).

DIRECT LEVY ON CAPITAL ESSENTIAL

As I have indicated, the American people have cause to be grateful, not only to the New Deal for being willing to go on record in favor of the confiscation of 41 percent of the property legally held by a certain portion of the citizenry of the country, but they are also indebted to the Supreme Court for having given its sanction to this type of appropriation of property without full compensation.

It has always been conceded by constitutional authorities that the Federal Government in time of emergency would have the right to require all of its citizens to surrender to the Government any article or commodity which the safety of the sovereign state might require.

No doubt the Federal Government would have the right in time of emergency to require that its citizens turn over all the brass, silver, copper, persimmons, wheat, hogs, platinum, or, in fact, anything else that the properly constituted authorities might require. As I stated last year, if the Members of this House felt that in order to appease the gods of depression all the empty beer barrels should be called in and stored under the dome of the Nation's Capitol, then this would be a proper exercise of discretion for this great deliberative body.

But even though all of these things might be conceded, it would not have been conceded up to a year ago by any constitutional authority that the Federal Government would have the right to do these things without compensating the owners to the extent of the full market value for the articles or the commodities so taken.

It was generally recognized before the so-called gold-clause decision was rendered that the Supreme Court was facing a difficult dilemma. If the Supreme Court were to hold the so-called gold clause valid and enforceable, then this would have increased the internal indebtedness of the Nation, public and private, by \$69,000,000,000. The effect of such a decision would have been far-reaching and, perhaps, disastrous. This was generally recognized by all economists. Mr. O. W. Sprague, formerly economic adviser in the Treasury Department, in commenting on this situation, declared that if there were only one or two hundred million dollars involved, the Supreme Court would find invalid legislative acts negativing the provisions of the so-called gold clause, but since \$100,000,000,000 was involved the Supreme Court would not dare do so.

"DAST" OR "DASSENT"

Before the Supreme Court rendered its decision on the so-called gold-clause case I had the satisfaction of writing a news letter on February 9, 1935, which was generally published in my district before the decision was rendered. In this letter I quoted Mr. O. W. Sprague and pointed out that the Supreme Court, even though this legislation were unconstitutional, in the opinion of all authorities, nevertheless would not dare to find it unconstitutional. I did this because I wanted to be in a position to emphasize that any discussion of the right of the Supreme Court to declare acts unconstitutional in the future must be classified on the basis of whether the Supreme Court "dast" or "dassent" declare the particular act unconstitutional. That is to say, constitutional law from now on must be divided into the field of "dast"; that is to say, the field in which the Supreme Court dares to apply precedent, and the field of "dassent", which is the field in which the Supreme Court does not dare to apply precedent.

It would perhaps be safe to assume in the light of the past record of the Supreme Court that it would not apply precedent from the "dassent" field to the "dast" field. Nevertheless, the representatives of the people who are concerned about the welfare of their constituents have a right to assume that the Supreme Court would apply the same principle to the 1 percent who own 59 percent of the Nation's wealth as they would apply to the small individual who might have a few gold coins put away in a safety deposit box. We may, however, safely assume that if we have a President and Congress willing to pass legislation making a direct levy on capital, then such a President and Congress would also be willing to limit the power of the Supreme Court to interfere with such legislation, or even to increase the number of judges on the Supreme Court to any required number, a practice for which there are many precedents in the history of the United States Supreme Court.

As legislators we are confronted with the fact that we have had an average number of unemployed during the past 5 years of 12,000,000. This statement is based on the extremely conservative estimates of the American Federation of Labor. These people are in a deplorable condition. Last year an internationally famous physician made the statement at the annual convention of the American Medical Association that 25,000,000 people on relief in the United States and Canada were in danger of becoming permanently unemployed because of the fact that they were being compelled to live on an inadequate diet. The sickness rate of these people ranges from 25 to 60 percent above normal. A New York City assistant health officer made the statement recently that 100,000 school children in that city had become so warped in body and mind because of undernourishment that they could no longer keep up with their classes.

Recently the American Society of Social Workers sent out a statement to the membership of this House setting forth the fact that in 23 States relief standards had largely broken down. In Pensacola, Fla., for instance, families of two members are expected to get along on the sum of \$1 for a period of 2 weeks. Families of three and four members on \$1.50 for a period of 2 weeks; families of five or six members on \$2.25 for a period of 2 weeks; families of seven, eight, or nine members on \$3 for 2 weeks; and families of more than nine members on \$3.50 for 2 weeks.

This report goes on to state that in Nebraska local funds have been exhausted and that a straight allowance of \$7.50 per month is being made available for all types of relief. In the States of Alabama, Louisiana, Minnesota, Nebraska, and Texas the people charged with the administration of relief admit they are only able to meet about 25 to 50 percent of the needs of the people.

These illustrations, however, can be expanded indefinitely. Recently the Director of the National Youth Administration made the statement that there were between five and eight million young people between the ages of 16 and 25 who were unemployed, out of school, and wholly unoccupied. Three million of this number were on relief.

One need not go any further to call attention to the terrible plight that is facing the people of the country, both young and old.

But whenever anyone gets up with any proposal, whether it be that of adequate pensions for the aged, employment at a living wage for the unemployed who are employable, or some provision to give the youth of the Nation a small opportunity—and in no way comparable to the opportunity that the membership of this House had when they were young—then some reactionary is sure to get up and shout, "Where is the money coming from?"

I have tried to indicate in this speech that we can go on and borrow to the extent of more than \$50,000,000,000 more without becoming as deeply in debt as are the people of Great Britain. In addition to that, if after borrowing \$50,000,000,000 we should then be faced with the possibility of inflation and disaster, we could then resort to an outright levy on the wealth of the 1 percent of our American people who own 59 percent of the wealth of the country, according to the best and about the only study available on this subject. That is to say, the Federal Trade Commission's study of 1926.

I want to state here and now as a Member of this House that I am more concerned about each one of the 100,000 children in New York City who last August had become so warped in body and mind because of malnutrition that they could no longer keep up with work in school than I am concerned about the Mellons, the Morgans, the Mills, or the other 27,000 income recipients who in 1929 received a total income of more than \$10,000,000,000. I want to say that in my opinion any Member who gets up and shouts, "Where is the money coming from?" when it is proposed to take care of the young and the old who are outside of our economic system, that man is not representing the people of the United States, but he is representing the 1 percent of our people who own 59 percent of the Nation's wealth.

As I look around me this afternoon I notice that more than half of the Members who were here in the Seventy-second Congress have already taken their departure into political oblivion. I want to venture the further guess that before two more elections have been held a majority of the present Members of this House will have joined the ranks of those who were here only a few short years ago.

[Here the gavel fell.]

Mr. THURSTON. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, after making a few prefatory remarks, I shall direct attention to certain events just previous to the Tugwellian era which commenced March 4, 1933. Some people seem to think that our civilization began in this country about that time. [Laughter.] We have very recently been reminded by Mr. Farley that people are to forget that this is the year 1936 but rather should confine ourselves entirely to conditions which existed in March 1933. The title of this particular address is "The Watering of Our Currency."

We recall the upward swing of recovery in midsummer of the year 1932. I have spoken of this before. At that time the business index was high. As the election drew near the index went down and when the election was finally consummated and a new President came into power that business index went down swiftly. Later on it reached the panic level. Our friends should be reminded to look up certain dates to which I shall refer very briefly, since the time at my disposal is limited.

After November 1933, because of fear engendered in this country over tariff policies, millions of dollars' worth of business orders were canceled. Because of this, unemployment immediately increased. The Reconstruction Finance Corporation had to help many municipalities, which would otherwise not have needed assistance. Things were further complicated by the publication of the R. F. C. loans. This caused many bank failures. The Democrats were in control of this House at that time and had been for a year and a half. The previous summer Congress had passed the act permitting publication of loans made by the Reconstruction Finance Corporation. I call attention in this connec-

tion to the RECORD of January 25, 1933, when Mr. Ragon said: "I think it is one of the most injurious things that has ever happened in this country in the present situation." Mr. OLIVER followed by saying, "I share the views of the gentleman." The party in power could have controlled the situation, but it caused an immense amount of trouble under the theory that the public should know all about what its instrumentalities were doing with this fund. A panic situation seemed to be in the offing. After that came rumors of inflation and devaluation in spite of what the President had said prior to his election. He refused cooperation with other countries in the matter of stabilization. There was fear that the President-elect would tamper with the currency, and this was confirmed by the press on January 30, 1933. Then ensued the resulting flight of our dollar into gold and foreign currencies and securities to the extent of billions of dollars. The condition in Michigan might have been overcome except for fear which existed over the entire Nation.

On February 14 President Hoover conferred with the Democratic leaders. About that time Senator GLASS was at least supposed to have refused to act as Secretary of the Treasury, because he could get no statement from the President-elect that he would not go off gold. President Hoover's letter to Mr. Roosevelt requesting from him a statement relating to the currency, that would instill confidence in the country, went without answer. He wrote again on February 28, but again received no answer. On February 28 Hoover wrote the Federal Reserve Board to consider some form of Federal guarantee of bank deposits; yet you seem to think that suggestion had its origin during the Tugwellian era later on. On February 21 the Federal Reserve Board voted to request the President-elect to state his views. No answer. On February 24 Mr. Woodin reported that no statement of policy would be made by Mr. Roosevelt.

On February 25 numerous banks closed. At that time Mr. Woodin, Chairman of the R. F. C., was requested by President Hoover again to communicate with the Democratic leaders. Mr. Woodin once more reported that no statement would be made, that they had no part in the Government and no responsibility for it until March 4. On March 2 a proclamation was considered to close all the banks. This was proposed to Mr. Hoover by the Federal Reserve. Mr. Hoover thought at that time we might declare a moratorium of a nature that nothing should be paid out in gold except what was absolutely necessary. Mr. Woodin continued to the last as spokesman for the President-elect, declaring "We will not agree to anything." This was a sorry chapter, written in continuous refusal to cooperate in one of the greatest crises in our history.

Mr. Chairman, when they talk about 1933 let us remind the country that the Republicans were not in power in this House at that time. This lack of cooperation by the President-elect and his advisers did more than anything else to bring about the situation which they now portray in such dark colors. They evidently desired to assume the full credit for all allegedly remedial measures which might be taken and in the meanwhile permit conditions to become as bad as possible.

Mr. Chairman, in 1933 we had \$4,000,000,000 in gold. That was all that was necessary for our economic use. The embargo which was placed on gold was not necessary. This is not my own opinion merely. I have combed opinions from many to whom I have lately written regarding the effect of devaluation, its advantages and disadvantages. There appears to be a quite general agreement among many of the presumably greatest experts that we have on money matters and who have replied to my letters. Even the Secretary of Agriculture himself gave devaluation very little credit indeed for the rise in prices of agricultural products.

The temporary suspension of the gold standard was harmless and probably necessary; but the joke of it is that, after condemnation of the previous administration on the same line, \$750,000,000 of gold bonds were sold to the people by the present administration immediately after we went off the gold standard. This would seem to be an attempt

to tell the people that the action was only temporary, that it was really purposed to go back on the gold standard. If that was not the object, it was a very peculiar piece of business to sell bonds with the gold clause still included. But the final, real secret of all this tinkering with money came out. It was done to raise prices. The R. F. C. money was used to buy gold, foreign and domestic, to hoard in the Treasury. Speculators sold our dollars short. This resulted in great loss to the foreign holders of our securities. We seemed to argue "What of it? Suppose you did buy our domestic securities and you did lose? You should take your chances as we did." This, even though they had to accept our devalued dollars when the funds were transferred into their own currency. They are still seeking the opportunity, I may say, to sue us in connection with these operations. Our importers of foreign goods were penalized. The expectation of large exports, as is well known, proved a dismal disappointment.

There are many more features that I should like to explain to the gentlemen who are interested, but I shall have to include these in the extension of my remarks.

As I have stated, this devaluation penalized our importers of foreign goods, as it now took nearly twice as many of our new dollars to purchase them.

It penalized our innocent personnel in the Foreign Service, and we were obliged to make compensatory adjustments in their salaries. Some five million additional dollars have had to be appropriated even for the year 1937.

To be sure, domestic prices did, to some extent, increase; but this was not due so much to the devaluation of the dollar as to the natural processes of recovery and the alphabetical soup being stirred in Washington. Devaluation came soon after Congress convened in 1934, its primary purpose being to help raise prices. On January 31 of that year \$1 bought 23.22 grains of gold. One day later, on February 1, \$1 bought 13.7 grains.

The crazy gold-purchase plan and this devaluation are, alike, without precedent in history or recognition in monetary theory. As a result, recovery is wandering about in an impenetrable fog of currency legislation, the real meaning of which no man knows.

The principle of the gold standard had worked satisfactorily for so long previous to the World War that most nations hurriedly returned thereto. However, owing to scarcity of gold, devaluation became necessary in order to maintain prices. France devalued 5 to 1. The United States, Great Britain, and other nations preferred devaluation of commodity prices. At a price of \$20.67 per ounce, little new gold was mined. Between 1923 and 1928 billions of American money was loaned abroad. When this flow was stopped, the prosperity of European nations declined rapidly. At the Genoa Conference in 1922 nearly all European nations readopted the gold standard.

In 1930 France and the United States began withdrawal of their funds from the Central Powers. When Austria and Germany announced their customs union in March 1931, France withdrew her balances in Vienna, and this was largely responsible for the collapse following immediately thereafter. On May 11, 1931, Austria was forced to beg for assistance and various countries loaned her thirty-five and one-half millions. The reconstruction of Germany had been largely financed by six and eight-tenths billions of foreign loans. The withdrawals from that country in July 1931 amounted to one and one-half billions, and her citizens withdrew their own funds and invested them in other currencies.

This tide swept all before it until President Hoover arranged the moratorium on reparations and war debts. France, however, hesitated until it was too late to accomplish the desired results. On July 13, 1931, there was a run on all London banks. Thus we see that the situation in Austria created panic all over the world. London stood firm, but France withdrew her balances from Britain and her deposits dwindled at a terrific pace. J. P. Morgan formed a syndicate and attempted to save the situation, but again too late. In 2 months London had lost one and seven-

tenths billions, two hundred and seventy millions of which was in gold. She gave up, dragging most of the world after her. There was a scramble to withdraw funds, no matter where they were. Many European countries and nearly all South American countries suspended payment. Thirty nations abandoned the gold standard. The United States exported in September and October three-fourths of a billion in gold. We had a plentiful supply, amounting to about five billions, and the flow of gold did us but little harm, and it soon, in a measure, returned.

Many incidents, such as the collapse of Kreuger and Toll, the threat of the Goldsborough bill, our unbalanced Budget, and short-term borrowings by our Government, again brought about gold withdrawals, not only from other countries but from our own citizens. Mr. Hoover, at that time, stated that it appeared that we were only 2 weeks away from going off gold. This statement brought the scorching denunciation from Senator GLASS, fully concurred in by Mr. Roosevelt. We had, however, but little worry over European balances deposited with us. They were not large.

Our own people, sensing insecurity, withdrew one billion in cash in the year ending October 31, 1932. Nevada declared a bank holiday. The Michigan moratorium followed in February 1933 and over nearly the entire country came a run on our own banks and more than one and one-half billions in gold and gold certificates were withdrawn, largely for hoarding. Then followed the bank holiday over the whole land. Frightened by threats of the Government, the citizens returned their gold to the banks. Greatly to our discredit we placed an embargo on gold.

Finally the Thomas inflation amendment, giving the President power to reduce the gold content of the dollar 50 percent, was passed. The gold-payment clause on all public and private debts was outlawed. Later the London Conference was called for the summer of 1933. Our President refused to cooperate with a view to stabilization. On June 30, 1934, the Gold Reserve Act was passed and the President devalued the dollar to 59.06. The act not only abandoned a fixed price for gold and refused redemption in gold, but provided that the President could vary the value of the dollar as he might deem it advisable, down to 50 percent. He has this power until January 1937, and constant teetering of the dollar will continue.

At the price of \$35 per ounce gold mining has not been greatly stimulated. Of the \$42,000,000,000 gold supply in the world but twenty-two billions are available for monetary purposes. The United States has ten billions; France, four and one-half billions; Great Britain, one and six-tenths billions; Russia, eight hundred and forty millions; Spain, seven hundred and thirty millions; Belgium, six hundred millions; leaving only three and seven-tenths billions for the other 44 nations, including Great Britain's dominions. Germany, a really great country, has but thirty-five millions. Today we can transfer gold only to those countries still on the gold standard, meaning only France and the Netherlands. If, and when, these two countries go off gold, useless, indeed, would that commodity seem to be. All currencies must eventually be reduced to a common denominator for exchange with all countries; but under present conditions, why pay out currency at \$35 an ounce for such an apparently useless product?

Most nations have, on the whole, held to the gold standard for decades. It has proved its worth, and is far superior to any other standard yet devised. Necessity of temporarily abandoning gold or placing embargoes is acknowledged. Friendly nations could, seemingly, readjust such lack of proper distribution when other countries are adversely affected. Managed currencies in the hands of changing governments and politics destroy confidence of their citizens. They refuse to invest at such risks of constantly changing values. A body such as the Federal Reserve Board, non-political, with certainty of long tenure of office, subject only to impeachment, may be the only agency to be entrusted with our monetary policies.

The onslaught on our Supreme Court bodes ill because of the dangerous criticisms leveled at it not only from the dis-

appointed bureaucrat but from those seated in high places, whose opinions carry great weight among the masses of our people.

The advantages may be summarized as follows: It enabled banks to operate without fear that deposits would be drawn down. We are now flooded with gold, and great reserves have been created, providing easy borrowing by the Government at low interest, with the same advantage, supposedly, to private borrowers. The Treasury profited by a \$2,000,000,-000 stabilization fund and by about another billion added to its cash balance. It resulted in a slight rise in farm prices, and may possibly have helped industry, but this is debatable. The moral advantage can be summed up in that people now take more interest in monetary manipulation.

The disadvantages: The amount of the devaluation was altogether too much. Although protecting our dollar, it put foreign currencies under terrific strain, forcing further devaluation on their part and a further and disastrous maldistribution of gold in the world. It makes Government spending too easy and, even now under the present new Banking Act, hard for Federal Reserve control. It created too large a fund for Governmental manipulation. It will be a constant temptation for another dose of watering. Great hopes and promises of increased exports have dismally failed. Loans for industry and investments are frightened and refuse to perform their functions. There has been a loss of international prestige and good will. It has lost us our opportunity to supplant Great Britain in the financial world. Above all, as a result of it, we have lost domestic confidence in our own Federal Government. The disadvantages far outweigh the advantages. The United States was not forced off the gold standard, as was Britain in 1931. Our devaluation was deliberate and overexcessive. It has brought about competitive devaluation throughout the world. Only by economic conferences and agreements among all the larger countries can stability and confidence again be brought about. No living man can answer as to what results can be expected and what may be in store for us.

The great question in the financial world is, "Has the gold standard gone for good?" However, we are, in a sense, still on that standard, and gold can still be exported to France and the Netherlands, which still hold to that standard, and for direct purchases of silver by the Government. The present monetary plan is only a makeshift. Few know much about money, and there is but little agreement among financial experts. Who will be the future advisers to the President? Events affecting this vital matter may come rapidly.

Certainly there now seems to be a plentiful supply of money, but credit is still lagging. Those who have money to invest watch the future with apprehension. For another year they will be at the mercy of the President and his advisers. Fear of inflation, as is now evidenced in the stock market, is in the hearts of the people. Demand is constantly made by inflationists for additional devaluation in the hope of further raising prices, in the face of the almost complete failure of such devaluation heretofore, both as to having any effect in producing any considerable raise in prices or in the export of our commodities. Our employees and representatives abroad are still forced to ask for more dollars to live in those countries, which is a matter of no little humiliation to us.

Having traveled safely an accustomed road for many years, it comes as somewhat of a shock to find that a connecting and important bridge has suddenly collapsed. Let us be satisfied to temporarily suffer inconvenience and follow temporary detours which get us back on the well-tried path as soon as possible. Let us not suddenly decide that an absolutely new route must be mapped out, of such nature that engineers cannot agree as to its dangers, its costs, and its ultimate destination.

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I rise at this time to pay a brief tribute to Brig. Gen. Charles R. Krauthoff, United

States Army, retired, who passed away Monday evening at the Walter Reed Hospital. General Krauthoff was born in St. Louis, the city which I have the honor in part to represent. He was 72 years of age at the time of his death.

On August 13, 1884, General Krauthoff enlisted in the Army as a private and was assigned to duty with the Second Artillery. He served during the Spanish-American War and in the Philippine Insurrection. He likewise served on the Mexican border and at the outbreak of the World War was sent to France. For "exceptionally meritorious and distinguished services" he was awarded the Distinguished Service Medal. He was also decorated by many foreign governments.

Being a personal friend of General Krauthoff, I have been his guest on numerous occasions. He was not of the type who liked to talk of his achievements, but he showed me at one time no less than 12 decorations he had received in his lifetime, as well as many letters of commendation for his work.

A list of the decorations and medals received by General Krauthoff follows:

United States decorations and campaign medals: Distinguished Service Medal, France; Victory Medal, France, 1917-1920; Campaign Medal, Spanish-American War; Campaign Medal, Philippine Insurrection.

Foreign orders and decorations: Commander, Order of the Crown, Belgium; officer of the Legion of Honor, France; grand officer of the Order of the Crown, Rumania; officer of the Order of the White Eagle, Servia; Order of St. Sava, Yugoslavia (Kingdom of the Serbs, Croats, and Slovenes); Societe de la Croix, Rouge, Balkans, 1889; silver medal for bravery, Montenegro; Cavalier of the Order Restitutia, Poland.

General Krauthoff happened to be on duty on the west coast at the time of the San Francisco earthquake, and he was designated by the Secretary of War to have charge of extending relief to those who suffered as a result of that disaster. For this work he was commended not only by the people and officials of San Francisco but likewise by his superiors.

He always referred to his experience in the Army as an example as to the opportunity an enlisted man had who would devote his life to the service. I have heard him say that never in his career was he deprived of recognition to which he was entitled because he came from the ranks. The advantage that one has by reason of the education he receives at the Military Academy cannot be underestimated, but in my opinion, one with practical experience who starts at the bottom makes just as good a soldier and an officer as the one who has been fortunate enough to receive an appointment to the Military Academy. I should like to see a law by which a certain number of enlisted men would be advanced to the commissioned grade annually.

General Krauthoff had an outstanding personality, and up to a few weeks before his death he could be found at his hotel in Washington, entertaining his friends with interesting stories.

Funeral services will be held tomorrow morning, with burial in Arlington Cemetery, with full military honors. He was a credit to the city of his birth, his State, as well as to the Nation. [Applause.]

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, several days ago I called the attention of the Members of the House to the fatal effects of the Canadian treaty upon American agriculture. This treaty went into effect on January 1, and we now have a complete report of the first 30 days' operation.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CULKIN. This table tells the story of the increased imports from Canada brought in under the Canadian trade agreement.

Product	Imports	
	January 1935	January 1936
Fresh pork	\$4,386	\$76,010
Cattle	54,483	457,962
Cheese	7,863	96,727
Horses	15,315	98,500
Turnips	45,124	118,757
Potatoes	2,414	27,853
Milk powder	9,387	28,348
Fresh beef	4,007	23,713
Bacon and hams	8,223	21,623
Wool	7,110	159,598
Poultry	698	7,359

Mr. Chairman, may I say that these figures covering the first month of the operation of this treaty show that agriculture was laid on the altar of foreign trade. It was sold "down the river" or rather "across the Lakes." This treaty will result in disaster, not only to dairymen, but to practically every phase of American agriculture. Pork, cattle, cheese, horses, turnips, potatoes, fresh beef, bacon, wool, and poultry are involved; and, of course, the Canadians have not got in their stride as yet. They did not know in connection with the last crop season that this treaty was to be the tariff between our country and theirs. It is a fair estimate that Canadian agricultural exports into this country will increase more than fifty millions this year. This volume of exports will break down the farm price structure, and the eastern and northern farmer and midwestern farmer will be destroyed. His situation has been neglected by the administration. Under this Canadian trade agreement the administration is engaged in wrecking him.

I now call upon the President, Mr. Chairman, in view of the already fatal and disastrous effects of this treaty, to make good the promise he made to the people at the time the treaty was promulgated, to recall and annul this iniquitous enactment. [Applause.]

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Chairman, I want to make a few observations today on the present attitude toward the Supreme Court.

When the A. A. A. decision came down on January 6, a terrific storm of abuse was loosed against the Court from a great number of sources. This lasted until February 17, when the decision came down in the T. V. A. case, but since that time I have not heard the Supreme Court mentioned except in tones of great commendation. What is the reason for this? Can it be that, perhaps, the objections to the Supreme Court are not made as a matter of principle, but because particular individuals did not want their pet measures put out of their misery?

Now that we have a calm period, a period in which no one is condemning the Supreme Court, is it not perhaps wise to give some little thought to the history behind the attacks which have been made on the Court from time to time?

This is not the first time that storms of abuse have been leveled against the Supreme Court. This has been its history almost from the time it was organized. Since the case of Marbury against Madison, decided in 1803, when Marshall first announced that the Supreme Court had the right to declare an enactment of Congress unconstitutional, there have been storms of protest against actions of the Court, which have swept over the country. There have been lulls for a few years, and then the storm would arise again.

Before we finish this session of Congress there may be other decisions of the Supreme Court on basic constitutional questions and some of the laws which we have been passing in the last few years may be held unconstitutional. I hope and pray that when that time comes, irrespective of which way these decisions may go, those who criticized the Court so viciously from January 6 to February 17, and who have been so quiet since that time, will remain equally quiet and realize, finally, that the Supreme Court is holding the bal-

ance between the various branches of Government, and deciding the cases according to the basic law of the land.

At the time of the Civil War there was a storm of protest over the Dred Scott decision. Right after the Civil War, when the Court stood fast against the encroachments of the rabid reconstructionists against personal liberties in the South, there was criticism of the Supreme Court. There was criticism of the Supreme Court over the *Legal Tender cases*. There has been criticism of the Court with respect to labor cases, with respect to antitrust cases, and recently because some of the New Deal laws have felt the stern, forbidding hand of this Court.

Let me bring out another aspect of the situation, and that is that in the history of the Court, it has been bitterly condemned by the supporters of diametrically opposed theories of Government. There have been times when it was accused, first of leaning too much toward federalism, as in the entire early history of the Court when it was establishing the strength of the Federal Government, while today, on the contrary, the criticism is that they are standing in the way of the assertion of power by the Federal Government and protecting too greatly the rights of States and the rights of individuals.

During the 30's and 40's there were several cases in which the rights of corporations were involved and a protest went out that because of certain decisions, particularly the Charles River Bridge case and the West River Bridge case, the Supreme Court had forgotten property rights and was taking away property without due process of law. A few years later, on the contrary, in the Bank Tax Exemption case, the Supreme Court was attacked because it was said that it was corporation ridden.

The same thing has been true with respect to the antitrust cases. The first decisions of the Court apparently were against the antitrust laws. Later, however, as decisions the other way followed, the protests which arose on one side subsided, while those who felt the other way immediately began to complain bitterly.

I am trying to bring out that when first a group with one viewpoint protests and shortly thereafter another group with opposite viewpoint protests against the decisions of the Court, perhaps, after all, the Court is really deciding these cases as they should be decided—that is, according to the basic law of the land.

Always there has been the cry which we have heard lately most vociferously, that the Court has no right to declare laws unconstitutional. I have listened, I suppose, 10 or 15 times in the last few weeks—prior, of course, to February 17—to Members who have arisen and stated that the suggestion that the Court should have the right to declare laws unconstitutional was brought up in the Constitutional Convention and was there specifically disapproved. I have therefore looked into this to see if there is any truth in the contention. In every case it will be found that the suggestions which were placed before the Convention were not that the Supreme Court should have the right to declare laws unconstitutional but that the Supreme Court should have the right of veto on legislation of Congress. This was suggested by various delegates and was debated, and it was very properly decided that the Court should not have the right to veto all legislation—that is, should not have the right to pass on policy as well as on constitutionality, but in no case was the question directly presented that the Supreme Court should have the right to declare laws unconstitutional. It was presumed.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. CHRISTIANSON. Is it not the fact that at that time the precedents had been established in all of the States, or at least in most of the States, and the State supreme courts had exercised the power and the right to declare legislative acts unconstitutional?

Mr. HOLLISTER. I am pleased that the gentleman has raised that question, because that is the very next point I was going to cover.

Mr. CHRISTIANSON. And the framers of the Federal Constitution, of course, assumed that the Supreme Court of the United States would have the same right and the same power with relation to Federal legislation.

Mr. HOLLISTER. During the colonial period, in almost every one of the Colonies, the supreme courts of the Colonies, or whatever they may have been called at that time, had before them legislation passed by the legislatures of the Colonies which, in very many cases, were violations of the basic charters under which the Colonies were organized.

In all cases where such laws encroached upon these basic charters the courts declared them—perhaps they did not use the word “unconstitutional”—but they held such laws were void because not in accordance with the basic law. So the framers of our Constitution adopted this theory as a matter of course.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. CHRISTIANSON. So if the framers of the Constitution had not wanted the Supreme Court to have that power they would have prohibited it.

Mr. HOLLISTER. Undoubtedly. What is the Constitution after all? The Constitution is not simply a piece of paper with writing on it. The Constitution is the law—it is the basic law. It is the law that the people themselves have written, and it is the law under which the Federal system was constituted. It is the law under which the Colonies conditioned their entrance into the new federation of States.

A court is for the purpose of adjudicating disputes between litigants, and in connection with this, expounding the law applicable to the facts. The courts must of necessity expound the Constitution, which is the basic law. Another duty of the court is, of course, to make decisions where there is a conflict in the laws.

Mr. HARLAN. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. HARLAN. I agree with what the gentleman has said about the Constitution, but may I ask the gentleman this: All these questions that have come to the Supreme Court recently have been as to what is meant by certain terms as “commerce between the States”, the “general welfare”, and so forth.

Mr. HOLLISTER. Will the gentleman please ask his question, as I have but little time.

Mr. HARLAN. Where there is a difference of opinion as to indefinite terms, not in basic terms, does the gentleman think that the Supreme Court is superior or is greater than the Legislature, that its opinion as to definitions and terms is superior where there is conflicting language?

Mr. HOLLISTER. The members of the Supreme Court are selected for their wisdom, judgment, and experience.

If there is a conflict, in the opinion of the Supreme Court, between the basic law of the country and the law as laid down by the Legislature, it must in the nature of things be resolved in favor of the basic law. As a matter of logic, it seems to me that unless this is the case the Constitution becomes nothing but the scrap of paper which we all know it is not. It means that there is no use in having a Constitution, and that it might just as well be disregarded, because it means that the Legislature may any day completely rewrite the Constitution and therefore that it ceases to exist.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. DOBBINS. Does the gentleman feel that the term or expression “general welfare” is a term of such definite legal meaning that the opinion of the Supreme Court is more to be respected than the opinion of the Legislature?

Mr. HOLLISTER. Mr. Chairman, the gentleman is embarking me upon a discussion to which I should have to give more time than I have at present.

Mr. DOBBINS. Yet that is the point upon which we have heard most of the discussion here, is it not?

Mr. HOLLISTER. Not at all. I would like to discuss that with the gentleman at some other time. It is too

large a subject to enter into in the few minutes that I have at my disposal.

Mr. HANCOCK of New York. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. HANCOCK of New York. Is it not proper to say that the Constitution merely is a statement of conditions under which the people themselves have agreed to be governed?

Mr. HOLLISTER. And therefore they made it the basic law of the land.

Mr. SHANLEY. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I would rather not yield further, as my time is so limited. Let me quote what Hamilton said with respect to the principle which I am trying to elucidate, in one of his articles in the *Federalist*:

There is no position which depends upon clearer principles than that every act of a delegated authority, contrary to the tenor of the commission under which it is exercised, is void. No legislative act, therefore, contrary to the Constitution can be valid. To deny this would be to affirm that the deputy is greater than his principal, that the servant is above his master, that the Representatives are superior to the people themselves, that men acting by virtue of powers may do not only what their powers do not authorize but what they forbid.

Mr. Chairman, when there are objections to the decisions of the Supreme Court there are three ways of proceeding. We may proceed by usurpation, we may proceed by nullification, and we may proceed by amendment of the basic law of the land. There are now before the two Houses of Congress some 100 bills and resolutions, some taking away the jurisdiction of the Court, some making it a crime for a judge to decide a constitutional question, some increasing the number of Justices of the Supreme Court, some saying that there shall be more than a majority necessary to make a constitutional decision, and a great many offering to amend the Constitution. Let me touch on each of these methods in order.

Usurpation is a plain disregard of the laws of the land. We have gone rather far down the road of usurpation in the last few years. We have passed laws which most of us have known were unconstitutional at the time we passed them. We have back-tracked to some extent in the last few weeks when we repealed the Kerr Tobacco Act, the Bankhead Act, and the Potato Act. We should back-track even further, of course, and repeal the Guffey law, which I do not believe many people think today can possibly be upheld. Our recent action in passing the so-called soil-conservation bill last week was as flagrant an example of a disregard of the Constitution as it is possible to conceive, for we know it is not only subject to the same constitutional objections as was the Agricultural Adjustment Act, disapproved by the Supreme Court on January 6, but it also violated the rulings of that Court with respect to delegated authority laid down last year in the hot-oil case and the N. R. A. case.

The second method of circumventing the power of the courts to declare acts of Congress unconstitutional is by nullification, and the most flagrant nullification suggestion is that of removing from the Federal courts the right to pass on constitutional questions, or at least to declare an act of Congress unconstitutional. To me this is a peculiarly un-American doctrine. It concedes a right, but takes away the remedy. True, Congress has already established a precedent for this in the legislation adopted last summer taking away the right to sue on gold obligations of the Government, after the Supreme Court had declared by a vote of 8 to 1 that Congress had no constitutional power to declare the gold obligation void.

There have been threats of other similar legislation removing the right to recovery when the individual has been aggrieved by unconstitutional acts. There has been much objection to the granting by courts of injunctions against the collection of taxes which are alleged to be illegal. Did it ever occur to you that the chief reason why there has been such wide recourse to these injunctions is because the litigant realized that if he once paid the illegal tax his right to recover it might be taken away by removing the remedy, even though the right itself should be recognized? In such

cases injunctions are manifestly the only protection against irreparable injury.

The suggestion that has been made in certain proposed legislation that judges who declare acts of Congress unconstitutional shall be fined or lose their positions is an even worse evidence of the nullification doctrine. These suggestions recognize that the judge has a duty to perform, but state that if he performs it he shall be penalized. This is judicial intimidation against which free men have fought for years.

What would be the result of the removing from the courts the right to declare acts of Congress constitutional? It would mean that bills of attainder could be passed; citizens could be subjected to unwarranted search and seizure; property could be taken away arbitrarily without due process; taxes could be levied on the exports of States; citizens could be tried before military courts without the protection of habeas corpus; and many other dictatorial measures could be adopted which infringe rights which free men have held for centuries; and nothing could be done about it.

And what happens to the system of dual jurisdiction? Under the Constitution the State courts must regard the Constitution itself as the basic law. If we remove from Federal courts the right to pass on constitutional matters, this affects in no way the rights of the State courts; and we would have an anomalous situation where the same right might be adjudicated differently by the courts of last resort of different States, with no final tribunal to decide ultimately which is correct.

The suggestion that more than a bare majority of the Court should agree before a statute can be held unconstitutional is another form of nullification—a partial one. Instead of removing the jurisdiction of the Court, it makes it more difficult to be made effective. The argument is frequently made that it is wrong to have one judge in a five-to-four decision settle the outcome. This is, of course, not the case, for the five render the decision; but if there is anything to this argument, if you require a six-to-three decision, or a seven-to-two decision, or an eight-to-one decision, is it any the less ultimately the decision of the one judge who makes the necessary majority? Even if a unanimous decision of the Supreme Court may be required, still one judge settles the case, for, if that one should decide the other way, the result would be changed.

A law passed by a legislature by a majority of one is considered as solemn and binding as when passed by unanimous consent, and yet in July 1932 we saw an important decision made by the House of Representatives by a majority of one, and that one the Speaker, who cast the deciding vote. I am referring to the notorious amendment requiring publicity for Reconstruction Finance Corporation loans to banks, to which a great many people attribute the beginning of the bank panic.

As a matter of fact it is highly doubtful whether all these nullification suggestions are constitutional of themselves. Those who wish to adopt this method regularly cite a number of Supreme Court cases as authority for the constitutionality of this procedure, but in none of them was it settled that the right of the Federal courts to pass on all constitutional matters should be removed. It is probable that the Supreme Court would say that the litigant must have at least 1 day in some Federal court to assert rights guaranteed to him by the basic law of the land, and it is also probable that the Court would say that the Court itself, and not the Legislature, must decide whether the concurrence of a bare majority constitutes a decision of the Court.

It might be appropriate here to refer to the suggestion that the Court be "packed" in order that certain legislation might be passed. It is a tribute to our sanity that no one has really taken this suggestion seriously. When the time comes that the Chief Executive, in his anxiety to secure legislation which is in violation of the basic law of the land, fills the Court of last resort with men selected because he knows beforehand they will decide the way he wants them to, then indeed has America lost much of her ancient liberty.

On critical analysis of the decisions of the Supreme Court since its organization almost a century and a half ago, does it not appear that the criticisms of the Court arise in general, not from those who believe as a matter of principle that the Supreme Court should not have the right to declare laws unconstitutional, but chiefly from those who have seen their pet legislative schemes declared in violation of the fundamental law? It is apparently a question of whose ox is gored.

Let us return to the old American idea of fair play. The Constitution is the law. Judges must expound the law as they see it. Let us get the best judges we can, and then play the game according to the rules. If we can improve the game by modifying the rules from time to time in the duly appointed way, let us do so; but let us not shout to kill the umpire when he decides that we have infringed one of the rules. It may be that tomorrow we shall want the protection of that very same rule and that very same umpire. Do not forget that the umpire is a specialist and, perhaps, after all he is right and we are wrong.

Instead of condemning the Supreme Court when it may decide that a particular measure in which we are interested is unconstitutional, let us thank God that we have it there to hold the balances even and to administer equal justice to all.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield now to the gentleman from Mississippi [Mr. FORD].

Mr. FORD of Mississippi. Mr. Chairman, the favorable decision of the Supreme Court of the United States in the case recently before the Court involving the Tennessee Valley Authority, and decided on February 17 with only one of the nine justices dissenting, now clears the way for future expansion of operations that have already brought cheap electricity into many homes in our section.

The Court declares that electrical energy generated at dams which are the sole property of the United States can be sold by the Government under its constitutionally given authority to dispose of property which is constitutionally acquired, and that in order to insure a wider market for the surplus electrical energy so produced the Government can acquire or construct transmission lines for the purpose of reaching consumers.

Transmission lines carrying cheap electric power generated by the Tennessee Valley Authority are already in 12 counties of northeast Mississippi, with an extension into northern Calhoun County now authorized. Immediate extension into other counties in this area is prevented only by a stipulation in a contract entered into between the Authority and the Commonwealth & Southern Corporation, holding company for the Mississippi Power Co., in which it is provided, among other things, that the Tennessee Valley Authority will not invade any additional territory served by the Mississippi Power Co. before the completion of Norris Dam in eastern Tennessee, with 3 months' notice being required after the completion of that dam. It is estimated that all the machinery will be installed at this dam by July 1 of this year, thus removing all contract restrictions by October 1 and permitting the Tennessee Valley Authority to acquire or construct lines to any point in the State of Mississippi.

The city of Pontotoc and all other municipalities located in Pontotoc County, in my district, are now enjoying cheap power from Wilson Dam, and are saving \$41,000 a year over the rates formerly paid the power company that served them.

When I came to Congress the construction work on the rural transmission lines in Pontotoc County was at a standstill, and had been in that condition since September 1934. I lost no time in beginning a fight to bring about the resumption of this work, and we now have approximately 27 miles of rural electric lines in the county, carrying electricity to many farm homes where it was once impossible to obtain it at any price. It is no wonder that the people of Pontotoc County are happy over the situation. They pay

\$1 per month for 25 kilowatt-hours of electricity, while Calhoun City, a few miles to the south, hampered by the provisions of the Commonwealth & Southern contract just mentioned, pays \$2.13 for the same amount of electricity.

The city of Okolona in Chickasaw County pays 75 cents for 25 kilowatt-hours of electricity, while Houston, in the same county and shackled in the same way as Calhoun City, pays \$2.13 for the same amount of electricity. I frankly consider my efforts in bringing this power and this saving to the people of Okolona one of the most valuable achievements of my first year in Congress.

I am glad that the extension of the lines of the Pontotoc Association from Randolph in Pontotoc County to Sarepta, Bruce, and Pittsboro in Calhoun County has just recently been authorized, and I am proud of the assistance I gave in securing the authorization.

Two power companies operate in my district—the Mississippi Power Co. and the Mississippi Power & Light Co. The Mississippi Power Co. is a subsidiary of the Commonwealth & Southern Corporation, a holding company. The Mississippi Power & Light Co. is a subsidiary of Electric Bond & Share Corporation, also a holding company.

I have the figures on the rates charged by these companies in 20 towns in the Fourth Congressional District and find that the average price for all is \$2.335 per month for 25 kilowatt-hours. The lowest rate in any instance is \$2.13 for 25 kilowatt-hours, while in eight towns the rate is actually \$2.60. With T. V. A. rates, Okolona pays 75 cents for 25 kilowatt-hours at the same time Pontotoc and other municipalities in Pontotoc County are paying \$1, in comparison to the \$2.335 average rate paid the companies in the other localities of the Fourth District.

Consumers of electricity in 9 of the 10 counties in the Fourth District now receiving service from the power companies would realize a total saving of approximately \$275,000 a year if Tennessee Valley Authority power were made available to them. The approximate savings in the various counties would be: Attala, \$48,000; Calhoun, \$25,000; Carroll, \$37,000; Chickasaw, \$21,000; Choctaw, \$23,000; Grenada, \$31,000; Montgomery, \$28,000; Webster, \$22,500; and Winston, \$37,500. The amounts stated for Attala and Chickasaw Counties take into consideration the municipal plant at Kosciusko and the Tennessee Valley Authority power already available at Okolona.

The savings just mentioned apply to each year for present consumers alone; the sum of \$275,000 would be the burden taken from their shoulders. In the meantime, those who do not find it possible because of its extremely high price to purchase the benefit of electricity could do so if the cost were reduced as it would be by the Tennessee Valley Authority. Those who now use only small amounts could use a much larger number of kilowatts and enjoy many benefits that they now deny themselves, still realizing a saving.

These considerations make me very eager to do all within my power to bring the benefits of cheap electrical energy to every county and every home in the Fourth Congressional District.

I have not overlooked the fact, Mr. Chairman, that my district is primarily an agricultural section, and I take pride in the sturdiness, the honesty, and the integrity of its citizens. I am sure that every one of them would be delighted to see more industries located within our borders, affording an opportunity for more employees, increasing pay rolls, and providing a nearer, more profitable outlet for the raw materials produced from the farm. Labor is plentiful, and with cheap power there can be no doubt of the great industrial opportunities that would be created right in our midst.

Through Federal aid recently secured and added to State funds, Mississippi is to make great strides in its recently inaugurated \$40,000,000 road-building program. Important highways through the Fourth Congressional District are to be paved. This, in my opinion, will be a valuable factor in joining with cheap electrical power to secure greater industrialization.

Our section is especially adapted to dairy enterprises, and the coming of cheap electrical power would revolutionize

the occupation as we now know it. Rural electrification would carry the power right to the farm for use in properly caring for and handling milk and other dairy products. Refrigeration costs would be next to nothing. Feed grinding could be done on the farm at negligible expense. Creameries and condensaries could operate inexpensively on cheap electricity.

Rural electrification is one of the chief benefits to come from Tennessee Valley Authority extension into our territory. I want to see electric lines built down every public road, carrying electricity to every farm home at a price the farmer can afford to pay. This will bring him the same lights for his home and all the other benefits at low cost which are now had only by those who live in town after paying an unreasonably high price.

In the territory in northeast Mississippi not restricted by the previously mentioned Commonwealth & Southern contract, the Tennessee Valley Authority has completed 109 miles of rural lines and has about 62 miles in the process of construction.

We have a Rural Electrification Administration already established and functioning, but its efforts to get rural electrification to my district have thus far been defeated because of the high rates that the power companies or municipal plants now on the ground want to charge. This picture will be changed, I assure you, when Tennessee Valley Authority power reaches us.

So I am happy that the Supreme Court rendered a favorable decision, and I pledge the people whom I try to faithfully represent that, with their assistance, I shall exert every effort to secure cheap electric power for all of them. It is now within our reach and we can get it. We must not let this valuable opportunity escape us.

Mr. CANNON of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, availing myself of my privileges under the rules of the House, I have filed this day at the Clerk's desk a petition to discharge the Committee on the Judiciary from further control of the war-referendum and anti-war-profits resolution I have introduced to keep America from being drawn into foreign wars (H. J. Res. 167), and I intend, henceforth, to give my earnest and unceasing attention to an effort to secure 218 signatures for the discharge petition in order that this resolution, which has been reposing for more than a year in a pigeonhole of the Judiciary Committee, may be brought forward to the floor to have judgment passed upon it by the representatives of the people.

This petition is no. 28 among the discharge petitions now on the Clerk's desk. I wish every Member of this House would go to the Clerk's desk and call for discharge petition no. 28 and sign it. By so doing we can prove to our constituents that we are alive to our responsibility to do something of a constructive nature to keep America from becoming involved in another horrible war. House Joint Resolution 167, which this discharge petition seeks to bring before the House for action, has the endorsement of innumerable distinguished leaders in the cause of peace, including Frank B. Kellogg, ex-Secretary of State and co-author of the pact of Paris; three archbishops and many bishops of the Catholic Church; Rabbi Stephen Wise and many other great rabbis and leaders of the Jewish people; leaders of all Protestant denominations; the Church of Disciples of America as a whole; over 50 eminent university and college presidents; the American War Mothers, whose precious sons shed their blood on European battlefields in the last war; the 21 brotherhoods of railroad men; a great number of religious and social organizations and thousands upon thousands of key men and women in all walks of life.

And beyond these whom I have described are many other people, among the least conspicuous of God's creatures, people with hearts and feelings but devoid of education, who say in their letters, "This is the first time I have ever written to a Congressman, but I just had to let you know that I endorse all you are trying to do." There are times when the tongue cannot speak, and the pen cannot write, the language of the

heart and many of these correspondents write falteringly, violating all rules of punctuation and spelling, but saying enough to make themselves articulate in their earnest, almost pathetic desire that there shall be no more wars and that the common people, who have to do the fighting and the suffering and the dying shall at least have something to say as to whether America shall enter future conflicts. The resolution that petition no. 28 seeks to bring before you already has penetrated deep into the consciousness of America. It has established itself in the hearts of many of our countrymen as a great and righteous principle that should be recognized and vitalized in the form of an amendment to the Constitution of the United States.

WORLD BOILING WITH WAR SENTIMENT

In a world that is boiling with war sentiment, with nations arming to the teeth against the day when they expect to plunge into conflict, the most immediate, the most pressing, the most important duty now before the American Congress is to do everything possible consistent with national safety and honor, to keep our boys from being dragged into slaughterpens in foreign countries. The urgency for action can hardly be overestimated. War clouds are lowering. Dictators are rattling their swords. Ethiopia is overrun by armed hosts. War broods over Europe and the Orient. Political nerves extending from foreign capital to foreign capital are jerky and supersensitized.

Armaments are being piled on armaments. Under the compulsion of dictators citizens are swarming to recruiting offices in foreign lands. In some countries boys hardly out of the kindergarten stage are being feverishly marshaled and trained in the art of killing. Every writer on international subjects whose judgment is verified by his prognostications of the past is predicting a general war in which many foreign nations will engage. For verification let me quote some headlines I have read within the last 48 hours. An example is the following, which appeared a day or so ago over an article by a writer of well-known authenticity:

Europe, feverishly arming, is convinced war is near. Frenzy seizes all nations.

And the following, summing the conclusions of another well-known writer on international affairs:

War expected in Europe in from 6 to 18 months. Exact moment of outbreak held dependent on whether France or Germany takes initiative.

APPALLING DANGERS CONFRONT AMERICA

With this appalling danger confronting us, is Congress actually going to adjourn without taking any adequate steps whatever to keep America from being drawn into the blood-letting orgy that is threatened? Will our consciences permit us to do that? We know that the American people are deeply and vitally concerned. We know that more than anything else they want the assurance of peace. We know that they are looking to us, with hopes and prayers, to do something effective to keep America out of other peoples' wars. We know that we will cruelly disappoint them unless we do something really worth-while to protect America from involvement, and yet, knowing all of this, we are planning early adjournment with the task not even seriously attempted.

Speaking for myself I would gladly remain here during the blistering heat of summer, through the "dog days" until frost comes again, rather than leave the task undone. I know the immensity of the undertaking, but long ago when I was a boy I made up my mind, when I had a difficult job ahead of me, that if I could not come into port in the right sort of way I would sail with God the seas, and I am willing to sail with God the seas on this proposition of protecting our boys from being massacred in foreign lands until the job of framing protective legislation can be done, and done right. Our comfort or convenience should have nothing to do with it.

The American people have given us a great humanitarian job to perform and if we do not perform it we will sin grievously against those who sent us here.

Let no Member take unction to his soul from the fact that we recently passed a so-called neutrality measure. It affords no adequate protection. It is so weak a four-horse

team could be driven through it. It does not fill the bill. If unhappily war comes and we are sucked into it, we will be unmercifully burned by the righteous wrath of the American people for giving them a stone when they pleaded for bread.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Yes.

Mr. KNUTSON. Merely to say that I am heartily in favor of the gentleman's resolution, and I hope Congress will not adjourn until affirmative action is taken upon it; and to observe that, had we had such a provision in the Constitution in 1917, we would not have gotten into the war and that all of the ills of the body politic we now suffer from are the direct result of our participation in that war.

Mr. LUDLOW. I thank the gentleman for his contribution. I have found from observation that the gentleman is a friend of the masses. He believes, as I do, that those who must suffer and die in war have a right to vote on a declaration of war. He is an able champion of the rights of the common people of this country, and I am glad to have him on my side in this fight.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Yes.

Mr. ZIONCHECK. To ask the gentleman from Indiana, if this resolution be adopted, will it be very effective if we keep increasing the Army appropriations from \$23,000,000 to \$50,000,000 every year?

Mr. LUDLOW. I believe the gentleman and I think along exactly the same lines. I hope this resolution will be adopted; and I think, if it is adopted, we may safely, beyond any peradventure, reduce and minimize our appropriations for armaments.

Mr. ZIONCHECK. Merely have it for defense purposes and not for offensive purposes?

Mr. LUDLOW. I think the gentleman is right.

A TIME WHEN GENIUS FAILS

Oh, I wish I were gifted with the genius of a Dickens or a Hugo that I might bring to the consciousness of Members of this House the feelings that surge in the breasts of the mothers of this country when they think of the prospect that their flesh and blood will be torn from them and hurled into foreign hells to fight men whom they never have seen and whose language perhaps they do not speak. Is it any wonder that mothers and fathers grow prematurely gray and die in insane asylums when they think of what may, and probably will, happen to their own boys in case of another general war?

TEXT OF RESOLUTION PROPOSED AS WAR PREVENTIVE

Now, what do I suggest to meet this dangerous international situation; what do I offer as a preventive to keep America from becoming involved in the general foreign war which seems already in the offing? Of course I am not short-sighted enough to assume that there is any preventive that would absolutely insure us against foreign entanglement, but I believe the very best answer to this question—the best proposal so far advanced—is House Joint Resolution No. 167.

Mr. MORITZ. Will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. MORITZ. The gentleman's resolution requires a general referendum, does it not?

Mr. LUDLOW. It does.

Mr. MORITZ. Does not the gentleman think that most wars are caused by international bankers?

Mr. LUDLOW. I think that international financiers, the interlocking of relationships of a commercial and trade character, have a great deal to do with it. Indeed, I do.

Mr. MORITZ. Do you not think that England has too much influence on us?

Mr. LUDLOW. I do, indeed.

Mr. THURSTON. Will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. THURSTON. As I interpret the gentleman's remarks, he feels there should be some legislative restriction placed upon the power of the President to involve us in war?

Mr. LUDLOW. I do not believe the gentleman has sensed my proposition with complete accuracy. This proposes a plebiscite on war. It proposes a definite limitation on the profits of war. The gentleman is partially correct. With the President of the United States wielding the power over Congress that every President wields, there is too much centralization of the war-making power at present. This resolution proposes to decentralize that power down to the people themselves. That is where it ought to be. That is where sovereignty abides. May I read the text of the proposal? It proposes to add a new article to the Constitution, in two sections, as follows:

SECTION 1. Except in the event of an invasion of the United States or its territorial possessions and attack upon its citizens residing therein, the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum. Congress may by law provide for the enforcement of this section.

SEC. 2. Whenever war is declared, the President shall immediately conscript and take over for use by the Government all the public and private war properties, yards, factories, and supplies, fixing the compensation for private properties temporarily employed for the war period at a rate not in excess of 4 percent, based on tax values assessed in the year preceding the war.

Mr. MORITZ. Will the gentleman yield further?

Mr. LUDLOW. I yield.

Mr. MORITZ. Does the gentleman have any idea when we can vote on this resolution?

Mr. LUDLOW. I wish the gentleman would tell me.

Mr. MORITZ. Does the gentleman think we will be able to get the resolution out?

Mr. LUDLOW. I hope so. I sincerely and earnestly hope that gentlemen will sign that petition. The gentleman from Pennsylvania breathes the spirit of the people. There is no more earnest and devoted champion of peace than he is. I will greatly appreciate his sympathetic interest and support.

Mr. MORITZ. I shall be glad to sign it.

Mr. LUDLOW. So that we may bring it up for discussion, at least, and test out the sentiment of the House.

Mr. MORITZ. I believe the mothers and fathers ought to have a right to vote whether their sons should go to war.

Mr. LUDLOW. I thank the gentleman. With all my heart, I believe that, too.

It is not the promptings of personal conceit but a supreme faith in the efficacy of the solution I have proposed that causes me to believe that this resolution points the way to keep America out of nine-tenths of the wars in which it might become entrapped.

TWO WAYS TO KEEP OUT OF WAR

There are two ways, as I conceive it, to keep America from being dragged into foreign wars, or at least to minimize the possibility of our involvement. One way is to allow all of our people a right to vote on a declaration of war. The other way is to take the profit out of war. The resolution I have offered incorporates both of these plans in one proposed amendment to the Constitution. The resolution is drawn tersely and concisely, so as to cover these two points with no surplausage of language.

House Joint Resolution No. 167 is based on the philosophy that those who have to suffer and, if need be, to die and to bear the awful burdens and costs of war shall have something to say as to whether war shall be declared. What could be more elementally righteous and just than that?

Discussing the first part of my resolution, I repeat that it proposes to give all of our people a right to vote on a declaration of war, and by "all of our people" I mean women as well as men. And why should not women have that right? Women go down into the valley of the shadow of death to bring our boys into the world. Why should they not have something to say as to whether their flesh and blood shall be thrown into the hell of a foreign conflict? Nobody but women can realize the poignant pain that war puts in the hearts of mothers.

AMERICAN WAR MOTHERS FOR HOUSE JOINT RESOLUTION 167

Women know the meaning of war. They know the anguish it brings to the mothers, wives, and sisters of those who have to go forth and die and they never again will be willing to endure such indescribable suffering unless in defense of the

very life of the Nation. A few months ago the National Convention of American War Mothers was held in Washington, attended by the mothers of sons who were sent overseas 17 and 18 years ago to kill and to be killed in combat with aliens against whom they had no personal grievance and whose language they did not speak. No other assemblage of women in America could voice an opinion on the hatefulness of war with the authority of this group and the expression which they adopted was as follows:

Whereas, the American War Mothers have a full realization of the horrors and anguish of war and pray that no future generation of mothers will know such anguish as has been theirs; therefore, be it

Resolved, That we go on record in the tenth biennial convention assembled as favoring House Joint Resolution No. 167, introduced in Congress by the Honorable Louis Ludlow, of Indiana, as the best means of preventing future wars by taking the profits out of war.

Six hundred war mothers from 37 States voted enthusiastically for this resolution. There was not a single dissenting voice. The mothers who sent their precious sons to die in France or to return haunted by war's horrors and perchance with broken and twisted bodies, see in the resolution I have introduced a gleam of hope that the tortures which war's cruelties imposed on them will never be inflicted on the mothers of America again. In the name of all we hold dear, let us not disappoint them.

I have stated that another way to keep America out of war is to take the profit out of war, and that brings me to a discussion of the second part of my resolution. If we are to have any assurance whatever that the profit is to be taken out of war it must be by constitutional amendment. A mere statute limiting war profits will not suffice for the reason that the influences that maneuver a country into war can repeal in a jiffy all statutes that interfere with their selfish purpose. Only a constitutional amendment has any permanency or stability in this connection.

FEW WARS IF PROFIT IS EXTRACTED

Take the profit out of war and there will be few wars. The records of the Nye Committee that investigated munitions racketeers show that the profits of the gentry professionally engaged in fomenting wars for financial gain, rose in the case of one company to the dizzy heights of 1,143,725 percent on the original investment. If we adopt my amendment we will extract the fangs from these conscienceless enemies of society by making war an unprofitable undertaking. Ex-Secretary of State Frank B. Kellogg, co-author of the pact of Paris and perhaps the leading peace advocate of the Western Hemisphere, endorses this view and in a letter to me he says that the constitutional amendment I have proposed would be "a handicap on the war mongers."

He also writes:

I wish you luck. I think your resolution is a very good one and I should be glad to do what I could to further its approval. I certainly believe that if a national referendum were required before the United States could engage in a war except in the case of rebellion or invasion, it would go a long way toward preventing any war.

A JEFFERSONIAN PRINCIPLE

The adoption of this resolution (H. J. Res. No. 167) would write into the Constitution, where it would be enshrined for all time, a corollary of the concept which must have come to Thomas Jefferson from the very throne of Divinity when he wrote into the immortal Declaration the precious doctrine that "all men are created equal", and it would be in entire harmony with the wise admonition of the Father of his Country against foreign entanglements.

In Jefferson's time means of communication were largely nonexistent and for that reason a referendum on war was impractical. A letter mailed on the Atlantic seaboard would be 6 months reaching the uttermost frontiers of the country, if indeed it ever got there at all.

Now a fast train roars across the country in 100 hours and an airplane in 24 hours. Communication by radio is instantaneous. Sitting in the Ways and Means Committee room at the United States Capitol I was able, through the courtesy

of the National Broadcasting Co., to address all of continental America on this war-referendum proposition.

Modern means of communication have completely negatived and nullified the only tenable argument ever made against allowing the people to vote on war, and I believe that if Thomas Jefferson, the great protagonist of equal rights, were living today he would be for this proposal, which makes all men equal when it comes to the greatest of all decisions—the decision that signs the death warrant of our fine young manhood.

At present the war-making power is too much centralized. The war-making mechanism is manifestly deficient when the power to plunge 125,000,000 people into a horrible war rests with a little group of 531 persons comprising the Congress of the United States, who are peculiarly influenced and, it may be, overlorded by one other person, the President of the United States. The delegation of this awful, terrifying power to declare war to such a little group is not a safe delegation of power. It is likely to be exercised abortively and against the best interests of the Nation.

MEMBERS OF CONGRESS NOT TO BLAME

Please understand that I do not have one word of criticism of Members of Congress and certainly not of the present Chief Executive of our Nation, who is a sincere, peace-loving man. I think I know Members of Congress very well. For 28 years I sat in the press gallery and watched their deliberations before I joined this body years ago.

As a rule Senators and Representatives are high-minded, patriotic men and women, who want to do the right thing. But they are not the ones who should decide whether or not this country should go to war, and it is unfair to them that this responsibility should be forced upon them. The truth is that when a war movement is once powerfully organized, Members of Congress, except a few rare and courageous souls who are fashioned in the mold of heroism, are afraid to go counter to it, knowing that if they do in all probability they will be ruined forever. Members of Congress are human. No Member likes to be called "yellow"; no Member likes to be seared and burned by the opprobrious epithet of "traitor." The result is that they crack under the strain and vote for war, while fervently wishing that they might escape such an awful ordeal. It must be remembered that when the question of war is up for consideration the limelight pours on Members of Congress with terrifying intensity. Only a few intrepid souls dare to stand up and be counted against war.

Now if the war-making power is decentralized from Washington to the people themselves, as proposed by my resolution, there is every reason to believe that we will have an honest-to-God verdict on that question. In that case the limelight will not beat on the persons who cast the votes, as it does now. The limelight cannot beat with intensity on each one of 80,000,000 or more qualified voters. The ordinary citizen—one among millions—would not be under the same duress that bears upon Members of Congress when a vote on war is taken. If John Citizen, the ordinary man, keeps his mouth closed no one need ever know whether he votes for war or peace. In these circumstances John Citizen will enter the ballot booth untrammelled and unafraid, and will vote as God gives him to see the right.

QUESTION SHOULD BE DECIDED IN PRIVACY OF BALLOT BOOTH

The way the question of our entrance into a war should be decided is exactly the way that is provided in the resolution I have introduced, with every citizen of the Republic having a right to enter the privacy of the ballot booth and there, with only God as his witness, register the verdict of his judgment and his conscience. In that way the verdict, when rendered, will represent the true thought of the American people. A declaration of war is no idle and inconsequential thing. It sounds the death warrant of our fine young manhood and if, and when, that fateful step is taken it should be the verdict of the composite judgment and conscience of America and not the edict of scheming

selfish interests that wrap their slimy coils around Congress to force a declaration of war in order that they may coin filthy dollars out of human blood.

PRAYER FOR EARNESTNESS IN SPEECH

If ever it is vouchsafed to me to put earnestness into my speech, I pray that I may do so now. If ever it is vouchsafed to me to speak words that carry conviction, I pray that I may do so on this occasion.

I say this because America at the present time is in a most perilous position, owing to recent epochal developments in world affairs, and if ever a sacred duty rested on you and me and on every other citizen of the Republic, it is the duty that is now immediately and urgently before us of trying to do something to keep our beloved country from being dragged into another horrible war. It is time to become war conscious. It is a time for stout hearts and clear heads. With all sorts of undermining influences already at work, it is a time to be thinking and planning in order that throughout the kaleidoscopic changes and shocks and repercussions of approaching foreign wars, the peace of America may be steadily and rigidly maintained.

Whether we realize it or not, America is at this moment on top of a powder can. No finite mind can predict the Sarajevo of the new world war or when and how the fuse will be ignited, but unless something more is done to protect America from involvement than has already been done I fear it will not be long until there will be a repetition of what occurred 18 years ago when the flower of American manhood was conscripted and hurled into the hell of a foreign conflict.

FOR SAKE OF HUMANITY

In the name of all that humanity holds dear let us not, through indifference or lack of foresight, permit America to slip into another world war like it slipped into the last one. Let the faces of the fine young men about us, our sons, and our neighbors' sons, around whom are entwined all of the tendrils of our love, be an inspiration to us to think and act before it is too late. Let us remember the thousands upon thousands of Americans now sleeping the eternal sleep in foreign soil who would be happy today with their families around them, respected and honored in their communities, if a terrible fate had not conscripted them and sent them abroad to fight and kill human beings they had never seen. Let us have no more of this. Let us have no more of the unspeakably burdensome costs of war. Up to the time of the Treasury Department's last calculation the World War had cost the United States \$41,765,000,000, or the equivalent of \$60,000 for every day since Christ was born. That brought the cost up only until June 30, 1934. Since that time billions have been added in veterans' payments, interest on war debt, and so forth. This cost is not only staggering—it is inconceivable. It has placed a terrific burden on the bent backs of the American people, a burden that our children and our children's children will still be carrying on their backs for 100 years. The depression through which we are passing, with all of its economic dislocations, with its woes and miseries unspeakable, is a backwash of the World War.

ADVANTAGES OF A REFERENDUM ON WAR

With the people having a referendum vote no President of the future could maneuver the country into war and no group of 531 men and women, comprising the Congress of the United States, could take away from the people the right to make this most important of all decisions. As the Constitution now stands, the munitions manufacturers and international financiers have only to sway a small number of officials who wear the togas of Senators and Representatives in order to plunge the country into the most horrible war imaginable, whereas if they were obliged in order to obtain that result to sway a majority of the people of the United States they will find, in my opinion, that they have taken on too large an order and that their efforts are abortive and futile. A majority of the people of the United States will never vote for war unless the cause is just and righteous beyond a doubt. Besides, I repeat, what could be more fundamentally right than that those who have to suffer and die, and to bear the costs of war should have something to say as to whether war should be declared?

The second part of my proposed constitutional amendment, by providing that the Government in the event of war shall conscript all munition plants on a guaranteed basis of 4 percent return to the investors, will take away from the munition manufacturers the lure of getting America in war for the sake of profits and that will lessen the prospect of America's becoming involved in a military way. If Congress and the States will adopt the constitutional amendment I have proposed, I believe that America will be as securely protected as is humanly possible against the awful curse of war. I believe we could then look forward to a long era of peace when we of America could devote ourselves to a thorough job of attending to our own business, cultivating friendly relations with all the nations of the world and interfering with none; showing once more some regard for the spiritual values; ordering our future course along lines of usefulness rather than destruction and rehabilitating our happiness and prosperity while we strive to forget the sorrows and bind up the wounds of the last war. [Applause.]

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. THURSTON. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Chairman, I have requested this time in order to explain a statement in the RECORD of yesterday, at page 2778, attributed to me. In an interrogatory to my colleague from Kentucky, who was speaking at the time relative to the lands acquired by the T. V. A. in connection with the building of the Norris Dam, the RECORD shows that I said 45 percent of the taxable land had been acquired in certain counties adjacent thereto. This is an error. The reporter overlooked my statement that "in Union County 45 percent of the taxable values had been acquired by the T. V. A." In this particular county the cream of the agricultural lands will be submerged by the backwaters from the dam. In the other counties from 10 to 20 percent of the taxable values have been acquired. I would like to add that I have introduced a bill requiring the T. V. A. to reimburse the six counties from which tax values have been acquired in proportion to the outstanding indebtedness of each county. Since lands purchased by the Federal Government are withdrawn from taxation, it seems to me to be only fair that the Federal Government assume its fair share of such outstanding indebtedness, which otherwise would have to be assumed by the taxpayers of the rest of the county involved.

I simply asked for this time in order to make that explanation, and I thank the gentleman from Iowa for his courtesy in yielding me this time.

Mr. THURSTON. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, this agricultural appropriation bill carries about \$12,000,000 for Farm Extension Service. This is approximately \$1,000,000 more than the bill carried for the current fiscal year. This appropriation covers the activities of county farm agents, boys' and girls' 4-H clubs, and home economics. I know of no money spent in the promotion of agriculture that pays larger dividends than the money expended for these particular services. I have always thought that a trained, experienced, active, and sympathetic county farm agent is worth his weight in gold. The value to our country and agriculture of the activities of the boys' and girls' 4-H clubs and home economics cannot be overestimated.

Mr. GREEN. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to my friend from Florida.

Mr. GREEN. In that connection, I share the gentleman's opinion exactly, because the county agents and 4-H clubs in my district are the greatest contributions we have to farm life in my State.

Mr. ROBSION of Kentucky. I thank the gentleman for his contribution. The county agents, 4-H clubs, and home economics have for their purpose the extension of activities and the increase of production on the farms in our country. We recently passed the Interior Department appropriation bill carrying millions of dollars for reclamation and irriga-

tion projects. Hundreds of millions of dollars have been spent and programs have been laid down to expend other hundreds of millions of dollars to reclaim swamplands and to irrigate arid lands, converting unproductive lands into fertile productive lands. This program has and will increase our productive lands by hundreds of millions of acres. On the other hand, under the policies of the "brain trusters", or New Dealers, the American people in less than 3 years have been taxed in one way or another and required to pay approximately \$1,500,000,000 to destroy livestock, crops, and take more than 40,000,000 acres of productive lands out of production. Why spend these tremendous sums of money on reclamation, irrigation, county agents, 4-H clubs, home economics, and increase our productive lands by millions and millions of acres and at the same time expend even larger sums in destroying 7,000,000 head of hogs, millions of head of cattle and sheep, plow up and destroy millions of acres of cotton, wheat, corn, and so forth, and take more than 40,000,000 of acres of good land out of production? Undoubtedly, the purpose of one is diametrically opposed to the purpose of the other.

Then the administration comes along, under the leadership of Secretary of State Hull, and enters into the so-called reciprocal trade agreements with many of the nations of the world. He said it would increase our import and export trade. It has had the opposite effect. Our imports of wheat in 1935 were 2,500 percent greater than our imports of wheat in 1934. The imports of pork products (meat, lard, and so forth) have increased 3,200 percent in 1935 over 1934. Our imports of farm products from Canada increased \$964,000 in the month of January 1935 over the preceding month. Our beef products in 1935 increased 6,000 percent over 1934, and our imports of butter, cheese, eggs, poultry, hides, wool, mutton, and other farm products increased along the same proportion in 1935 over 1934. In fact, our imports as a whole in 1935 increased 24 percent over 1934, but we have been told that these reciprocal trade agreements would increase our exports. This is not true. We exported 95,000,000 bushels less of wheat in 1935 than we did in the depression year of 1932. We exported 4,500,000 bales of cotton less in 1935 than we did in 1932. In fact, our export of cotton in 1935 was less than one-half of what it was in 1932, and the let-down in our exports in other products is in about the same proportion, so that the balance of trade in favor of the United States in 1935 was much less than it was in 1932, and the least it has been for any year for the past 25 years. The farm policy and the reciprocal trade agreements of this country have increased the importation of all kinds of products from the various countries of the world into our country, and has decreased our exports to other countries. This is a severe indictment, but it is the truth. Why should we pay out these tremendous sums of money to cut down farm production in this country when we open the floodgates to every country of the world, and have shipped into our country millions of bushels of corn from central Europe, millions and millions of bushels of wheat from South America, beef, hides, and tallow from South America, pork products from Europe, butter and cheese from Europe, eggs, rice, and other products from China and Japan?

These policies have been very helpful to the farmers of every other country of the world, but have been positively injurious to the American farmers and our people. When Mr. Roosevelt and his party urged the repeal of the eighteenth amendment—and I am not interested in the liquor business—they said that the eighteenth amendment should be repealed and we should use American fruits and grains to make our beer and liquors, provide employment for American labor, and use American capital. What has been the result? Under the reciprocal trade agreement with Canada the tariff on liquor has been cut in half, so Canadians use Canadian fruits and grains, employ Canadian labor and Canadian capital to make beers and liquors for Americans to drink and, at the same time, we tax the American people to provide the money to pay American farmers to destroy their wheat, corn, barley, and rye, and pay American farmers not to produce these farm products. This policy is inconsistent. We cannot have recovery under such a

policy. If we are going to have beers and liquors in this country, let them be manufactured or produced from American fruits and grains by American labor, and employ American capital.

What I have said about the liquor business applies likewise to the production of wheat, corn, beef, pork, butter, poultry, and eggs. I want the American farmer to get a real price for his products. I am unwilling to create by scarcity in this country a rich market for the products of the farmers of every foreign country of the earth. Let us repeal the reciprocal-trade agreements, let us strengthen our tariff protection, and preserve this wonderful American market for American farmers. [Applause.]

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. WHITE. The gentleman spoke of the reciprocal trade agreements and coupled with it the importation of hides. How does he account for the fact that during the previous administration hides were not worth a cent a pound, whereas new leather is worth \$1 per pound?

Mr. ROBSION of Kentucky. In the first place, my good Democratic friend from Idaho is not correct in his statement of the facts. If under the Republican administration we had slaughtered and destroyed millions of head of cattle, destroyed the sheep and the hogs by the millions, we would have received a higher price for those articles at that time, but the trouble now is, after the "brain trusters" have destroyed the cattle and hides, the American farmers do not have the hides to sell. The farmers who are benefited by the destruction of the cattle in this country and the increase in the price of hides are the great cattle raisers of South America. Last year we had sent into this country 278,000,000 pounds of hides. The American people paid for these hides, and the money was taken out of this country to enrich the people of South America, and we imported from South America hundreds of millions of pounds of beef products.

As I have heretofore stated, our imports of beef products increased 6,000 percent in 1935 over 1934. In other words, there were brought into this country 60 times as much hides and other beef products in 1935 as were brought in 1934. Now, if my good Democratic friend from Idaho is legislating for the cattle people of South America and other countries, he would have cause to congratulate himself and the "brain trusters" on the increase in the price of hides. Do not forget that this increase in the price of these hides and other farm products that we receive from foreign countries was paid in taxes by American consumers. There is no man on the floor of this House who is more anxious to see American farmers receive good prices than I am, and I wish to promote not only the prosperity but the home surroundings of the farmers and their children in the way of just prices for their products, better homes, better roads, and better schools.

The thing that I am objecting to is to tax our people and destroy the products of our own farms and thereby provide a market for the farmers of foreign countries—and, by the way, the small cotton, wheat, and corn farmer is getting very little out of these processing taxes. It is being paid to the big fellow. Including the 150,000 officeholders, we paid out about \$1,100,000,000 of processing taxes collected. The wheat growers got nearly \$700,000,000 of this. It is stated as a fact that one so-called hog raiser, who developed himself into a garbage-lot hog raiser and had 4½ acres of land, received one check for more than \$113,000 for not raising hogs. It is also reported, and it is said to be true, that one cotton grower received over \$200,000 last year for not raising cotton. The amounts that each fellow has received under these benefit contracts have not been made public. A resolution has been introduced by Mr. TABER, Republican, of New York, to require the Secretary of Agriculture and the Treasury Department to furnish Congress a list of the names and the amounts received. I predict that when that list appears the American people will be astonished.

The little farmers in your district and mine will find that they were only getting a few crumbs while this tremendous sum of money was being gobbled up by the so-called big farmers.

It was proposed, when the so-called farm-aid bill passed the other day providing for about \$500,000,000 of benefits, to limit to \$2,000 the amount of benefits that any one farmer could receive out of this fund in any one year. An amendment was offered to that effect, and to my amazement the administration leaders fought that amendment and on a roll call defeated it.

There are nearly 7,000,000 farmers. There certainly will not be over \$400,000,000 of that money reach the farmers, big and little. That would be about \$60 apiece if every farmer in this country was treated alike. Yet when the amendment was offered providing that no single farmer could receive more than \$2,000 in a single year as a part of the benefits, our Democratic friends defeated it and voted it down on a roll call. It will go, nearly all of it, to the big cotton, wheat, and corn growers. The people of my district will have to help carry the burden of that \$500,000,000 in taxes, but they will get very little benefits as we produce no cotton, and practically no wheat, and not one-fourth of the corn that we consume. Of course, the big cotton, wheat, and corn raisers will continue to draw as high as \$200,000 each in a year. If anybody needs help, it is the small farmers of the country, not the fellows who own thousands of acres. The southern cotton planters forced from their farms over 500,000 tenants, who became the objects of relief, and this was true of a lot of the big wheat and corn growers. Under this administration they could make more money by not cultivating their lands than to cultivate them. The big planters did very well, but my God, what about the farm tenant and little farmer? It was wrong in principle and so held by the Supreme Court. How can we tax the miner, railroad worker, and the workers of the mills and shops to pay somebody not to raise wheat, cotton, corn, and the necessities of life? That policy cannot be right until we pay the railroad workers not to run the trains, the coal miners not to dig coal, the factory and mill workers not to produce furniture, machinery, implements, and so forth. I am ready and willing to support those measures that will give real, substantial, and permanent relief to all of our farmers alike, but if any farmer is to be given preference, it should be the small farmer, and if we are going to provide good markets and good prices for farm products in this country, it should not be for the farmers of the other countries of the world. These benefits should go to American farmers.

Mr. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from Indiana [Mr. SCHULTE] 5 minutes.

Mr. SCHULTE. Mr. Chairman, that the development of labor-displacing machinery during the past 30 years has given this Nation an industrial plant with a capacity far above the demands no one will dispute and that this has put a great many workers out of work is equally clear.

The duplication, multiplication, and perfecting of the machine or mechanical devices has increased faster during the past 20 years than at any time in the history of our country. This is a serious question and a very serious one indeed if the saturation point has not been reached at which machinery is displacing the hand worker faster than industry can absorb the slack of unemployment, or can supply new occupation for the men who are displaced, especially under the old system of distributing the profits of the machine.

The great need of this Nation today is not for an economy of abundance but for an economy of balance—of balance as between production and consumption—as between the standards of living that have been established in the cities and the standards of living in our agricultural districts in the present restricted conditions of the markets of the world. Markets that no doubt have been lost to us by the high tariff wall that was placed around this country at the time of the enactment of the Smoot-Hawley tariff law, when no sane man will deny that hundreds of industries were forced out of the United States and the American financiers immediately taking advantage of this situation, investing their money in the foreign countries, financing industries and building plants that today are capable, if not able, to surpass the American manufacturer in production.

This terrific depression is never going to lift nor will work be found for the 11,500,000 who are still unemployed, nor

will purchasing power ever be restored to them while we stand idly by and let the machine displace these millions or rob them of a livelihood.

It was my pleasure, in 1932, to suggest a Federal tax on every labor-displacing machine equal to the amount of men that the machine displaced, hoping that that would discourage, at least for the time being, the replacement of men by machines.

A great many cure-alls and panaceas for this depression have been offered as a solution, and I believe that the taxing of the machine is the real remedy. I feel that the machine tax would result in the scrapping of a great deal of machinery, probably as high as 60 percent, which, in all probability, would open up a new avenue of employment. No one will deny the fact that the machine is a producer but not a consumer.

We all agree that the machine is a necessity and brought into being for the sole purpose of relieving man of his burden, but no one in his idle moments ever dreamed that the machine would displace the man and take away his job at the appalling rate at which it is being done today, and that is the reason, my friends, that I am offering this suggestion here this afternoon on the floor of this House. There is not a Member here who cannot look back into his own district over a period of the last 10 or 15 years and see the effects of the machine age.

We, the Members of Congress who come here from the great industrial sections of this Nation, can readily understand the problems that are confronting this great country when we see men leaving industries, not in groups of 5 and 10, but by the hundreds, sad in heart and discouraged, after being employed in one particular industry over a period of probably 20 or 25 years, and to see a huge machine brought in which he himself helps anchor to the floor, then politely being told, "We are very sorry, but this piece of iron is going to take away the jobs of fifty or a hundred, and, in a great many instances, 200 men", and then told to pass on to the pay-check window and receive his last pay; to go forth to join the ranks of idle men seeking employment. That, my friends, is the problem facing every Member of Congress here today.

My people back in my district are not so much interested in the violating of the Constitution; they are not so much interested in the balancing of the Budget or the Supreme Court's decisions that are being rendered today, even though when the N. R. A. was declared unconstitutional the result was the placing of hundreds of thousands more men and women upon the relief rolls of this country. But the things they are vitally interested in are plans for a law to be passed by the Members of this Congress at this session to stop the machines from taking their jobs, so that they may again take their place in industry and contribute their share to society and to educate their children and to march along in time and in stride with the others of the employed and again take their places in the sunshine of prosperity and happiness.

It is a pretty sad part that the father of the family must play when receiving his pay check—and the last one—to go back home to his family, with several more payments probably due on the humble little place called home, and tell the mother of his children and of his home that he no longer has a job; that his place has been taken by a machine.

My friends, there are technologists and economists who will advance the thought and say, "Well, he will be absorbed in some of the other lines of endeavor", but this is not true, as history has proven many times that had it not been for the war in 1917 and America engaging in that conflict this depression would have been upon us a great deal sooner, for we can look back in 1912, 1913, and 1914 and at that time no one will deny the fact there were several millions of men out of employment.

There is hardly a day passes but what we do not receive several score letters from men back in my district, men who are employed in the steel industry, who have been working there over a long period of years, who are now being displaced by the so-called four high mills.

I am reliably informed that each and every one of these mills that are placed in operation takes the place of approxi-

mately 241 men. Just imagine a piece of cold steel one-eighth of an inch thick, cold rolled, going through a piece of machinery, being pressed and flattened out and made into tin—going through that machine at a speed of between 10 and 12 miles per hour and rolled into big, heavy spools, and all of this done by power-driven machinery. Is it any wonder that the men are complaining in the steel industry throughout the Nation?

This is an article taken from the Gary Post-Tribune, one of the leading newspapers in my district, in which Mr. Nelson Reck takes issue with the editor:

The new strip mill which has been brought into being at the Illinois-Carnegie mill will produce 36 times as much steel per man-hour as the old; in other words, only one man will keep his job out of every 36 employed in the old mill.

Is it any wonder that the men are worried about their homes and their families?

Let me also quote a little article that was taken out of the Youngstown Telegram, published in Youngstown, Ohio, of February 5, 1934, which contained the following statements relative to the displacing of men by new machinery and processes in the steel industry:

The steelworkers meeting in Warren, Ohio, claimed that the 12 broad strip mills with 1,600 workmen produce as much tonnage as 32,000 workmen produced on the old 636-sheet and Jobbing's mills combined.

My friends, that is the particular picture that confronts us in the steel industry. More labor-displacing machinery is still being brought in and placed in operation in spite of the protests of the men; in spite of their demanding a right to work—in spite of their demands for a living, with the old saying that "We must progress—we cannot stand still or go back." Just recently there was an article published in the Washington Daily News on Friday, January 31, 1936, which says:

Then there is our old friend technological unemployment. During a private discussion of unemployment here this week Senator GUFFEY, of Pennsylvania, said: "The steel industry is spending millions of dollars installing labor-saving machinery. Take the new strip mills being erected around Pittsburgh. The old type mill using hand labor needed a force of 373 men around the clock; they would produce 60,000 tons a year. The new type mill needs only 126 men, one-third as many, and it will produce as much in a month as the old type mill in a year. This isn't a move to increase capacity—the industry has been operating at less than 50-percent capacity; it never has operated at full capacity. Obviously the purpose of this improved installation is not to produce more steel but to use fewer men."

Now, my friends, I wish to quote Mr. Theodore W. Robinson, of the Illinois Steel Co., from the Labor Review of December 1927, page 61, in which he said:

The average man in a modern iron and steel plant is producing from one-half to eight times as much as he did 25 years ago.

That was back in 1927, and just think of the marked improvements that have been made in the steel industry since that time, which improvements have affected labor.

At this point, Mr. Chairman, I wish to insert the following:

[From the Labor Review, p. 6, November 1932]

IRON AND STEEL INDUSTRY

In the merchant blast-furnace industry, data obtained from selected plants producing pig iron for sale in the open market show that the average output of pig iron per man-hour in the period 1912 to 1914 was 0.141 gross ton; whereas in 1926 the output had risen to more than twice that figure, or 0.296 gross ton. From 1912 to 1926 the average output per stack day increased from 261.4 to 369.1 gross tons.

Factors contributing to the higher productivity of labor in this industry are the substitution of machinery for hand labor, the abandonment of inferior plants, and the change from the 12-hour to the 8-hour day. The extent to which machinery has been introduced is brought out by the fact that during the pre-war years 1911 to 1914, 15 of the 37 plants studied were hand-filled and sand-cast; while in 1926 only 3 out of 49 plants studied were operated in that manner. (U. S. Bureau of Labor Statistics Bul. No. 474: Productivity of labor in merchant blast furnaces, 1928.)

Index numbers of production of blast furnaces in the period from 1850 to 1920 (using 1850 as 100) show that the index of output per man had increased from 100 in 1850 to 3244 in 1919, or 3,144 percent. Expressed in long tons, the output increased from 25 tons per man per year in 1850 to 811 tons in 1919. (Labor Review, July 1922, p. 6.)

Productivity indexes for blast furnaces for the period 1899 to 1925, based on the year 1909 as 100, are as follows: 1899, 55; 1904, 74; 1914, 126; 1919, 120; and 1923, 194. For steel works and rolling mills, the indexes are: 1899, 61; 1904, 68; 1914, 96; 1919, 97; and 1923, 132. The indexes for both blast furnaces and steel works and rolling mills combined were: 1899, 60; 1904, 69; 1914, 100; 1919, 100; 1923, 139; and 1925, 159. (Labor Review, December 1926, p. 31.)

Man-hour productivity in the blast-furnace industry, as indicated by data covering plants producing 95.8 percent of the total blast-furnace output in the United States in 1929, is directly influenced by the size of the plant, the degree of mechanization, the kind of ore handled, the character of the labor force, and the wages paid. In the plants paying the highest wages the man-hour productivity was 11 times as great as in the lowest-wage plants. Plants with the smallest average horsepower showed the smallest average output per plant and the smallest output per man-hour (0.387 ton), whereas the plants with the largest horsepower showed the largest output per plant and per man-hour (0.759 ton). The average output per man-hour for the entire industry, all States considered, was 0.589 ton. The highest average output per man-hour, by States, was 0.920 ton in Indiana, where 524 wage earners in 3 establishments produced an average output per establishment of 1,425,920 long tons of pig iron in 1929. In Alabama, the lowest productivity State (0.351 ton per man-hour), 240 wage earners in 10 establishments produced an average output per establishment of 270,592 long tons. (Labor Review, August 1932, p. 260. Based on 1929 Census of Manufactures.)

The growth of the iron and steel industry is indicated by the following figures, based on census data: The percent of increase from 1899 to 1925, in physical volume of production, was 204.4; in number of persons engaged, 145.8; in primary horsepower, 307.5; and in production per person engaged, 23.9. "Number of persons engaged", however, includes proprietors, executives, clerical force, etc., as well as direct labor. (Labor Review, June 1927, p. 54.)

Index numbers of man-hour productivity for the period from 1899 to 1927, using 1914 as 100, are: Blast furnaces, 44 in 1899, 80 in 1909, 85 in 1919, and 203 in 1927; steel works and rolling mills, 63 in 1899, 104 in 1909, 96 in 1919, and 146 in 1927. (Labor Review, March 1930, p. 2.)

Productivity of labor in the sheet department of the iron and steel industry showed a steady gain in average output per man-hour from 1925 to 1929, except in the annealing operations. For bar shearing the increase was from 1,893 net tons per man-hour in 1925 to 2,200 in 1929, or 16 percent; for cold rolling, from 1,159 to 1,480 net tons, or 12 percent; for sheet pickling, from 0.702 to 0.857 ton, or 12 percent; and for hot rolling, from 0.072 to 0.077 ton, or 7 percent. In the annealing department the gain in output per man-hour was more than offset by the increased labor time required to meet the increasing demand for full-finished sheets of deep-drawing quality.

Among the factors affecting productivity are the substitution of machinery for labor, better-designed machinery, improvement in management, working conditions, etc. In general, however, the real gain in labor productivity due to improvement in technology and management was obscured by the increase in labor time required in the production of high-grade sheets for use in the manufacture of automobile bodies, electric refrigerators, and metal furniture. (Labor Review, January 1932, p. 19.)

Output per man-hour in one steel plant shows the following percent of increase in 1926 over 1902: In ore unloading, 706.7; in blast furnaces, 277.3; in Bessemer ingots, 99.8; in all open-hearth ingots, 66.0; and in the rail mill, 120.1. "The average man in a modern iron and steel plant is producing from one and a half to eight times as much as he did 25 years ago." (Labor Review, December 1927, p. 61. Quoting Theodore W. Robinson, of the Illinois Steel Co.)

Modern methods of molding have "obviated much of the molder's skill, as well as many hours of labor." Under former processes "it took the molder * * * and his helper a week to make the largest radial drill bases. * * * At the present time the same type of base is made in 1 day by a molder and a helper." (Labor Review, March 1927, p. 23.)

In 1925 an increase of 44 percent in the number of workers over the number employed in 1850 increased the output of pig iron 7,178 percent above that produced in 1850. Production per man increased 4,928 percent. "Stated differently, the number of wage earners in blast furnaces in 1850 was 882 per million of population. In 1921—which, however, was a slump year—there were 173 wage earners in this industry per million of population." (Labor Review, June 1928, p. 29.)

Now, my friends, let us divert from the steel industry. This is an article taken out of one of the local papers, with a headline, "New machine picks cotton at low cost. Inventor predicts wide use and will eliminate 2,000,000 jobs." Here we have the spectacle of a cotton-picking machine. "Machine-picking costs can be cut to \$1 per acre, or about one-fifth the price of hand work." John Rust, 43, elder of the two brother inventors, declared:

Cotton-picking machines are going to cause a lot of changes. Maybe 2,000,000 people or more who now work as hand pickers will have to find something else to do—go on the land or to be put to work in factories.

Two million more men whose jobs are to be taken by the cotton-picking machines of the South are to be added to the list of unemployed now on the relief rolls. That is the condition the Nation faces.

Let us take a glance at the automobile industry, taken from the monthly Labor Review of 1932, page 2. We find, for example, comparative figures of the average man-hours required per car in representative establishments showing reductions between 1912 and 1923 from 4,664 to 813 in one establishment and from 1,260 to 228 in another, which means that in one industry in 1912 it required 4,664 hours to manufacture the automobile complete. In 1923 this was reduced to 813 hours, and from 1,260 hours to 228 in another, until today it is reasonable to assume that the same automobile is being manufactured in 21 hours.

Workers still in the factory—those actually engaged in the fabrication of the product—give 97 productive man-hours per car in 1918 and 51 in 1923. A machine has been invented for the manufacture of pressed-steel frames, operated by 1 man, producing 6 frames per minute, or 3,600 frames in 10 hours, an output which, by hand methods, would require 175 men; 1 man with a spot-welding machine is equivalent to 8 hand riveters; an automatic machine with 1 attendant drills 335 pistons per hour, while on the former type of multiple spindle machine 1 man drilled 150 pistons per hour.

Improved methods and practices and reorganization on the assembly line plan enabled one automobile-body manufacturer to reduce the number of hours required to produce a body from raw materials from 299 hours to 83 hours without changing the average number of employees, and this, my friends, was back in 1923. What can it be today with the present speed-up system of over two and one-half cars per minute falling from some of the assembly lines in the automobile industry?

In the year 1935, in an article taken from the Automobile Manufacturers' Association, published in December of 1931, cars and trucks produced in the United States and Canada were 4,150,000—passenger cars, 3,400,000; motor trucks, 750,000—and, my friends, we have been reliably informed that all of these automobiles have been produced by less than 150,000 men and in a period of little short of 7 months.

In the article taken from the Baltimore Sun as of March 24, 1935, as analyzed by Mr. Avery McBee, contained the following:

In modern all-steel body mills, the wood mill in which a single concern employed 3,000 men in 1928 is entirely eliminated. Reduction in labor costs were as follows:

Labor cost of doors in 1929, \$4; in 1934, 15 cents.

Labor cost of body frames in 1929, \$3; in 1934, 30 cents.

Labor cost of hand finishing of above body frame in 1929, \$3; in 1934, 20 cents.

Hanging four doors in 1929, \$2.40; in 1934, 9 cents.

Body trim in 1929, \$12; in 1934, \$4.

That, my friends, reveals some of the savings that the machine age has brought about.

I have been reliably informed by Congressman Dow W. HARTER, a Member of Congress from Akron, Ohio, that in his district, with the aid of modernized machinery, 14,000 workmen produced 80,000 tires a day with labor-saving machinery, whereas in 1920 it required 40,000 workmen to produce 30,000 tires daily.

Just think of the strides that have been made in the tire industry in the last 25 years to be able to increase daily output of tires with labor-saving machinery.

I would like also to quote from a story appearing in the February 22, 1936, issue of American Federation of Labor, "Facts on Wholesale Job Slaughter by Machines Cited by A. F. of L.", the headline read; and to quote:

The tremendous destruction of work opportunities by machinery in modern industry was pointedly detailed to the Labor Subcommittee of the House of Representatives by S. P. Meadows, legislative representative of the American Federation of Labor.

The steel mills—

Mr. Meadows said—

are introducing a machine which permits 1,600 workmen to do the work which now requires 32,000 workmen to do. Instead of 636

sheet and tin and jobbing mills in the country it would only be necessary to have 12 mills with this machinery.

I read a statement made by one of my colleagues, the Honorable JAMES M. MEAD, of New York, which stated:

It is estimated that labor-saving machines in the window-glass industry have thrown 200,000 men out of work. The tremendous demand for window glass for automobiles has resulted in practically complete automatic production in this industry. For example, 3 men tending machines are turning out the work formerly done by 100 men. What are the 97 displaced men going to do? Shorten hours, increase wages, and create agencies and policies to guarantee jobs. We must do it.

Let us take, for instance, the telephone companies of today. We have on our desks the dial system of the telephone, and this system is being generally used throughout the entire country, and today it is only reasonable to assume that over 75,000 telephone operators have been displaced by the dial system, with no saving to the telephone users, but the wages saved thereby being added to the profits of the telephone companies.

Let us take the coal mines of today. Ask any one of the Members of Congress, those who represent the mining districts; they can tell you of the great strides that have been made by the new coal-digging machines, and over 500,000 miners have been displaced by these new inventions.

Let us take the oil refineries and inquire of any Members of Congress who represent any districts that have refineries located in them. They can tell you a pathetic story as to the number of men who are being displaced in these oil refineries by the so-called Kellogg stills. I dare say that in my own district in all probability 2,000 men have been displaced by new stills that have been brought into being since 1929.

I have received some information from several cigar men, members who have been employed in that particular industry over a great period of years, who now find themselves completely out of work, displaced by labor-saving machinery. Why, do you realize that today the very cigarettes that are being smoked, that no human hand touches them?

During the World's Fair in the city of Chicago there was exhibited on Michigan Avenue a machine that displaced over 75 men, turning cigarettes out by the thousands, placing them in the packages and ready for the market, with but three girls in attendance.

Is it any wonder that everyone is in a quandary, wondering just when their jobs are to be taken by some labor-displacing machine?

We have been reliably informed that the Patent Office is swamped with applications for patents, over 70 percent of which are labor-displacing patents to do away with the necessity of using men in industry; and, irrespective of how safe we may feel, we are never going to see the bright side of life until these men who are on the relief rolls are placed in useful occupations and those in industry are reasonably assured that their jobs are safe.

Oh, I know that we will hear the economists say that this is too farfetched and, nevertheless, the newspapers are all heralding the story that production is increasing, dividends are being paid to the stockholders and to the bondholders, bank deposits are going up; but they are not telling you that all of this production is going on with less men employed than ever before.

Ask any railroad man what is happening to his job today, and he will point back to the time when, in 1925, one engine pulled 70 cars; today, my friend, the same engine is pulling 150 cars.

I sympathize with the man or woman who has lost his job to the labor-saving machine. My friends, you have suffered. You have been victims of a ruthless cause. You are like patriots wounded on the battle front of a new liberty. But for the wounds which you have received in your battle for employment there has arisen a mighty power to stay the progress of these monsters—for a period of years, at least—and give your jobs back to you or create other employment for you.

It is my contention that the ordinary American citizen is beginning to understand that during the last few years the

more automobiles turned out from the factories, the more coal from the mines, the more steel from the mills, the more textiles from the mills, the more shoes from our plants, the fewer workers were required to produce them and the greater were the profits falling into the hands of those who own the machines and the industries.

I say, save our factories! Let inventors discover new ways and means to lift the burden of labor from the backs of men! But, for God's sake, save our American laborer and farmer who depend upon each other and upon whom ultimately depend the owners of machinery and the Constitution of this Nation, and remember, that it must be human rights above that of property rights! I thank you. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. STUBBS].

Mr. STUBBS. Mr. Chairman, my attention has been drawn to a news story printed February 20 in the Washington Herald, which states that Katherine Kellock, wife of the alleged publicity director of the Soviet Embassy, has been appointed field supervisor of the American Baedeker, a national guidebook being prepared under the jurisdiction of the Works Progress Administration.

According to the news story—and I have a good deal of faith in the ability of our newsmen to interpret events accurately—her appointment brings the preparation of the guide book directly under the influence of the Soviet Embassy, with its communistic agenda.

By reason of her appointment, Mr. Chairman, she will be in direct charge of approximately 4,500 persons throughout the country who are engaged in the preparation of this book. What a stroke of good business for the cause of communism—an organization of 4,500 persons, dependent upon Mrs. Kellock's good will for their bread and butter, who can be used at will to further the cause of communism.

I shudder when I contemplate the far-reaching effect of this appointment. Here we are, placed in a position of trust by our people, who do not believe in communism, and yet we are forced to submit to the appointment of a woman whose marital and personal association must necessarily be heavily tinted with the "red" anarchy of the sovietic.

Were this book merely a general guide, it would not be so bad; but it will include intimate national-defense details, such as maps of transportation systems and industrial resources, and will open to this queen of the soviets a heretofore closed book on the resources of the Nation. I can see her "red" sponsors carefully guiding her in the search for material which one of her murky political philosophy should never be given a chance to see.

Citizens of New York who are interested in Americanism have protested this appointment to President Roosevelt, and I hope that he will investigate and, if she is in the position pictured by the news story, remove her promptly and replace her with someone who has the welfare of America at heart.

In connection with this subject Mr. Chairman, I wish to draw to the attention of the Congress the fact that we have too many people in our Federal organizations who are careless of our democracy. This communistic riffraff should be eliminated at once. I believe a general housecleaning would be a good plan. Let us impress upon the Chief Executive the fact that these people are doing our cause more harm than good. We tolerate them today—tomorrow it will be their privilege to tolerate our old-fashioned ideas if they so desire, because, just as sure as I am standing here, if we do not halt their activities they will become our masters and we will be subject to their will.

I have been concerned with the laxity with which the officials of the Bureau of Immigration and Naturalization have viewed the existence of hundreds of thousands of aliens in this country. I am amazed at the attitude of the Works Progress Administration, which seems far more anxious to feed and clothe and provide food for the alien than for the American citizen. I believe we should rid this country of those aliens who are desperate in character, who violate our

laws, and who fail to take steps to become citizens within a reasonable length of time.

These remarks of mine are not idle ones. I have two bills in committee—H. R. 9679, known as the alien registration bill, and H. R. 8602, known as the alien employment bill—which I believe will correct many of the faults in current legislation and which will more clearly define the duties of those who are charged with the responsibility of executive legislative directions. The first bill, H. R. 9679, is aimed point blank at none others than those who are aliens illegally resident within our borders, and who should be deported. Officials who have been in immigration work for years assisted me in the framing of this measure, and it is designed to plug the loopholes in the present law through which thousands of illegally entered aliens crawl annually. The other bill would provide that citizens be given preferential treatment over those who are not citizens of this country in the distribution of work.

Almost every other country of the world has more effective and more stringently enforced immigration laws. We are lax from inability to cover an immense border territory and because many of our officials appear to be lenient toward alien offenders.

The more important foreign nations of the world have alien employment laws which practically prohibit an American from obtaining employment in their countries. They all have a different system, but the aim of all these various laws are the sole objective—to prevent the outsider from getting a job and keep the work for themselves. I do not complain against these laws; I complain that we do not protect ourselves. I commend to your consideration my two bills, and I hope that the committees in charge of them will give them a hearing soon. I have no pride of authorship in them, as they incorporate the ideas of many men, and I am simply the legislative sponsor, but I do believe they are good bills and should be passed by the Congress for the benefit of our country. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman and members of the Committee, in the past the people of this Nation have been careless and indifferent in the management and conservation of our great natural resources. Millions of acres of our best and richest soil have been blown or washed away. It has found its way into the creek and river beds, causing frequent overflows and floods. It has lodged in reservoirs and lakes, filling them and destroying their usefulness. Much of it has landed in the ocean, or is on its way. The muddy streams and the murky, dust-laden atmosphere are silent witnesses to soil erosion and the dissipation of soil fertility. Rich deposits of minerals and vast reservoirs of oil have been depleted. Primitive forests have been denuded. The generous supply of game and fish—wildlife of every kind and species—is fast disappearing.

However, there seems to be an awakening. We have been brought face to face with the stark necessity of active and effective conservation movements along a broad front. We are in the act of passing a farm measure which has for its central idea the prevention of soil erosion and the preservation and improvement of soil fertility, and provides for the expenditure of \$500,000,000 annually for that purpose. Steps have been taken to preserve our deposits of mineral and oil and protect our water-power sites. At this very time in every nook and corner of the country an appeal is being made to protect and preserve wildlife. This administration has begun a broad and an extensive reforestation program. A number of new national-forest units have been established providing for the purchase of large areas of land. The purpose of this is not only to develop the timber resources of the Nation but to assist in keeping the streams navigable and open to commerce, as well as to aid in flood control and also to shelter, to feed, and to save wildlife. This work in all these new units has just begun. A comparatively small

amount of land has been purchased, and in some units scarcely any.

To carry on the forest work, thousands of civilian conservation camps have been constructed in these areas to house the boys and young men who are enrolled in those camps. These young men have been taken from the streets and alleys, from the highways and byways; taken away from the allurements of idleness and the temptation of crime and vice and put to useful constructive work. This has furnished aid and assistance to their families while they have received instruction and training in orderly living that will make of them more useful citizens in the years that are ahead.

What will happen if additional funds are not provided for further acquisition of forest lands? Many of these camps will have to be abandoned. That has already happened in some places. Those abandoned camps will stand there like ghosts to haunt us in the future. They will remain as monuments to our inability to carry forward to full accomplishments and fruition the great forest-conservation program which we have begun. If more land cannot be purchased at this time, then that fine, trained, efficient staff of men and women engaged in the acquisition work will be disbanded. Those who locate and inspect the land to be purchased and negotiate with the owners and those who prepare abstracts of title and pass on the same must be discharged. If more land cannot be purchased, then the program cannot go forward. The millions that we have already expended will have been wasted so far as the development of national forests is concerned. If we are to stop now, it will be an admission of our inability to finish the great program which we have started. Nothing can be done without a large rather compact body of land upon which camps may be built and maintained and upon which the necessary agencies and equipment may be established and provided for carrying on forest work. More funds must be provided for the purchase of additional forest land, and they should be provided now. The bill under consideration should be amended to provide ample funds for the purchase of additional forest lands.

Within the last 3 years national forests for the first time have been established in the State of Missouri. There are now eight units with a purchase area of 3,363,452 acres, but to date there has been only a small part of this amount purchased. According to report of the Forest Reservation Commission, June 30, 1935, only 212,225 acres have been acquired. These great projects need and must have additional funds for acquisition to carry out the purposes for which they were designed. If these new national forests are to do any good in the conservation program, sufficient land must be acquired to enable them to operate on a bigger scale and on a more comprehensive plan. From the standpoint of furnishing employment in the community; from the standpoint of helping local industries, and from the standpoint of practical and useful conservation, no money can be more profitably spent than that which could be used in the purchase of more forest lands. In this awakening there seems to be a firm determination to check these destructive agencies of our great physical resources. In addition to new farm legislation, soil-erosion experiment stations and camps are engaged in the study and application of practical methods of soil conservation. The Department of Agriculture, land-grant colleges, farm-extension agents, farm bureaus and associations are actively and enthusiastically teaching land uses, crop rotation, the use of pasture land, clover and other legumes in a determined effort to lessen erosion and to increase and preserve soil fertility. Reforestation plays a leading part in this program.

The most important activity in connection with the development of a forest is fire protection. To secure this, four things are essential—lookout towers, from which the fires can be detected in their beginning; telephone communications with the headquarters and camps nearest the fire; roads over which vehicles may travel to get to or near the fire; and the tools and equipment with which the fire

can be extinguished. The question arises, "Why all this expense and equipment to prevent fire when by many it is considered desirable to burn off the woods and fields in order to destroy insects and give the grass a chance to grow?" This is an entirely erroneous idea. Forest fires are dangerous to life and property. If forests are burned over, it will be impossible to develop a valuable merchantable timber. Forest fires not only kill and destroy the young timber but so burn and scar the more mature trees as to destroy their value. Not only do fires injure or destroy the timber, the development of which is the primary function of the Forest Service, but they consume the underbrush, the leaves, and the grass. Then the query, "What difference does that make?"

The leaves, grass, decayed twigs, and vegetation form a kind of mat or sponge which absorbs the rainfall, keeps the moisture in the soil, and prevents the topsoil from being washed away with the torrents of rain. They thus preserve the soil which is so necessary for the growth and developments of the trees and also hold back the gushes of water from the hillsides and prevent the overflow and floods in the valley streams. In addition to that, they furnish food and shelter for wildlife. If all the cover, the seeds, the nuts, the berries, and acorns, are to be consumed by forest fires, then there is no chance to preserve and protect the wildlife which is an important element in the economic and sport life of the country. Forest fires must, as far as possible, be prevented.

To develop a forest to its maximum value, there must be planting of suitable timber species, careful timber-stand improvements, and such timber sales as to produce the greatest income consistent with a staple and continuous production. Forests are replenished from three sources: Planting trees from the nursery; planting seeds in the forest; and the national increase that springs from the seeds which drop from forest trees. This young, tender crop needs attention. Above all, it must be protected from fire. It must be thinned out. Deformed and worthless trees must be removed. With the soil preserved, with proper planting, with careful and discriminate cutting and thinning, the forest will develop into a valuable merchantable industry. As the forest grows and develops, it produces a variety of products: Firewood for domestic use; cordwood for the market and the charcoal industry; mine props, fence posts, railroad ties, raw materials for the hub, handle, and stave factories; every grade and variety of timber for the great lumber mills of the country.

The cutting and disposition of the timber should be so regulated as to maintain a sustained yield. All the merchantable timber should not be utilized in one season, causing a rush and a boom, and leaving a denuded forest and a stranded population. The use should be such as to produce a steady supply of products and to furnish regular employment to labor and to insure stability to industry. All activities should be so coordinated as to produce a regular income and provide for continuous activity.

By efficient organization the growth and sale of forest products can become a successful enterprise, bringing fair returns to the Government upon its investment, and bringing a source of income to the counties in which the forest is located. It is to be remembered that the greatest good can be accomplished and the highest efficiency attained only by working with and receiving the cooperation of those public-spirited individuals and associations that own large areas of timberland and who are in sympathy with the conservation program and the ideas of forest development. Government and private ownership must go hand in hand, because neither can attain the highest success without the aid of the other.

When the primitive forests of the Missouri Ozarks are restored, and it can and will be done, then we will again hear the ring of the woodman's ax, the shriek of the engine's whistle, and the buzz and hum of the saw. Then the hush and stillness of the woodland will give way to the clang and clatter of industrial activity. Then, in that

section, the great dark pall of unemployment will be lifted. When the great timber industry comes back into its own, whole communities will be made happy and prosperous, and many homes will beam with contentment and joy. When proper environment is developed and when ample shelter, food, and protection are provided for wildlife, then again will the heart of the huntsman be made glad at the sight of the sleek and beautiful but alert and illusive deer. Then will more frequently be heard the gobble of the turkey, the chatter of the squirrel, the swish and whir of the partridge wing, and the clear-ringing call of the bobwhite. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. If the Committee will bear with me in a discussion of the bill, I would like to read an amendment I propose to offer. It reads as follows:

On page 48, at the end of line 3, strike out the period, insert a comma, and add the following: "and in addition thereto, \$180,000 for completing shelterbelt investigations and for the free distribution of shelterbelt trees to farmers: *Provided*, That no trees shall be grown from seed that are not now being produced in nurseries in that region."

Mr. Chairman, the Bureau of the Budget recommended \$1,000,000 for a continuation of the shelterbelt project.

The committee saw fit to strike the entire appropriation from the bill. I call attention of the members of the committee to the fact that at the end of this fiscal year the shelterbelt organization will have 60,000,000 trees that will not mature in time to plant before the end of the fiscal year.

Mr. Chairman, I have consulted the Department, and they estimate that \$180,000 will be sufficient to pay the private nurseries to continue the growth of these trees that have been planted already and distribute the 60,000,000 trees to the farmers in the next fiscal year and during the planting season a year from this coming spring. I do not think the committee will refuse to use the 60,000,000 trees that we have already started to produce. I do not think the Members will refuse to get some benefit out of the money which has been expended for this shelterbelt program. In other words, the amendment which I propose to offer provides a means of liquidating the stock this group has on hand and not allow the 60,000,000 trees that we need in that area to go to waste. The trees will be of no value at the end of the present fiscal year. They have been planted, but it takes another year to mature them to the place where they may be used, and if the Committee refuses this appropriation we will be put in the position of destroying 60,000,000 trees which would be of immeasurable value to the people of that area.

I do not know where the Members of the House get their conception about the country we live in out there, because I have heard countless Members say that trees will not grow there. It so happens that I have planted several thousand trees on my ranch. They have grown and developed and are a great asset to my place. They are a great asset to any farmer on whose lands they will grow. This is not entirely a Government project any more. A million dollars was granted to the shelterbelt organization as a drought-relief measure, which provided for the hiring of the farmers to plant these trees in 1935. Under my proposed amendment, the farmers are no longer going to be paid to plant these trees. It is not a drought-relief measure. The farmers will have to do all the work and the trees only will be provided. We have for many years grown trees to plant on private forest lands, and have done that since 1911. No one has objected. Therefore when we have 60,000,000 trees already in existence I cannot see how we can turn down the proposition to make these trees available to the farmers of this area. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. ZIONCHECK].

Mr. ZIONCHECK. Mr. Chairman, I have heard today different Members get up here and defend Army generals. I have heard other Members during this general debate defend the Supreme Court. In my opinion the one thing that

needs a little defense now, in view of what happened in the other body a day or two ago, is the defense of the privileges of this House and the dignity of the Members thereof.

A Senator in the other body was presumptuous enough, in order to get a little newspaper publicity to further his candidacy for President of the United States, to make a statement that a Member of Congress, whether Congress was in session or not, was subject to arrest for any offense, even for wrongfully parking a car. He cites the case of *Williamson v. The United States* (207 U. S. Repts.), and he says: "When you read that case there is no more question about that."

You know, he is a great constitutional lawyer, so he says; hence his saying so makes it so.

The case of Williamson against the United States was a case wherein a Member of Congress from Oregon, a Republican by the way, was indicted for what is known as subordination of perjury, which is a felony. That is not a breach of the peace nor is it a misdemeanor. The Court in deciding the case decided it upon the basis of the crime being a felony, and any language in the case other than that pertaining to a felony is surplusage; that is, *obiter dictum*. I can tell the great Senator from Idaho, if he does not know already, that if he will inquire of a first-year law student who does not go to sleep in class, the student can tell him all about that very point of law. There is no decision to the contrary.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein four or five paragraphs from Blackstone's Commentaries, and also from Potter's Dwarris on Statutes, referring to a particular case involving a senator of the New York Assembly by the name of Hon. Henry Ray. I wish to include just the excerpts thereof to bring out the point I have in mind.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, how much of Blackstone does the gentleman desire to include?

Mr. ZIONCHECK. Just four paragraphs. I want to put in just as little as I can, because if I put in too much the gentleman will not read it.

Mr. HOFFMAN. Mr. Chairman, I object.

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent to include just three paragraphs.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ZIONCHECK. Cooley's Blackstone (3d ed., vol. 1, p. 145, ch. 11), the following language:

In all tyrannical governments the supreme magistracy, or the right both of making and of enforcing the laws, is vested in one and the same man, or one and the same body of men; and whenever these two powers are united together there can be no public liberty. * * * The privileges of parliament are likewise very large and indefinite. It is so high and mighty in its nature that it may make law, and that which is law it may make no law, and the determination and knowledge of that privilege belongs to the lords of parliament and not to the justices. Privilege of parliament was principally established in order to protect its members, not only from being molested by their fellow subjects, but also more especially from being oppressed by the power of the crown. If, therefore, all the privileges of parliament were once to be set down and ascertained, and no privilege to be allowed but what was so defined and determined, it were easy for the executive power to devise some new case not within the line of privilege, and under pretense thereof, to harass any refractory member and violate the freedom of parliament. The dignity and independence of the two houses are therefore in great measure preserved by keeping their privileges indefinite. * * * So that the chief, if not the only, privilege of parliament in such cases seem to be the right of receiving immediate information of the imprisonment or detention of any member, with the reason for which he is detained. A practice that is daily used upon the slightest military accusations, preparatory to a trial by court martial, and which is recognized by the several temporary statutes for sustaining the habeas corpus act. Whereby it is provided that no member of either house shall be detained till the matter of which he stands suspected be first communicated to the house of which he is a member and the consent of the said house obtained for his commitment or detaining. But yet the usage has uniformly been, ever since the revolution, that the communication has been subsequent to the arrest.

Now, Mr. Chairman, although I have had the permission to quote from Potter's Dwarris on Statutes, in the interest of brevity and economy, I ask those interested to look to page 566, a chapter on parliamentary law and privileges; in essence it regards the legislative department of the Government as one of the three depositories of the sovereign power of the State, and within its sphere independent of the executive and judicial power. To enable it to perform its appropriate duties and to exercise its proper functions, it is essential and necessary that it should possess all the needful power and all the necessary rights and privileges for the free and independent exercise of its separate action. On page 573 the complete arraignment at the bar of the New York Assembly of Judge Platt Potter, justice of the supreme court, for a breach of the privilege of that assembly is set forth.

On the 21st day of January 1807 Henry Ray, a member of the assembly, was subpenaed to appear and testify as a witness in a certain criminal proceeding pending before the grand jury. This subpena was duly served upon Mr. Ray at the City Hall at New York. He declined to obey on the ground of his privilege as a member of the Assembly of the State of New York. An attachment was procured against him for such disobedience. He was arrested and taken before the grand jury and required to testify. This was claimed to be a flagrant violation of the privilege of the assembly. A committee was appointed to investigate the matter of the arrest. Judge Potter was ordered to attend at the bar of the house on the 16th day of February, at 12 o'clock, to be given an opportunity to make the explanation of his conduct in issuing the attachment for the arrest of Hon. Henry Ray, a member of that house. Judge Potter appeared. He was not allowed counsel, and after a full hearing the following resolution was adopted by a vote of 92 to 15:

Resolved, That the Hon. Platt Potter was mistaken as to the privileges of this house in the action taken by him in the arrest of Hon. Henry Ray, and did commit a breach of its privilege in so doing; but this house do not believe that any intention or desire to interfere with the independence or dignity of the house actuated him in the performance of that which he deemed his official duty.

Mr. Chairman, let me point out the absurdity of the position taken by that Senator or anyone else who takes a similar position. In the State of Pennsylvania today there still exists a statute upon the books of that State which makes it a criminal offense to have a bathtub in one's home. If the Governor of the State of Pennsylvania did not like some Member of Congress from the State of Pennsylvania he could go before a grand jury and have him indicted for having a bathtub in his home. The Governor would then proceed to extradite that Member and have him incarcerated in jail, keeping the Member there until it was found out whether he had a bathtub in his home or not.

Mr. MORITZ. Will the gentleman yield?

Mr. ZIONCHECK. No. I will in a little while. The gentleman cannot deny that that statute is on the books there? Of course, he may deny it if he wants to, but it will do him no good.

Does that little statute mean more than representing 300,000 people of the sovereign State of Pennsylvania, or a particular congressional district, here in Congress?

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ZIONCHECK. Mr. Chairman, may I point out the absurdity of that position and refer briefly to the intention of our constitutional framers?

They said therein that a Member of Congress is only subject to arrest for treason, a felony, or a breach of the peace. Our great Senator says a breach of the peace means any violation of law. Well, I direct his attention to that section of the Constitution—I think it is known as article IV of section 11—where they refer to extradition and they say, "A person charged in any State with treason, felony, or other crime."

You will see that they distinguish between crime and a breach of the peace. I think if this Senator would put on his glasses and straighten his hair and take a look at this language and not be so anxious for publicity, he might become enlightened.

Why, take the city ordinances that we have in some of the cities where you have to have a certain type of plumbing installed. The supply companies get the city council to get up these ordinances and then they get the unions to help them lobby them through, not to promote sanitation, but to sell plumbing fixtures and create more work. If we did not have this opinion, anyone would be subject to extradition for a violation of such an ordinance, according to this great Senator's opinion.

Mr. Chairman, although I have not had the opportunity to brief this question thoroughly, I am satisfied, as a lawyer, that a Member of Congress is not subject to arrest except for treason, or for a felony, and then only after an indictment, unless those crimes are actually being committed in the presence of the arresting officers. Further, a Member of Congress is only subject to arrest for a breach of the peace that is *mala in se*, and not for a constructive breach of the peace or one that is merely *mala prohibita*, or the arrest for a real breach of the peace only for the length of time that it is actually necessary to stop the continuation of that breach of peace with a reasonable assurance that it will not be continued. At that point a Member of Congress, while Congress is in session or while he is going to or from a session of Congress, must be released.

My only purpose in rising at this time is to call the attention of the House to this very important question concerning its dignity and privileges and the dignity and privileges of its every Member. If this is not the law the American people could easily be deprived of their representation in this body by unscrupulous schemers and manipulators; and we have them, many of them, some of them even officers of the law and some judges.

I, for one, do not believe in the abuses of privilege and do not uphold those that would abuse them. In my opinion, very few ever do, and, therefore, we cannot make laws or interpret laws or construe the constitutional provisions pertaining to the privileges of the House or the Senate to catch those few that might stoop to an occasional abuse of this high prerogative, which is the public's one real protection against the arbitrary or even capricious—yes; even tyrannical—power of the judiciary or the Executive. In my opinion, it should be jealously guarded. [Applause.]

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Chairman, I believe I have unanimous consent to extend my remarks and put in the two excerpts I refer to.

The CHAIRMAN (Mr. SHANLEY). Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. THURSTON. Mr. Chairman, I yield myself 10 minutes, and ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. THURSTON. Mr. Chairman, the subcommittee in charge of this bill held hearings for about 6 weeks, and there were several hundred persons and many Members who appeared before the committee in support of different items in the bill. I do not recall one person or one Member who appeared in opposition to an amount that was proposed in any item of the bill. So, in effect, the hearings assumed an *ex parte* character, everyone who appeared being in the position of asking for funds or increased appropriations from the Government; no one appearing in behalf of the taxpayer.

The items proposed by the Budget were reduced by 10, and in some instances, 20 or 30 percent, and I know that an attempt will be made when the bill is being read to substantially increase or restore some of these items. I do

not appear as a champion of any particular item, but it must be manifest to the membership, as well as to the citizens of our country, that we cannot continue to make appropriations without some reasonable limitation. Otherwise heavy tax assessments will be imperative.

This bill carries about \$25,000,000 for purely agricultural purposes, \$25,000,000 additional for general public welfare items, about \$65,000,000 for highways, twenty some million dollars for a new program in relation to soil erosion, and about sixty-five million for agricultural extension to match funds supplied by the States; making in the aggregate about \$180,000,000.

This measure is not sacrosanct. Undoubtedly there are items which might not be regarded as logical or as excessive or might not be consistent with some other activities of the Government, but the bill as reported does represent the best judgment of the subcommittee to which this matter was referred and who gave much time to the respective items.

While it is not within the province of this committee to legislate but rather to make funds available for a particular branch of the Government, I cannot help but think that in this great agricultural program that is being fostered here we have lost sight of or failed to give due consideration to some subjects which I believe are highly important, not only to those engaged in farming but to the entire citizenship of the country, and I shall touch upon these subjects briefly.

In the program under the A. A. A. and its substitute we have encouraged farmers to allow substantially one-fourth of their land to remain fallow or uncultivated, but your Government has adopted a contradictory policy of bringing new land into cultivation, notwithstanding the restrictive program just mentioned.

Within the last 2 or 3 years tremendous sums of money, estimated at almost three-quarters of a billion dollars, will be made available for irrigation and reclamation projects which will bring, of course, increased farm production to compete with the farmers who are now being urged to restrict their production.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. THURSTON. I yield.

Mr. ANDRESEN. Does the gentleman have any idea of the number of acres of newly irrigated land that will be brought into production?

Mr. THURSTON. I may say to my friend from Minnesota, who is always alert when agriculture is mentioned, I have some official documents which I wish to incorporate in my remarks, being certain pages taken from a reclamation publication issued by that branch of the Government, and certain tables are given here as to the amount of acreage that will be brought into production and the value of such crops.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. THURSTON. I yield to the Member who has constantly opposed additional irrigation projects.

Mr. CULKIN. The gentleman mentioned the amount of three-quarters of a billion dollars as being the disbursement.

Mr. THURSTON. That is the approximate sum that has been allotted, or commitments that will ensue.

Mr. CULKIN. Does the gentleman know that to complete the projects now in work it will take a billion and a half dollars? The Grand Coulee carries about \$63,000,000, and to complete it, \$490,000,000.

Mr. THURSTON. On the same subject we hear it said here and elsewhere that bringing new lands into cultivation will not make competition to the farmers already in that line of industry. The tables produced by the Government go into details of the character and extent of the crops produced on the new land.

Mr. WOODRUFF. Will the gentleman yield?

Mr. THURSTON. I yield.

Mr. WOODRUFF. Will the gentleman include the number of different locations and projects, with the probable amount of cost in each instance?

Mr. THURSTON. I will include the number and different projects, if possible, but as to the cost of each I do not have those figures.

Mr. WOODRUFF. I suppose the gentleman has the same trouble in getting information from the irrigation department that we have in some other departments. I want to say that if the gentleman will give the House the information or the outline as incorporated in these tables he will render an immense service to the House and to the country, because if the House and the Senate had all the information about these irrigation projects they would probably be stopped, at least until such time as we may in the future need additional farm lands upon which to raise necessary food for our people.

Mr. THURSTON. It is so manifest that the present reclamation program is inconsistent.

Mr. CANNON of Missouri. Will the gentleman yield?

Mr. THURSTON. I yield.

Mr. CANNON of Missouri. No doubt the gentleman will include in his tabulation the date of the legislative authority for these projects and the administration under which they were begun. It might also be noted that the Irrigation Service, to which reference has been made, has practically the same personnel inherited from previous administrations.

Mr. THURSTON. Let me say to my good friend from Missouri, and probably no Member is more interested in the farmer than the gentleman from Missouri, that these irrigation projects were begun when we did not have the great surplus that we have had lately, and so the extent of inconsistency did not appear at that time.

Mr. CANNON of Missouri. From 1922 to 1932, the period during which this legislation was enacted, we accumulated the greatest surplus ever known in ancient or modern times. The largest of the projects criticized by the gentleman originally bore the name of one of the foremost sponsors of the policy and was formerly known as the Hoover Dam.

Mr. THURSTON. As I said a moment ago, there are two subjects that I want to direct the attention of the House to; one was the inconsistent policy of the present administration in bringing a large acreage of land into cultivation and the other is if we restrict the production of crops we must ask the question, What are we going to do with agricultural labor because of this limited program, one-fourth of which will be displaced? We cannot thoughtlessly say that labor will be absorbed into industry. We know that industry has already millions, probably 12,000,000, of men more than it can absorb. What disposition are we going to make of this subject?

I contend, Mr. Chairman, that what we should do is to promote new fields of agricultural endeavor, to employ these same men. If we are going to employ these farmers who cannot be absorbed by industry, what line of endeavor may we promote? Restricting production will not solve the problem. If we should give intensive consideration to the production of rubber or its substitute, we have a large acreage of land which could be devoted to that purpose. Also we have a large acreage of land that could be devoted to the production of sugar, three-fourths of which we now import from foreign nations. If we could develop these two fields it might be that we could find employment for a considerable proportion of these farmers who normally are engaged in agriculture, and rather than restrict production it seems to me that we must enter the field and make researches in order to provide a theater of activity where we can employ these people.

This bill covers several hundred subjects, and in the time allotted to me it would be impossible to discuss them in detail; but if we are to use public funds for agriculture or any other purpose we owe it to ourselves and to the country not only to meet these problems but to solve them rather than defer them as we have in the past.

Mr. Chairman, I ask unanimous consent to extend my remarks and to include therein two tables prepared by the Bureau of Reclamation.

The CHAIRMAN. Is there objection?

There was no objection.

The tables are as follows:

Federal reclamation projects, October 1935
AGRICULTURAL AND CLIMATIC CONDITIONS ON FEDERAL IRRIGATION PROJECTS

State	Project	Elevation above sea level	Temperature range	Length of irrigation season	Principal products
Arizona	Gila Valley	Feet 155-215	Degrees 29-117	All year	Cotton, alfalfa, winter vegetables, lettuce, melons, small grains, pecans, livestock.
Do.	Salt River	1,200	20-117	do	Cotton, alfalfa, grain, cantaloups, grapes, figs, citrus fruits, winter vegetables, lettuce, livestock, poultry, dairy products.
Arizona-California	Yuma	80-140	20-120	do	Cotton, alfalfa, winter vegetables, lettuce, melons, small grains, pecans, livestock.
Arizona	Yuma auxiliary	155-215	29-117	do	Citrus fruits.
California	Orland	180-330	18-117	February to November	Alfalfa, milo, citrus and other fruits, nuts, poultry, dairy products.
Colorado	Grand Valley	4,700	-10-100	Apr. 1 to Oct. 31	Fruit, alfalfa, potatoes, sugar beets, beans, grains, tomatoes, livestock, poultry.
Do.	Uncompahgre	4,900-6,400	-10-96	do	Alfalfa, grains, potatoes, onions, apples, sugar beets, livestock, poultry.
Idaho	Boise	2,500	0-100	Apr. 5 to Oct. 5	Alfalfa, grains, clover seed, potatoes, onions, and other vegetables, apples, prunes, and other fruit, livestock, poultry.
Do.	Minidoka	4,225	10-100	Apr. 1 to Oct. 15	Potatoes, alfalfa, grains, sugar beets, livestock, poultry.
Montana	Huntley	3,000	-35-105	May 1 to Sept. 30	Sugar beets, beans, alfalfa, grains, potatoes, small fruits, vegetables, melons, livestock, dairy products, poultry.
Do.	Milk River	2,200	-40-100	Apr. 16 to Sept. 30	Alfalfa, grains, vegetables, sugar beets, potatoes, livestock.
Do.	Sun River	3,900	-40-100	May 1 to Oct. 10	Alfalfa, sweetclover, grains, vegetables, seeds, livestock, and dairy products.
Montana-North Dakota	Lower Yellow-stone	1,900	-40-105	May 1 to Oct. 10	Alfalfa, sugar beets, grains, potatoes, beans, garden truck, berries, livestock, and dairy products.
Nebraska-Wyoming	North Platte	3,800-4,500	-20-100	Apr. 1 to Sept. 30	Alfalfa, sugar beets, grains, potatoes, livestock, and dairy products.
Nevada	Newlands	4,000	0-105	Mar. 15 to Nov. 15	Alfalfa, grains, vegetables, melons, sugar beets, barley, corn, potatoes, small fruits, poultry, livestock, and dairy products.
New Mexico	Carlsbad	3,100	-4-112	March to November	Cotton, alfalfa, livestock, poultry.
New Mexico-Texas	Rio Grande	3,600-4,100	10-102	Feb. 15 to Nov. 15	Cotton, melons, fruits, vegetables, livestock, and dairy products.
Oregon	Umatilla	470	-37-115	Mar. 20 to Oct. 16	Alfalfa, small fruits, corn, potatoes, melons, garden truck, livestock, poultry, and dairy products.
Do.	Vale	2,250-2,500	-24-111	Apr. 5 to Oct. 5	Alfalfa, grains, potatoes, onions, melons, head lettuce, turkeys.
Oregon-California	Klamath	4,035-4,185	-15-105	Apr. 15 to Sept. 30	Alfalfa, grains, potatoes, vegetables, livestock, and dairy products.
Oregon-Idaho	Wythee	2,200-2,500	-26-113	Apr. 5 to Oct. 5	Alfalfa, red clover, grains, potatoes, truck crops, livestock.
South Dakota	Belle Fourche	2,800	-38-103	May 1 to Oct. 1	Alfalfa, sugar beets, grains, sheep, and dairy products.
Utah	Hyrum	4,200-5,600	-10-95	Apr. 15 to Sept. 30	Sugar beets, alfalfa, potatoes, berries, grains, tomatoes, vegetables and fruits, onions, melons, poultry, livestock, and dairy products.
Do.	Moon Lake	4,200-5,600	-10-95	do	Alfalfa, grains, onions, sugar beets, potatoes, melons, fruits, livestock and dairy products, poultry.
Do.	Ogden River	4,200-5,600	-10-95	do	Apples, berries, grains, vegetables.
Do.	Provo River	4,200-5,600	-10-95	do	Fruits, particularly apples and pears, potatoes, alfalfa, vegetables, berries, livestock, and dairy products.
Do.	Sanpete	4,200-5,600	-10-95	do	Dairy products, poultry, hogs, sugar beets, alfalfa, oats, wheat, barley, potatoes, corn, peas.
Do.	Strawberry Valley	4,600	0-95	do	Alfalfa, potatoes, sugar beets, grains, vegetables, livestock, poultry.
Washington	Okanogan	1,000	-10-108	May 1 to Oct. 1	Alfalfa, beans, sugar beets, potatoes, grains, livestock and dairy products, poultry.
Do.	Yakima	600-2,200	-0-100	Apr. 1 to Oct. 1	
Wyoming	Casper-Alcova	5,150-5,475	-22-101	May 1 to Sept. 30	
Do.	Riverton	5,200	-28-93	do	
Do.	Shoshone	4,500	-30-101	Apr. 10 to Nov. 1	

Federal irrigation projects—Value and acreage of irrigated crops, 1934

	Acres	Percent	Value	Percent
Alfalfa hay	442,086	28.9	\$12,582,874	20.6
Cotton and cottonseed	125,521	8.2	11,012,445	18.0
Vegetables and truck	167,229	11.0	10,259,892	16.9
Fruits and nuts	60,671	4.0	7,094,534	11.6
Cereals	350,195	22.9	6,922,437	11.4
Pasture, other hay, and forage	193,311	12.7	5,966,054	9.9
Sugar beets	87,350	5.7	4,582,366	7.5
Miscellaneous	72,667	4.8	1,502,046	2.5
Seed	28,074	1.8	1,006,321	1.6
Total	1,527,104		60,928,969	

Additional land, 1,229,594 acres, receiving project water under Warren Act contracts, provided crops valued at \$40,014,745, or a grand total of \$100,943,714.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. THURSTON. Yes.

Mr. CULKIN. Does the gentleman believe it would be a salutary thing to put all reclamation in the Department of Agriculture? Is not that the place it should be, because there it may be controlled with a view to surplus crops?

Mr. THURSTON. It would be such an unhappy disposition that I doubt if it could be brought about.

Mr. CULKIN. Does the gentleman think it is advisable?

Mr. THURSTON. If the change suggested was made, at least, in one department we would not have such counter contradictory purposes as we now witness in two branches of our Government, the Interior Department promoting production and the Department of Agriculture urging restriction of farm products.

Mr. CANNON of Missouri. Mr. Chairman, I now yield to the gentleman from Georgia [Mr. CASTELLOW].

Mr. CASTELLOW. Mr. Chairman, of all the activities of the Federal Government, I believe the crop-production loan, often referred to as the seed loan, has been more beneficial, considering the cost, than any other. I have just received the following letter from my constituent, Mr. I. J. Lunsford, clerk of the superior court in my home town:

CUTHBERT, GA., February 22, 1936.

Hon. B. T. CASTELLOW,

Member of Congress, Washington, D. C.

DEAR MR. CASTELLOW: Rumors are being circulated that the President is hesitating about signing the feed- and seed-loan bill as passed by Congress. The borrowers of funds for agricultural purposes are about divided as follows:

1. Twenty percent of the farmers who own their property, both real and personal, unencumbered, borrow from the local banks without giving security.

2. Thirty-five percent of the farmers, whose real estate is encumbered and whose personal property is unencumbered, obtain funds from the Farm Credit Administration through the Production Credit Association.

3. Forty percent, whose lands and personal property both are encumbered, cannot get money from either the Credit Production Association or the local bank, obtain their funds from the feed- and seed-loan office.

4. Five percent are the farmers on resettlement farms leased by the Government and have funds provided from that source.

Last year, during the months of May, June, and July, we had from 10 to 12 weeks' drought and a number of small farmers did not make enough corn to feed their mules until Christmas. A large number of farmers are going to need funds to buy feed. Since the Supreme Court decision the credit associations are very strict and turning down many applicants they supplied last year. Others who financed farmers last year have restricted credit on agriculture at least 60 percent. My information is obtained from the mortgages recorded during February 1935 and February 1936.

I trust the Georgia delegation will exert every effort to have the necessary funds supplied, as it will soon be planting time here, and unless some assurance is given that the money will be forthcoming, many farmers will not be able to obtain fertilizers.

With highest regards and best wishes, I remain,

Sincerely yours,

I. J. LUNS福德.

Mr. Lunsford is a most efficient officer and highly respected citizen. He is in position to know the facts in connection with the matter about which he has written and, I am sure, has not overstated the needs of the farmers in our section. The farmers in Georgia have shown their need of this assistance by the large amounts they have borrowed and demonstrated their appreciation by the manner in which they have repaid the Government. I desire to direct the attention of the House to the tabulated statistics recently furnished by the Farm Credit Administration and to emphasize the fact that for the year 1935 Georgia farmers borrowed from this agency of the Government \$2,664,140 and repaid, as of December 31, 1935, 93.1 percent, whereas only one other State, South Carolina, repaid as of that date as much as 90 percent. I am cognizant of the fact that while Georgia farmers are repaying practically their entire loans, there is a great discrepancy with many other States as between the amounts borrowed and payments made. These delinquencies will, of course, naturally place a greater burden upon the citizenship of our State, as they must contribute their proportionate share to the Federal Treasury, which must absorb the losses. As a rule, the States so in arrears are the ones benefiting most by donations made by the Federal Government, which likewise must be borne proportionately by the taxpayers of the entire country. I realize as fully as anyone else that after our farmers have scraped the bottom of their meal barrels to meet their obligations to the Government that they must then bear, through taxation, their part of the defaults of the agriculturists of other sections.

Though conscious of this situation and of the added burden upon our people by reason thereof, I find comfort in the knowledge that the burden has been incurred to assist a most worthy class, who, in spite of their efforts to help themselves, are in dire distress, and if relief to any class is justified, these certainly merit consideration. While we are appropriating billions for the relief of others, I insist it would be unjust and unwise to withhold or curtail this appropriation. The farmers not only need it but need it now. Planting will soon begin and fertilizers must be provided. I hope this fund in its entirety, as proposed by the Congress, will be made available at once.

Mr. CANNON of Missouri. Mr. Chairman, I now yield to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Chairman, for quite a long time I have heard considerable talk in the House about an alleged huge unobligated balance of gold in the Treasury of the United States. We have developed a considerable school of financial experts in the House who think that all we have to do is to go out and gather up worn-out overalls, dirty undershirts, and old newspapers and take them down to the Bureau of Engraving and Printing and have thousand-dollar bills made out of them and have those bills backed by this alleged unobligated balance of gold in the Treasury. I wrote to the Treasury Department to find how much there was of that unobligated balance of gold and discovered that there is just a trifle over sixty-seven millions of unobligated gold instead of ten billion. I ask unanimous consent to extend my remarks by including the answer from the Treasury at this point.

The CHAIRMAN. Is there objection?

There was no objection.

The letter referred to is as follows:

TREASURY DEPARTMENT,
Washington, February 21, 1936.

Hon. FRED BIERMANN,
House of Representatives.

MY DEAR MR. BIERMANN: Reference is made to your letter of February 7, 1936, requesting a definite reply to your inquiry concerning the unobligated gold and silver in the Treasury.

In this connection there is enclosed a copy of the Daily Statement of the United States Treasury for February 3, 1936. All of the gold in the United States Treasury offices on that date amounted to \$10,176,495,677.66. There exist various liabilities against this gold amounting to \$9,739,057,810.53, which are listed under "Liabilities" of the "Gold" account shown on the Daily Statement.

After the subtraction of such liabilities, the amount of gold remaining in the "General fund" of the Treasury is \$437,437,867.13. Of this, \$140,908,587.67 has been appropriated or authorized to be appropriated by Congress for payments to Federal Reserve banks for direct loans to industry, as provided in section 13 (b) of the

Federal Reserve Act, as amended, for the Philippine Islands in connection with their currency reserves, and for melting losses, etc., on gold coin. The Treasury has also set aside \$229,280,467.95 for the retirement of national-bank notes as such notes are presented for redemption. The liability for the retirement of the national-bank notes formerly resting with the national banks has now been transferred to the Treasury, because these banks have deposited with the Treasury the full sum necessary to retire their notes, such moneys having been covered into the "General fund." This leaves free gold in the "General fund" on February 3, 1936, amounting to \$67,248,811.51.

Similarly with silver. The total of silver assets under the "Silver" account is \$1,133,802,818.98, as shown by the enclosed Treasury statement, but against these assets there are outstanding liabilities of \$1,028,006,486.50, leaving \$105,796,332.48 in silver to be carried to the "General fund." There are certain liabilities in the "General fund" account required by law to be covered by lawful money held in the Treasury. After deducting the amount of these liabilities from the lawful-money assets in the "General fund", including monetary silver but excluding gold, the free silver in the "General fund" amounted to \$80,068,857.27.

In addition to the item "Silver" in the "General fund", just referred to, the Treasury possesses as part of its "General fund" assets about \$286,000,000 of silver bullion which is carried at its cost to the Government.

Very truly yours,

HERBERT E. GASTON,
Assistant to the Secretary.

Mr. ANDRESEN. Can the gentleman tell us why there is not ten billions of gold unobligated in the Treasury?

Mr. BIERMANN. There should be a footnote to the letter saying that six billions of it is accounted for by the shortage which came over from the Hoover administration.

Mr. CANNON of Missouri. Mr. Chairman, I now yield to the gentleman from Oklahoma [Mr. JOHNSON].

SHELTERBELT AND SOIL CONSERVATION

Mr. JOHNSON of Oklahoma. Mr. Chairman, in closing the general debate on the Agricultural Department appropriation bill, I desire to compliment the subcommittee that has handled the measure on its record of economy. It has slashed off more than \$28,000,000 from the measure below the estimate of the Bureau of the Budget. That is a mighty good record, and if every subcommittee would follow that example, the expenses of the various governmental activities would be several hundred million dollars less for the ensuing year, and we would be carrying out the suggestion of the President that Congress really economize and start on a program of balancing the Federal Budget. [Applause.]

As one Member of this House, I have consistently and persistently advocated economy in all departments of Government, and I stand ready now to cut several of the items even below the committee's recommendations. For example, I have for several months advocated the elimination of any funds whatsoever for the so-called shelterbelt in the Plains region. It is well known that it was upon my motion that the Appropriations Committee added an amendment providing that—

No part of the appropriations contained in this act shall be used to continue the establishment of the so-called shelterbelt program of trees or shrubs in the Plains region undertaken heretofore pursuant to appropriations for emergency purposes.

NO SHELTERBELT FUNDS

In eliminating the item for the shelterbelt the committee not only effected a saving of \$1,000,000 this year but the Johnson amendment, as adopted by the committee, if left in the bill, will prevent the spending of anywhere from thirty to one hundred million dollars of money that might be wasted in the future in an unsuccessful effort to grow trees in an arid region and in many instances many miles from water.

Let me say before I pass the discussion of this particular amendment that if the amendment just quoted remains in the bill, that it is not intended and could not possibly be construed as to prevent the continuation of cooperation on the part of the various Federal and State agencies to assist farmers in securing through the Forest Service any trees that have been seeded primarily for the so-called shelterbelt.

If you will turn to page 18 of the pending bill, you will note there is an item of \$56,838 for the purpose of aiding "owners of farms in establishing, improving, and renewing wood lots, shelterbelts, windbreaks, and other valuable for-

est growths and in renewing useful timber crops under the provisions of section 5 of the act entitled 'An act to provide for the protection of forest lands, for the reforestation, and so forth.'

TREES SEEDED BY GOVERNMENT FOR ALL FARMERS

The objection raised to the shelterbelt amendment is that the Government has already seeded some 60,000,000 trees, and that they should be disposed of. I agree thoroughly that none of the trees already seeded should be wasted or destroyed. But I fail to see any reason whatever why such seedlings, if and when transplanted, should be restricted to a little, narrow, 100-mile area, much of which will not grow trees. I am anxious that the Government distribute the seedlings to the farmers who want them; farmers who will set them out, fence them, cultivate, and otherwise care for them. But I maintain that the farmers of the Sixth Congressional District and other areas and sections of Oklahoma are just as much entitled to their share of the free seedlings as are the citizens who happen to reside in the so-called shelterbelt area. [Applause.]

CUT TOO SEVERE FOR SOIL CONSERVATION

Now, let me point out one item in this rather lengthy bill where, in my judgment, an injustice has been done. I refer to the Soil Conservation Service.

I conceive it to be my duty, as a Member of this Congress, as well as a member of the Appropriations Committee, to protest what I conscientiously believe to be an ill-advised move of false economy. I refer to the reduction of \$5,000,000, which this bill proposes in the estimate for the Soil Conservation Service.

The Bureau of the Budget, after full and deliberate consideration, recommended that Congress appropriate the full \$27,500,000 requested by this Bureau for continuation of its operations during the next fiscal year. The committee has recommended a reduction of approximately \$5,000,000, or almost 20 percent, in that amount. In this recommendation of the committee I cannot honestly concur. The facts, I believe, are emphatic in support of my position.

It will be recalled that the Soil Conservation Service was established in the passage of the Jones-Dempsey Act of 1935. It will also be recalled that the Soil Conservation Service obtained \$27,500,000 of emergency relief funds to establish a basic national program of soil conservation. It was assumed, of course, that it was established on a permanent basis, inasmuch as some \$13,000,000 additional funds were included in the third deficiency bill of the last session of Congress, which passed this House but failed of passage in the Senate. Bear in mind also that the present session of Congress in January 1936 appropriated \$6,284,000 in the first deficiency act for the Soil Conservation Service.

COMPREHENSIVE PROGRAM PLANNED

It is a matter of common knowledge that the Soil Conservation Service has planned a broad and comprehensive program with a goodly number of demonstration projects in many of the States. Surveys have been made for other projects. Yet the committee, with one fell swoop, strikes more than \$5,000,000 from the appropriation as recommended by the Budget Bureau.

If the Soil Conservation Service were not functioning properly, and if it were not giving value received for every dollar it has spent, then no Member of the committee or of this House would be any quicker to slash its appropriations than would I. But if there is any activity of the New Deal that has really functioned 100 percent, surely it is the recently established Soil Conservation Service. In fact, it has functioned so creditably and sold the American people on the idea of soil conservation so completely, that the words "soil conservation" have become almost magic words in the minds of our citizens, especially throughout the Middle West.

The new farm bill that has passed both Houses of Congress and that will become a law possibly this week was conceived and written around two words, "soil conservation."

The new farm bill, passed as a substitute for the A. A. A., involves the expenditure of \$500,000,000. It is needless for

me to add that the Soil Conservation Service will be called upon to furnish basic technical information and assistance in carrying out the provisions of the new farm bill, inasmuch as practically all of the erosion technicians are now connected with the Soil Conservation Service. Yet, in spite of this fact, the research department will be seriously handicapped on account of the unreasonable cut made in this item by the committee.

BUDGET CUT CONSERVATION SERVICE

Let me call attention to the fact that the Budget estimate of \$27,500,000 is a reduction of over \$9,000,000 from the funds received by the Soil Conservation Service from all sources during the current fiscal year. It would permit only 10 new demonstration projects in the entire United States. With a \$5,000,000 cut, of course no additional projects could be begun. It will also prevent the continuation and completion of several projects already begun, as well as several experiment stations, conservation surveys, operation of erosion nurseries, and other technical cooperation with Federal agencies. So the proposed cut by the committee will not only necessitate the elimination of any new projects and surveys, some of which I personally know are being urgently requested in Oklahoma, but will necessitate the serious curtailment, so I am advised, of much of the present work already started by the Soil Conservation Service.

MORE DUST STORMS FOR SOUTHWEST

This week, the New York Times carried in headlines the news that the dreaded dust was blowing again in the Great Plains wheat country. That means months of choking, blinding, dust storms are at hand for the people of that region. It means perhaps, that we shall see once again the awesome spectacle of soil stripped from our middle western wheat field and hurled in a great cloud across the continent to the eastern seaboard and out to sea. Last year and the year before such clouds bore the soil from those drought-stricken fields and laid it down upon the roof of this Capitol Building in which we sit today. That was the first time such a thing had happened since the coming of the white man to America. But the same thing may happen this year and other years in the future.

It need not happen next year, however, nor any year hereafter. Why? Because the scientists of the Soil Conservation Service—agronomists, and engineers, and soils men—have found out how to stop it. They have not been able in 2½ years to persuade all the farmers throughout the "dust bowl" of Oklahoma, Texas, New Mexico, Colorado, and Kansas to adopt common-sense measures of land protection, but they are doing so very rapidly.

Out at Dalhart, in the Texas Panhandle, the Soil Conservation Service is operating a demonstration of wind-erosion control. About this time last year, a survey showed 19,900 acres of the project area to be subject to serious and active soil blowing. One month ago, a resurvey showed 19,100 acres of this affected land completely protected from wind erosion. The soil on those fields will not blow this year; and the reason is that the owners of those fields—representative farmers with typical land—have adopted what the soil experts refer to as the "cropping systems" and moisture conservation measures devised by the Soil Conservation Service to provide a continuous cover of vegetation that will anchor the soil against the winds. We know they got results despite the fact that rainfall during the year was only 74 percent of normal.

I believe this means something more than the mere protection of 10,100 acres of wheat lands. It means that a weapon for combatting the scourge of wind erosion has been found and that it really works. It means that farmers in the plains region of Oklahoma, Texas, and other States can fight this force which threatens their very existence if they will. The practices which proved effective in the demonstration area near Dalhart are already beginning to spread throughout the region, including western Oklahoma, and will continue to spread as farmers realize that ordinary precaution and careful use of their land will enable them to produce and still conserve the soil from which they take their livelihood.

The proposal to cut drastically the funds for pushing ahead this Nation-wide program of demonstrating to the farmers of the country, region by region, the practical possibility of controlling erosion convinces me that many of us have not yet taken to heart the warning of the dust storms and the steady progress being forced by erosion in the direction of a nation of subsoil farming. After delaying 75 years too long in getting under way a practical program of control, what we are proposing to do in this bill amounts to hesitancy and further delay.

I am convinced beyond a doubt that we can well afford to spend whatever is necessary to combat the horror of those dust storms—of lives lost along dust-blackened highways, of thousands of dollars of goods damaged or destroyed on the shelves of stores, of the development of a new disease, dust pneumonia; of tens of thousands of people plagued beyond endurance with stifling sand; of farms destroyed and abandoned; cattle killed; and the population driven almost to despair. I know intimately of these things; my State has suffered with its neighboring States. I understand the full tragedy of this enemy to the Nation. I am calling that tragedy to your attention with all the earnestness at my command. Delay in attacking this problem, which is becoming progressively worse, simply means that the job ahead, which must be done eventually, regardless of the inclinations of any of us, will be just so much more difficult and so much more expensive.

WATER EROSION WORSE THAN WIND EROSION

Dust storms are the spectacular manifestations of wind erosion—grim reminders of the havoc it causes. Yet wind erosion is almost a local problem compared to the far more destructive process of water erosion. About 75 percent of the cultivated land in the country slopes sufficiently to cause rain water to run rapidly off across its unprotected surface. When that happens—and it is happening somewhere every day—with every rain that falls, the rich topsoil goes with it. That topsoil is the thin margin between marginal and submarginal production, the difference between solvent and bankrupt farming. And on the average the layer of topsoil on the farm lands of this country is only about 7 inches thick.

In order to emphasize the vast area of land already essentially ruined or hopelessly impaired by rainwash, it is appalling to know that it exceeds the combined area of Illinois, North Carolina, Maryland, Massachusetts, and Delaware. My own State of Oklahoma was opened to agriculture within the memory of most of us here. But our college of agriculture found 5 years ago that of 16,000,000 acres in cultivation, 13,000,000 acres were suffering seriously from erosion, half of it having reached the stage of gullying. And when fields begin to gully they have reached the death stage so far as practical farming is concerned.

EXPERIMENT STATION AND CROP ROTATION

There is a soil-erosion experiment station near Guthrie, Okla., where the rates of soil and water losses are accurately measured by catching and weighing every drop of water and every particle of soil at the foot of slopes undergoing various cropping treatment. These measurements show that land of about the average slope in the great Red Plains region is losing its topsoil at an annual rate or more than 25 tons per acre where cotton is grown continuously, as most farmers generally have been growing it. This means that within about 40 years the entire 7 inches of topsoil is removed down to stiff red clay, which is more costly to plow, far more erosive than the topsoil, and vastly less productive. Under a cover of grass, however, the same soil is eroding so slowly that more than 3,000 years would be required to sweep off the topsoil. The mere introduction of a crop rotation so reduces erosion on these lands that 200 years would be required to wash off the topsoil.

Now, among other things, the Soil Conservation Service is introducing crop rotations on a large watershed in this region, near Stillwater. It is taking the steeper, more erodible lands out of cultivation and seeding them to grass or planting them to trees in such a way that erosion is stopped almost at once. On the other more valuable lands crop rotations are being introduced where they were seldom prac-

ticed before; and strip cropping, contour cultivation, terracing, and other effective measures of erosion control are being applied to the land. The farmers are cooperating actively with the specialists of the Service, and the people of Oklahoma generally have agreed that here has been accomplished the best and the most impressive job of erosion control carried out by any agency or group of people. More than that, the work already done has so increased the absorption of rainfall that flood stages on Pecan Creek, where the work is being done, have been greatly reduced. Still more has been accomplished. The people of my State have become aware as never before of the evil of uncontrolled erosion. They are thinking in terms of better land use and better protection of their sloping fields from the disastrous effects of wind and water erosion.

It is needless for me to say I feel very keenly that the control of erosion is essential to the permanency of this country. Let me point out that we have today not enough good farm land. We can no longer afford to permit the destruction of 300,000 acres of our best land every year and the impoverishment of thousands of acres more. In spite of our enormously increased use of fertilizer, our improved seed, and improved machinery; in spite of our far-reaching educational system, our farm clubs, schools, and the press, the yields of our major crops are gradually declining. Soil erosion, in other words, is thwarting our stupendous efforts to maintain soil fertility. And were it not for the splendid work that has been done by our technical agriculturists, the evil effects of erosion would be even worse than they are.

It has been estimated that 20 times as much plant food is removed from our fields by erosion than is taken out of the land by harvested crops. Crops take out the plant food and leave the soil; the plant food can be restored in the form of fertilizer and with soil-improving crops. But soil erosion takes the whole body of the soil, plant food and all; and when the soil is removed from a field it is lost permanently to the farmer and to the Nation.

SOIL EROSION COSTS NATION \$10,000,000,000

Already our misuse of the land has cost the Nation in direct land damage more than \$10,000,000,000. Within the next 50 years it is estimated the cost of erosion will reach ten billion or perhaps even thirty billion dollars, unless the Nation proceeds with a program of erosion control similar to that inaugurated for the first time in our history by the Soil Conservation Service. That program is fundamentally sound, because it involves the treatment of the land in accordance with the needs and adaptabilities of the varying kinds of land subjected to varying intensities of rainfall and types of agricultural usage. The physical factors involved show clearly that until this is done permanent erosion control will be impossible on the vast areas of land susceptible to the progressive evil of soil depletion and destruction.

Let me say in conclusion that the Soil Conservation Service, under the able leadership of Dr. H. H. Bennett, chief here in Washington, and under that dynamic personality who has done more than any other man in the Middle West to make our people of that section soil-conservation conscious—Dr. N. E. Winters, regional director for Oklahoma, Kansas, and Nebraska—this great program has succeeded in a marvelous way. This Congress should not handicap that program at this time by refusing to make available sufficient funds to properly continue this much-needed work. [Applause.]

The CHAIRMAN. All time has expired. The Clerk will read the bill.

The Clerk read as follows:

General weather service and research: For necessary expenses incident to collecting and disseminating meteorological, climatological, and marine information, and for investigations in meteorology, climatology, seismology, evaporation, and aerology in the District of Columbia and elsewhere, including \$3,930 for investigations of the relationship of weather conditions to forest fires, under section 6 of the act approved May 22, 1928 (U. S. C., title 16, sec. 581e), \$2,228,655, of which not to exceed \$800 may be expended for the contribution of the United States to the cost of the office of the secretariat of the International Meteorological Committee, and not to exceed \$10,000 may be expended for the maintenance of a printing office in the city of Washington for the printing of weather maps, bulletins, circulars, forms, and other

publications: *Provided*, That no printing shall be done by the Weather Bureau that can be done at the Government Printing Office without impairing the service of said Bureau.

Mr. WILCOX. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. WILCOX: Page 21, between lines 20 and 21, add a new paragraph to read as follows:

"In addition to all other sums herein appropriated for that purpose, there is hereby appropriated the sum of \$25,000 for the purchase and installation of instruments, the construction, extension, and repair of buildings, and payment of wages, salaries, and other expenses incident to the accumulation of information and the issuance of warnings concerning storms and hurricanes originating in the South Atlantic and Caribbean areas."

Mr. CANNON of Missouri. Mr. Chairman, I reserve a point of order on the amendment.

Mr. TABER. Mr. Chairman, I reserve a point of order against the amendment, that it is legislation on an appropriation bill and not authorized by law.

Mr. WILCOX. Mr. Chairman, this is the amendment which I discussed before the House on day before yesterday. Those Members who were present at that time, I am sure, heard all of the reasons I had to offer for the acceptance of this amendment. I not only explained it in detail on the floor of the House 2 days ago, but when the committee was holding hearings on the bill I appeared and presented the matter fully at that time.

It is a very important matter. It is a matter that involves the preservation and protection of human life. The amendment proposes an appropriation of \$25,000 for the purchase of instruments which will enable the Bureau to properly predict the approach of storms. Within the last 10 years between four and five thousand people have lost their lives through inadequate facilities for plotting the course of tropical hurricanes arising in the south Atlantic and Caribbean areas. Without adequate facilities for mapping the course of these disturbances and giving sufficient warning of their approach, thousands of lives have been lost and millions of dollars of property have been destroyed.

This is not a large appropriation. Twenty-five thousand dollars for the purchase of instruments and their installation, for the accumulation and dissemination of accurate information, is a mere pittance when it is considered that it is a matter involving the preservation and protection of human life. I think there is adequate provision in the law for this appropriation. In my opinion, there is no necessity for a separate authorization for an appropriation of money to equip the Weather Bureau with sufficient instruments and to install them for the purpose of doing what the Weather Bureau was originally intended to do—that is, to give adequate warning of the approaching storms. The Weather Bureau itself wants this appropriation and, through its Chief, has given its approval to it. Indeed, the Chief of the Bureau has requested it.

I hope that the members of the Committee will vote for this amendment. I am sure if it were a matter involving a million dollars I would not have a great deal of trouble in enlisting the sympathy of the Committee, but, of course, a \$25,000 appropriation is too small to attract attention. Nevertheless, the size of the appropriation is not commensurate with its importance. This amendment can easily mean the saving of hundreds of human lives. It is a matter of the most extreme and vital importance, and I sincerely trust that the Committee will accept this amendment. This is a matter about which we cannot afford to take any chances. I do not want to be responsible for any failure to provide the necessary means for warning shipping and the inhabitants of the danger zones and thereby enabling them to take all possible precautionary measures. This is not a matter for the protection of my district or my State alone, but by the installation of these instruments the Bureau will be better able to protect the entire South Atlantic coast from Norfolk to Miami and all of the Gulf coast as well.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. TABER. Mr. Chairman, the amendment provides for the construction of buildings and all that sort of thing. There is no authority anywhere for such an operation. It is

not just an extension of Weather Bureau services; it is the entering into a new project.

The CHAIRMAN. The Chair is ready to rule. The statute (U. S. C., title 15, sec. 313) provides, among other things, the following:

The Chief of the Weather Bureau, under the direction of the Secretary of Agriculture, shall have charge of the forecasting of the weather. * * * the distribution of meteorological information in the interest of agriculture and commerce, the taking of such meteorological observations as may be necessary to establish and record the climatic condition of the United States or as are essential to the proper execution of the foregoing duties * * * and for such purposes to * * * establish meteorological offices and stations.

The Chair is of opinion that the amendment does not constitute legislation on an appropriation bill but is an appropriation authorized by the provisions of the statute the Chair has quoted.

The point of order is overruled.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee heard with a great deal of interest the able presentation of this matter by the gentleman from Florida. It is to be regretted that the gentleman did not take the matter up with the Weather Bureau in time to have secured an estimate from them and submitted it to the Bureau of the Budget for consideration.

The committee believes it has provided liberally in this bill for this character of service throughout the country, and Members will note that an increase of approximately \$57,000 has been allowed over the appropriation made last year.

There appears no good and sufficient reason why one particular area in which additional services may or may not be necessary should be selected by the Congress as the subject matter of special legislation.

The Chief of the Weather Bureau appeared before the committee, as may be seen from the hearings, and testified concerning the hurricane in Miami in September of last year and the character of notice of the approach of the hurricane which was accorded. It clearly appears from his evidence that, in his judgment, the warnings given were sufficient, that the War Department and the Pan-American Airline workers had sufficient notice to be enabled to remove their personnel and property from the area of danger. It did not appear to the committee that additional facilities at Miami might have prevented the loss of life which so unfortunately occurred there.

Mr. WILCOX. Mr. Chairman, will the gentleman yield to me at that point?

Mr. TARVER. I yield to the gentleman from Florida.

Mr. WILCOX. May I not call the gentleman's attention to the fact that the War Department property which was removed, and the property of the air lines to which the gentleman referred, which was also removed, was 150 miles from the danger zone. It was exactly that point I undertook to stress day before yesterday.

I call the attention of the Committee to the fact that in the area involved are no facilities for detecting the approach of these hurricanes, no facilities for giving adequate warnings in those sections which were stricken by the Labor Day hurricane of 1935.

Just one other point. I am sure the gentleman wants to be fair.

Mr. TARVER. Mr. Chairman, I do not believe the gentleman is asking a question; he is making a statement.

Mr. WILCOX. I am giving the gentleman information. I am sure the gentleman wants to be fair. When I appeared before the committee I stated that these figures were being assembled by the Weather Bureau for the purpose of submission to the committee; and on day before yesterday, before making my argument on the floor, I called the Chief of the Weather Bureau, and he himself gave me these figures and said, in his judgment, this amendment should be adopted and these funds made available.

Mr. TARVER. The gentleman, I am sure, realizes that this is not the proper way in which to present to Congress a request for appropriations, a telephonic conversation with

the Chief of the Weather Bureau which does not even appear in the hearings, and using it as the basis of an argument for the appropriation of a considerable sum of money and the creation of a new activity.

What constitutes an adequate warning of the approach of hurricanes, of course, is a matter of opinion; but Mr. Gregg, the Chief of the Weather Bureau, when he appeared before our committee, clearly indicated that adequate warning had been given in the instance of which the gentleman from Florida complains. There are, doubtless, many portions of the country where extensions of the work now being carried on would result in considerable benefit.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. It appears to me that the proper method of procedure in such instances is to have the matter presented through proper officials to the Bureau of the Budget and have all such instances considered in detail by the sub-committee formulating the bill rather than to ask an appropriation on the floor of the House based on a telephonic communication with the Chief of the Bureau.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. THURSTON. Did not the committee also take into consideration the fact that the request did not come from a section of the country which is thickly inhabited and that were we to set a precedent in this instance other sections of the country with greater population density would make similar demands?

Mr. TARVER. Of course, there is considerable population in Miami and the adjoining territory; but it occurred to the committee there were doubtless many other sections of the country that might be able to present an equally strong case. Aside from the increase we granted of approximately \$57,000 we did not think an additional appropriation would be justified at this time.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, I want to be absolutely fair in the matter of the Florida hurricane disaster. Bonus marchers and ex-soldiers were sent to Key West. Why they were sent there no one seems to know. Were they sent in order that they might be as far away from Washington as possible? The gentleman from Florida [Mr. WILCOX] feels that they were not notified of the approaching hurricane in time so that they could be moved. The gentleman from Georgia [Mr. TARVER] takes the position that they were notified in time to be moved. If they were notified in time, why were they not moved?

Mr. Chairman, there were 619 of these men there. After the hurricane there were 128 identified dead, 132 listed as missing, and many injured.

The United States Government has a responsibility in this matter. It must be faced. These men were sent to Florida to do Government work, and there has been an amazing lack of consideration of what happened to them as a result of the inefficiency of someone.

With a view toward introducing legislation for the relief of these sufferers, even before any resolution had been presented, I asked General Hines, of the Veterans' Administration, for information which his Department possessed. After a reasonable length of time had elapsed, and the data was not forthcoming, I went to his office, and I wrote to him, saying that I felt that the details should be furnished to me as a member of the Committee on World War Veterans' Legislation. I insert his reply, just received:

Hon. EDITH NURSE ROGERS.

House of Representatives, Washington, D. C.

My DEAR MRS. ROGERS: I have your letter of February 24, 1936, referring to your request early in January for certain information concerning the Florida Keys tragedy.

* * * * *

As to the matter specifically at issue, you are aware that Mr. RANKIN has introduced a bill looking toward affording relief to the dependents of those veterans who lost their lives in the Florida disaster. The committee of which Mr. RANKIN is chairman has requested a report from the Veterans' Administration regarding this matter and this report is being compiled. As soon as it is furnished Mr. RANKIN, which should be within the next few days, I am sure it will be made available to the members of the committee. This is our usual procedure, and I am sure you are familiar with it.

As to the report of the investigation of the disaster, its causes, and consequences, no release whatsoever of this report has thus far been made and presently it is in the hands of Mr. Harry L. Hopkins, Administrator, Works Progress Administration. I note that you have been given information requested from the Works Progress Administration. What that organization releases is, of course, a matter entirely in their hands. Nevertheless, I do not feel that with propriety I can release the report of the Veterans' Administration in this regard until it has served its original purpose and is available to release.

Very sincerely yours,

FRANK T. HINES, Administrator.

Why is this veil of secrecy thrown around the veterans' tragedy on the Florida Keys? Why is it that the information from the Veterans' Administration is available only through the chairman of the World War Veterans' Committee? Things have come to a pretty pass if Members of Congress are obliged to seek information only through committee chairmen. It does not seem open and aboveboard to me.

No hearing has been held to date upon the resolution introduced by the gentleman from Florida [Mr. WILCOX]. The only information that I have been able to secure in reference to this matter has been secured direct from the W. P. A. I do not feel that they are efficient, but they are at least honest in giving information, and they are always courteous and individually cooperative.

It is about time for this Congress to take some notice of the resolution which the gentleman from Florida introduced. This terrible disaster should be investigated. We have investigated the fact and found certain of these men are dead. We have investigated the fact and found they were not moved in time, although the report from the W. P. A. shows that there was plenty of time to move them; but trains were not sent down there and they were not moved out.

Mr. Chairman, let us have done with secrecy and act upon the matter.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I call the attention of the Members of the House to page 145 of the hearings which were held on this bill. I quote from the testimony of Mr. Gregg, Chief of the Weather Bureau. He stated there were three major hurricanes during last year.

Mr. TARVER. I have reference to the one which resulted in the wiping out of camps on the keys below Miami, with a loss of the lives of a large number of veterans located there at that time, and wish to inquire whether there was any failure of your service in connection with the giving of a warning as to the approach of that hurricane and, if you had had greater facilities, if anything more could have been done to prevent that loss of life.

HURRICANE WARNING SERVICE

Mr. GREGG. In connection with that, I may say that the service which was set up with the \$80,000 appropriation which was allowed us last year resulted in a very great improvement in the character of the service, in the completeness of the reports, and in the timeliness and accuracy of the warnings.

In connection with the hurricane in the early part of September, I may point out that the Engineer Corps of the War Department had some \$400,000 worth of equipment and several men on the keys, and on the basis of the warnings which were issued by the Weather Bureau they moved all of that equipment and all of those men. They lost not a dollar's worth of equipment and not a single man.

I should like to say also that the Pan American Airways, basing its action likewise on the same warnings, canceled all flights and moved its planes to Jacksonville and other points in order that they should not be subjected to damage. They also lost no planes and no lives.

Mr. Chairman, it appears that \$80,000 was given to the Weather Bureau for this purpose last year and that it was in position to notify the people of this hurricane. No case has been made out here for the increase which has been suggested. The increases allocated to this part of the Weather Bureau in this bill are \$128,000. The committee

has been exceedingly liberal, and I trust this amendment will be defeated.

Mr. WILCOX. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Florida.

Mr. WILCOX. Mr. Chairman, I think the gentleman from New York and the Members of the Committee do not fully understand what is intended to be done with this \$25,000. I undertook to explain it day before yesterday, but possibly I did not make my statement clear.

It is not intended that this money shall be spent simply for the protection of the people on the Florida Keys. I undertook to point out that these hurricanes originate in the Caribbean area, and by the installation of proper equipment it is a matter of plotting the course of those storms, not only for the protection of the people of Florida, but for the protection of the entire Gulf coast and the entire South Atlantic coast. May I say to the gentleman with reference to the removal of the equipment, as I just pointed out, the equipment referred to was many, many miles away from the approach of that storm. The Pan American Airways, through information which it had accumulated in Puerto Rico and Cuba, took advantage of that information, and as a precautionary measure canceled the flights of its airplanes. But the people in the danger zone were not sufficiently warned, because they were depending upon the Federal Government to give them the warning, and they did not have the facilities for accumulating the information.

Mr. TABER. Mr. Chairman, nothing has been done along the line of the development of a story from any official of the Weather Bureau or anyone who is in position to know whether such service as this is needed beyond what is already there. It does not seem to me that we should go ahead, after having set up \$80,000 for this particular purpose last year, and increase our appropriation along this line any further.

Mr. ZIONCHECK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have not heard all of this discussion, but it is my understanding it refers to a matter of getting an appropriation to take care of some 125 or 150 veterans or unemployed men on the Florida Keys who may be working on relief, or for veterans who may be doing relief work?

Mr. WILCOX. If the gentleman will yield, may I say that the object of this amendment is simply to purchase additional Weather Bureau instruments in order to plot these approaching hurricanes.

Mr. ZIONCHECK. Oh, that is better yet.

Now, Mr. Chairman, it seems to me that we are rather inconsistent in this Congress. Just before we entered the last war there were a lot of people on soap boxes, and some of them from the pulpits—many of them from the pulpits—who were warning us as weather prophets with respect to the number of lives of American boys that would be lost in that war if we ever entered it, and what did we do? Instead of getting more people like this to warn us we threw them in jail. This does not seem quite consistent. Only 100 or 125 were killed because of this, but 50,000 were killed in France, and at the same time 20,000 brand-new millionaires were made in this country. It seems rather inconsistent now to make such a disturbance over 100 or 125 men who are to be warned in the future about possible hurricanes when, at the same time, you put out nothing to help enlighten the people about this terrible tragedy known as war.

I am informed that in the inner circles around Washington, if you go around among them, when they speak of the depression—the Du Ponts and others—what do they propose as a remedy for the depression? Another little war—they care not with whom, they care not what about, but just another little war.

I say let us look at the larger problem first—a problem that will involve, and, probably, protect and save, the lives of countless thousands—rather than spend money to try to protect somebody who may never be in the keys from hurricanes that may never come.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. ZIONCHECK. I yield.

Mr. THURSTON. I just wondered who constituted the membership of the inner circle, so some of us on the outside could find out something about it.

[Here the gavel fell.]

Mr. GREEN. Mr. Chairman, I rise in opposition to the pro-forma amendment.

I hope my colleague will accept the amendment as offered by the gentleman from Florida [Mr. WILCOX]. This increase in the facilities of the Weather Bureau is indeed needed in this part of the country. This is not by any means a local request or a matter of local benefit. All the vessels in the lower Atlantic Ocean and in the Gulf of Mexico will share the benefit from this additional storm warning and hurricane warning and general Weather Bureau service.

If this were not a real necessity, or were not justified by what we believe will result in the saving of life and property, my colleague from Florida would never have offered the amendment. When you consider the small additional expenditure that has been requested by my colleague and compare it with the saving in life and property, I am sure you will realize that this is an economy and the proper thing for us to do.

This is by no means a new question with the Weather Bureau officials and the W. P. A. They are now cooperating and desire to have this additional service in this vicinity, and I hope my colleagues here will support the amendment of the gentleman from Florida [Mr. WILCOX] and let us have this additional appropriation for this service in the area referred to. It is of the utmost importance and is in the public interest. The public welfare well warrants this small additional appropriation.

The pro-forma amendments were withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The question was taken; and on a division (demanded by Mr. WILCOX and Mr. DUNN of Pennsylvania) there were—ayes 29, noes 39.

So the amendment was rejected.

The Clerk read as follows:

Total, Bureau of Dairy Industry, \$675,094, of which amount not to exceed \$313,020 may be expended for personal services in the District of Columbia, and not to exceed \$5,400 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

Mr. FOCHT. Mr. Chairman, I move to strike out the last word. Mr. Chairman, ladies and gentlemen of the House, you have listened to varied subjects discussed at length and with great intelligence, in my opinion.

I am particularly interested in this bill as it stands today or what is akin to it, that portion of the bill that refers to the dairy interests. Having observed the question of the rise and fall in prosperity of the farmers, I have come to the conclusion that it is more a matter of natural causes than any artificial means that might be applied which has occurred during my period in Congress of nearly 20 years.

I remember of farmers telling about their inability to raise enough agricultural products east of the Allegheny Mountains to supply the people with food. Prices were good, also the demand. After they caught up with consumption, in a few years the tide of population went west into the Ohio Valley, and after production had again caught up with consumption it went farther to the Middle West, and then we had a depression in the East caused by the surplus of agricultural products over consumption. Then the farmers moved on into the great granary of the world, the Dakotas.

Then when that had settled down we had to meet the production in Saskatchewan and Alberta.

So it is going on. Now you undertake to make provision for the cotton farmer, the tobacco farmer, and the wheat farmer, and you are going to abandon the greatest of all farmers, the dairy farmer.

It will be recollected that the farmer, when he found he could not get along with his wheat or his corn products, he was invited and lured into going into the dairy business. He spent thousands of dollars for high-blooded stock, pay-

ing two or three hundred dollars for a thoroughbred cow. Boys' clubs were formed to advance the dairy interests, and the banks loaned money for the purpose.

Do you mean to tell me that after all this money that has been spent by these farmers and energy applied by eastern State colleges you are going to abandon the dairy farmer, after you have lured him into another branch of business other than grain farming?

I live in one of the best communities in the world for dairy products, but we are within 200 miles of the Canadian border, and they come down and compete with us, and not only that, we have to compete with the products of Europe which you let in under your poorly conceived flexible tariff and trade agreements. That is one thing I do not understand, and that is why you are so blind as to the facts. I hope you will take one word from me. Of all the study and speeches I ever heard on the economy of America, I cannot understand how anyone sitting here—and I do not believe that you believe it—can be willing to admit foreign products, particularly agricultural products, into this country to compete with our own, and I hope you will exercise wisdom in the correction of this bill and see that the dairy interests are protected along with the rest. Otherwise you will have an unbalanced bill.

Mr. CANNON of Missouri. I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. CANNON of Missouri: Page 32, line 20, strike out "\$607,099" and insert "\$594,099."

Mr. CANNON of Missouri. Mr. Speaker, this is for the purpose of correcting a typographical error.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CANNON of Missouri. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. CANNON of Missouri: Page 22, line 21, strike out "\$675,094" and insert "\$662,094."

Mr. CANNON of Missouri. This is a total, and is also for the purpose of correcting a typographical error.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PIERCE. Mr. Chairman, I move to strike out the last word. I rise to call the attention of the gentleman from Pennsylvania [Mr. FOCHT], who has just spoken, to a few facts about the dairy business, and I am wondering where he gets the idea that there is any concerted effort here against the dairymen.

Mr. FOCHT. May I answer the gentleman right here? I do not see how any child in the cradle could fail to have imbibed that after what occurred here last week and the manner in which you kept the dairymen out of protection in the bill that was under consideration at that time. Does the gentleman think they are going to bring anything here to protect the dairy farmer? Does he not think they kept him out of that bill with every effort? I saw them working here, and I have seen them here for a good many years.

Mr. PIERCE. The gentleman had his 5 minutes. I voted for the Boileau amendment, and would do so again, but I cannot believe there is any concerted effort upon the part of the majority or anybody else to do harm to the dairy interests. The great difficulty with that industry has been that there has not been the buying power with the masses of the people to buy the products from the dairy cows, and cheap substitutes have flooded the market. They are very much cheaper, and the people find in oleomargarine what they call their "spreads" made from the products of the oils and fats brought in from the south seas and other places. They are manufactured much more cheaply than dairymen can produce butter and cheese; therefore, they have taken much of the market. There is no intention here to hurt the dairy industry. We are pouring out millions for that industry all of the time.

Mr. MITCHELL of Tennessee. Does not this appropriation which we are now considering carry a larger appro-

priation than ordinarily is the case in previous legislation in behalf of the dairy industry?

Mr. PIERCE. Yes; every effort has been made to protect the dairy interests. I am the author of a bill now pending before the Committee on Agriculture to place a tax upon coconut oil from the south seas.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes.

Mr. ANDRESEN. What does the gentleman have to say about the importation of wheat, butter, beef, and other dairy products from foreign countries?

Mr. PIERCE. If I had my way I would raise the tariff wall so high that they could not come in.

Mr. ANDRESEN. And is it not a matter, not with the Agricultural Committee as against the dairy interests, or any other branch of agriculture, but of administration of the existing law passed by Congress, whereby they could prevent the importation of these commodities.

Mr. PIERCE. I am not going to enter into any defense of the administration upon those matters, but I do deny that there is a preconcerted effort to forget the old milk cow. We all want to protect her in every way we can, and we are ready to appropriate our millions or pass laws for her protection. The difficulty lies in the fact that we have so many different bills and different ideas.

Mr. CHRISTIANSON. And whether the effort is preconcerted or not, the effect is the same, is it not?

Mr. PIERCE. No; and I cannot believe that that is true. If we could get together I think we could arrange something. The agricultural interests are certainly a majority in this House. We have done our best to get together. We have held several meetings at various times, and we will hold more.

Mr. CHRISTIANSON. Is it not the truth that the difficulty is the majority in this House is opposed to some of these very measures which representatives of the dairy industry want to take to protect that industry?

Mr. PIERCE. No; I do not think they are opposed, but they are just taken up with so many matters that appear to them so much more vital.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. CANNON of Missouri. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

I just came from my office. I was only there for about half an hour, and a number of telegrams came in asking me to support the Robertson amendment to the Agriculture Department appropriation bill. I have tried to learn what the amendment is, and I looked over the hearings, and I cannot see where the gentleman from Virginia has been before the committee. I asked the chairman of the subcommittee what the amendment was and he did not know. I looked in the RECORD and I cannot see where the gentleman from Virginia [Mr. ROBERTSON] has addressed the committee since this bill has been under consideration. I am being asked by my people out in my State to support amendments to this bill and, although I have spoken to about 20 Members, I have yet to find a Member who knows what the amendment is. They seem to know in Missouri all about an amendment to be presented, to add to this bill, that Members now on the floor have no information about. I presume it has to do with conservation, judging from some of those who have signed the telegrams, and the fact that Mr. ROBERTSON will offer it. He is a member of the Special Conservation Committee.

Mr. Chairman, I yield to no man in this House when it comes to favoring proper legislation to conserve wildlife and fish. The only hobby I have is fishing. I have been going fishing ever since I was able to get to a stream or lake,

and I go fishing now every chance I get, and I generally get fish when I go. I believe in the conservation of fish and game, but I also believe in trying at least to legislate in an orderly way. I do not want to legislate by telegraph. I am looking for information about this proposed amendment, and no Member here at present seems to know anything about it. If there was any amendment to be proposed to this bill, those who are going to propose it should, I feel, have discussed the matter in general debate so as to give Members an opportunity to properly study the question, and determine in an intelligent way whether or not they should support it. I like to answer my mail the day I receive it, and it is for that purpose that I seek information, as the Biological Survey item will not be reached until tomorrow.

I have been consistent in supporting our committees on appropriation bills, but no doubt now and then one can vote for an amendment, especially when the committee is divided upon the question. I receive letters daily to stay within the Budget, to balance the Budget, and then in a few days the same writer will ask me to support some legislation. He will say I think we should be very careful about expenditures in reference to the item he refers to; he thinks we should overlook the Budget recommendation. Well, that is the view practically all of our constituents take. When you reduce an appropriation that has to do with some activity they are interested in they complain, but they oppose what their neighbor might be interested in.

I think it is due to the Members of this House, when a colleague has some important amendment to be offered to a bill, we should hear something about it in general debate. That is what general debate is for. Especially should this policy prevail when the Member knows that some association is going to flood us with telegrams on the subject. The hearings on this bill contain about 1,500 pages. Surely no one can expect a Member to read them. They were only released and available 2 days ago.

Mr. THURSTON. Will the gentleman yield?

Mr. COCHRAN. I yield to the ranking minority member of the subcommittee in charge of the bill.

Mr. THURSTON. I am sure the gentleman understands there are several thousand organizations here in Washington allegedly representing people out over the country, and in order to hold their employment they are obliged to send out these telegrams to constituents, urging people out over the country to communicate with their Member of Congress, even though the person contacted does not know anything about the subject under consideration.

Mr. COCHRAN. I realize that, but I should like to ask the gentleman if any amendment having to do with conservation or requests for additional funds for conservation was presented to the gentleman's committee, or has the gentleman any knowledge about what this amendment is about which brings all these telegrams?

Mr. THURSTON. Of course, I would say that our good friends who are interested in wildlife appeared in great numbers before our committee and made certain requests, but I do not recall the particular item to which the gentleman has referred.

Mr. COCHRAN. In my State, Missouri, we have, like in all States, a law that provides for fishing and hunting licenses; and the money derived is used, or should be used, for enforcement of the laws and for conservation of fish and game. We have our State parks supported by this revenue as well as game refuges and fish hatcheries. I am strongly of the opinion if that money were properly applied we would not need any assistance from the Federal Government. The truth of the matter is, there is too much politics in the Department. I do not say the present official in charge is any more to blame than his predecessors. It seems to be an established policy to inject politics in this Department. When the Republicans are in power they follow this policy, and the Democrats do likewise when they are in control.

If those who are interested in conservation, who like to fish and hunt, who want to see game restored to our forests and fish to our streams, will bear down on our legislatures when they are in session and require the legislatures to take

this important Department out of politics, then you will be doing something worth while for conservation. Provide for the appointment of a nonpartisan board to administer the laws having to do with conservation. It will not be easy to accomplish, because the Department and the employees are a very valuable asset for any political party, but those who are interested in hunting and fishing, if properly organized, can bring it about. I remember the days when the streams were full of fish and the forests full of game, and I should like to see those days brought back so the present generation and the generation to come will enjoy the great outdoors. With a proper nonpartisan board to enforce the laws of your State and proper laws enacted taking the Department out of politics and the money derived from hunting and fishing licenses used for conservation and not political purposes it will not be long before there will be an abundance of fish in the streams and game in the forests. With such a set-up, I repeat, it will not be necessary for the Federal Government to make contributions to the States. Let the Federal Government look after migratory birds and the fisheries along our coasts. I hope to see my State take the lead in bringing about what I have just suggested.

The CHAIRMAN. The time of the gentleman from Missouri has expired. All time has expired on this paragraph.

The pro-forma amendments were withdrawn.

The Clerk read as follows:

Arlington Farm: For continuing the necessary improvements to establish and maintain a general experiment farm and agricultural station on the Arlington estate, in the State of Virginia, in accordance with the provisions of the act of Congress approved April 18, 1900 (31 Stat., pp. 135, 136), \$49,414: *Provided*, That the limitations in this act as to the cost of farm buildings shall not apply to this paragraph.

Mr. TABER. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the subcommittee a question. Is this Arlington farm producing any results that amount to anything? Over a long period of years I know it has been known as something that was absolutely useless. Would it not be just as well to get along without this?

Mr. CANNON of Missouri. Arlington farm is one of the most valuable and indispensable adjuncts to the Department. It is the outdoor laboratory of the Department. There is hardly a research activity in the Department which does not keep its trays in the Arlington farm greenhouses. In many instances it is an essential link in experimental work in distant field stations. Important work in sorghum in the Florida station must be done at the Arlington farm greenhouses to be effective. The appropriation for this purpose is perhaps more fully justified than most of the appropriations in the bill.

Mr. ANDRESEN. Will the gentleman yield?

Mr. TABER. I yield.

Mr. ANDRESEN. It was my understanding that the new farm created in Maryland at Beltsville, upon which large sums of money would be spent, would be the experimental laboratory of the Department of Agriculture.

Mr. TABER. Do they need that and this one, too? I understood the soil at the Arlington farm was very poor.

Mr. CHRISTIANSON. Will the gentleman yield to me for the purpose of enabling me to ask the chairman of the subcommittee a question?

Mr. TABER. I yield.

Mr. CHRISTIANSON. Is there any experimental work done at the Arlington farm that is not done or could not be done fully as well at the numerous State experimental farms that are aided in their support by the Federal Government?

Mr. CANNON of Missouri. The Arlington farm is in some respects an experimental nursery. Research projects frequently are given a preliminary trial at Arlington farm. It sometimes happens that they discover there is no occasion for carrying the experiment further.

If, however, after this preliminary investigation they believe the subject offers opportunities for real service to agriculture, it is transferred for exhaustive investigation to other stations under the control of the Department.

The gentleman may be interested to know that one of the most destructive sugarcane diseases—a disease which for a time threatened to wipe out the industry in the State of Louisiana—was remedied through experiments conducted at the Arlington farm station.

Mr. THURSTON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, recurring to the subject just mentioned by the distinguished gentleman from Minnesota, I feel that at this time I should call the attention of the Members to a policy that is being ardently promoted and very cleverly developed by the Department of Agriculture. A new scientific station has been created at Beltsville, Md., ostensibly to do work that cannot be performed at the experiment stations in the respective States of the Union. There is now and going to be, a determined effort on the part of those who really control the Department of Agriculture to reach out and take over activities that logically belong to these experiment stations throughout the country.

To show the lack of logic in this policy, it is only necessary for me to say that an experiment in relation to cotton should be conducted in Georgia or some Southern State where the plant is indigenous. The same applies to experiments with reference to corn, wheat, tobacco, or any other product of the farm. Surely it is more sensible to conduct these experiments where the animals can be raised on natural grass instead of grass or forage produced with the aid of fertilizers. In the case of grain, the test made at the station here surely cannot be as accurate or valuable as a test of natural products from the actual soils where it is expected the crops can be naturally raised.

The Members, therefore, must take a definite position in regard to retaining this experimental work at the stations in the area where normal specimens can be best developed rather than to have it centered down here in a section where there is limited fertility for natural production of plant life or forage for animals.

By unanimous consent, the pro-forma amendments were withdrawn.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks and to include therein a letter to General Hines, of the Veterans' Administration.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The Clerk read as follows:

Cereal crops and diseases: For the investigation and improvement of cereals, including corn, and methods of cereal production and for the study and control of cereal diseases, and for the investigation of the cultivation and breeding of flax for seed purposes, including a study of flax diseases, and for the investigation and improvement of broomcorn and methods of broomcorn production, \$520,721.

Mr. THOM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this agricultural appropriation bill, under the subhead of cereal crops and diseases, contains an additional sum of \$15,000 to provide for the establishment and maintenance at the Wooster Experiment Station, at Wooster, Ohio, of a research laboratory for soft winter wheat, of which crop Ohio is the largest producer in the United States.

This program has the endorsement of the Tri-State Soft Wheat Improvement Association at Toledo, Ohio, consisting of millers in the States of Ohio, Indiana, and Michigan, and of Dr. C. G. Williams, director of the Wooster Experiment Station. The officers of the afore-mentioned organization predict that this investigation may easily add 10 percent to the value of the soft wheat crop, and this would mean three to four million dollars additional income a year to the farmers of Ohio and a proportionate amount to all of the farmers of the whole Winter Wheat Belt.

I submit herewith some pertinent facts about this particular crop and the part it plays in a commercial way, and also other data justifying this program:

First. The wheat grown in Ohio is almost exclusively of the soft winter type. About one-fifth of the total wheat

produced in the United States is of this type and Ohio is the largest single producing State. Among all wheat-producing States, Ohio's production during the past 5 years has been exceeded only by Kansas, North Dakota, and Oklahoma. In 1935 the farm value of the Ohio wheat crop is estimated at \$32,653,000, being exceeded only by corn.

Second. Ohio is centrally located in the Soft Winter Wheat Belt, a triangular area extending roughly from eastern Kansas to New York and North Carolina. The chief outlet for this type of wheat is for flour used in making soda crackers, cakes, pastries, cookies, doughnuts, pretzels, biscuits, and so forth. The value of these products—approximately \$400,000,000—produced commercially in the country is somewhat less than the value of bread produced in commercial bakeries. Flours used in commercial bread baking are made chiefly from hard wheats, although considerable soft wheat goes into general-purpose flour.

Third. Owing to the large number of soft-wheat varieties grown—estimated at 65 in 1929—and to the diversity of soil and climatic conditions within the Soft Winter Wheat Belt, large variations occur in the quality of the crop produced. These variations, largely undetermined and uncontrolled, result in much economic loss to the milling and baking industry, arising from its inability to produce products of uniformly high quality. This loss is reflected in lower prices to the grower.

Fourth. There exist at present no adequate agencies or facilities for studying the causes and sectional extent of these variations in quality, nor are present laboratory techniques entirely satisfactory for interpreting these variations in terms of the diversified uses to which the crop is put. Progress in such quality studies has been confined chiefly to bread-wheat producing States, such as Minnesota, North Dakota, Kansas, and Nebraska. Many soft-wheat producing States are almost completely lacking in facilities for evaluating the quality of their wheats.

Fifth. That there exists need for research of the type to be done by the proposed laboratory is evidenced by the fact that a cooperative organization of millers and experiment-station workers of Ohio, Michigan, and Indiana was formed in 1929 to inaugurate, through grants of funds by the milling industry, a limited program of work of this kind at the three State stations, with the hope that as it progressed and its value became evident, support would be forthcoming from governmental agencies. Some excellent progress was made, but the depression resulted in the millers being unable to continue supplying the necessary funds.

Sixth. The establishment of such a laboratory under the provisions of the Bankhead-Jones Act was urged before a meeting of Corn Belt experiment-station directors held at Washington in November 1935 for the purpose of recommending to the Secretary of Agriculture desirable regional projects. However, six States represented in the Corn Belt region are outside the Soft Winter Wheat Belt and naturally were not interested. Moreover, Soft Winter Wheat Belt States in the northeastern and southern regions did not have an opportunity for passing on the project. Since apparently no provision exists for handling such interregional projects at present, the method herewith proposed seems most feasible.

Seventh. Efforts made to determine the sentiment of experiment-station directors and millers throughout the soft winter wheat region have revealed a wide appreciation of the need for such a laboratory.

In order that you may understand the nature of the work to be carried on by the proposed laboratory, there is listed below a few specific lines of investigation that should be pursued, in accordance with the recommendations of Director C. G. Williams, of the Ohio Experiment Station:

First. The improvement of existing methods and the development of new procedures for measuring the characteristics of soft wheats and soft-wheat flours, with special reference to their use in the production of different commercial products.

Second. The evaluation of the quality of different soft-wheat varieties when grown under different environments of soil and climate within the region and determining the causes producing variations in quality. Such data should form a basis for an intelligent program of varietal standardization

for growers, which, if carried out, would permit millers to purchase wheat of desired characteristics and more uniform quality.

Third. To make an annual survey of the quality of soft wheat grown in different sections of the Soft Wheat Belt to serve as a basis for the intelligent purchase by mills of wheat of the qualities they desire.

Fourth. The determination of the quality and commercial potentialities of new varieties being developed by plant breeders in Ohio and other States prior to their distribution to farmers. Failure to do this in the past has, in certain instances, caused large monetary losses to both millers and growers through the premature releases of varieties having agronomic merit, but possessing such inferior quality that they were heavily discounted by the trade.

By unanimous consent, the pro-forma amendment was withdrawn.

The Clerk read as follows:

Forage crops and diseases: For the purchase, propagation, testing, and distribution of new and rare seeds; for the investigation and improvement of grasses, alfalfa, clover, and other forage crops, including the investigation and control of diseases, \$300,193.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word for the purpose of asking a question.

Mr. Chairman, may I ask the gentleman in charge of the bill to refer to line 15, on page 35, where the following provision is made:

For the purchase, propagation, testing, and distribution of new and rare seeds.

Then to turn to page 37, line 11, where this language appears:

For investigations in seed and plant introduction, including the study, collection, purchase, testing, propagation, and distribution of rare and valuable seeds—

And so forth. It would appear that there is a duplication. Perhaps it can be explained.

Mr. CANNON of Missouri. The item on page 35 deals specifically with forage crops and diseases, while the item on page 37 is for plant exploration and introduction. There is no relation between the two. Under this last item we have from time to time sent missions to remote parts of the world to discover new plants, grasses, shrubs, trees of various kinds which could be grown in our own country; and the plants they introduced in American agriculture have added materially to our national resources. Some of our most valuable crops we have today are grown from material brought in under this item; for example, durum wheat, club mariout barley, fortuna rice, Swedish oats, 60-day oats, grain sorghum, alfalfa, soybeans, and many varieties of cotton.

Mr. WADSWORTH. I have no doubt the work is valuable, but I have noticed as these appropriation bills come along year after year that there is apparently a multiplication of items, which lends the suspicion that there is a multiplication of divisions and subdivisions in the Department. It strikes me these two paragraphs to which I have called attention, and which the gentleman has explained, might well be merged into one, because they are certainly very closely related subjects.

They each referred to new and rare seed.

Mr. CANNON of Missouri. The duplication is in terms. One is for discovery and introduction of rare seeds and the other relates to rare seeds of forage crops which are known but which are especially desirable, as, for example, acid-resistant lespediza. They are two separate and distinct classifications.

The pro-forma amendment was withdrawn.

The Clerk read as follows:

Nematology: For crop technological investigations, including the study of plant-infesting nematodes, \$43,961.

Mr. TABER. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I wish to call attention to the fact that in connection with the National Arboretum there is an increase of \$15,000; that this bill provides for the employment of architects and all that sort of thing, and that the funds

may be expended by contract for services without regard to the Classification Act.

I wonder why we need any such language, and why such increase is necessary? This arboretum outfit has been one of the most flagrant abuses of the expenditure of money we have in the Government, and I think we ought not to increase the appropriation for this sort of thing.

Mr. SNELL. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. SNELL. I should like to know at whose direction the language was put in the bill that these people could be employed without reference to the Classification Act? It certainly was not at the direction of the President, because I have seen a letter of his which stated that in order to get capable efficient servants you must apply the merit system. Now, who is responsible for this—Congress or someone else? I make this inquiry in all seriousness.

Mr. TABER. The President is just putting up a bluff. He does not mean that, or else his subordinates would follow him, and the Budget would not send up such language as this.

Mr. SNELL. May I ask the chairman of the subcommittee at whose suggestion this was placed in the bill?

Mr. CANNON of Missouri. Mr. Chairman, we are establishing here within the borders of the city of Washington an institution destined to become one of the most noted, valuable, as well as one of the most interesting, institutions of the city, the National Arboretum. Every Member of Congress should visit it and become acquainted with it, although it is just now in the formative period.

We have purchased, on the edge of the city 385 acres, on which it is planned to grow every tree indigenous to this climate.

Mr. Chairman, the growing of a tree is not a matter of seasons. It is a matter of a hundred years; it is therefore important that the arboretum be started right; that the foundation be properly laid—and to do it properly we require the services of expert and experienced technicians. This provision is not an unusual provision. It occurs in practically every District appropriation bill passed by the Congress. These men act as consultants. There must be authority to bring in men to render such expert service as cannot be secured through the regular departmental staff.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 37, line 4, after the word "expenses"—

Mr. CANNON of Missouri. Mr. Chairman, I regret to have to make a point of order against the amendment. We have already passed the item. We were discussing nematology.

The CHAIRMAN. The Chair will advise the gentleman that that paragraph has been read and the gentleman from Texas [Mr. LANHAM] was discussing the next paragraph. The gentleman moved to strike out the last word to give the House some information on nematology. The Chair, therefore, sustains the point of order.

Mr. TABER. Then, Mr. Chairman, I ask unanimous consent to return to the previous paragraph for the purpose of offering the amendment.

Mr. CANNON of Missouri. Mr. Chairman, of course, it is the duty of the Member in charge of the bill to expedite its consideration regardless of his personal preferences in the matter, but in view of the fact that the ranking minority member of the committee is making this request, I shall accede to his request and withdraw my objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 37, line 4, after the word "expenses", strike out "\$34,307" and insert "\$19,307."

Mr. TABER. Mr. Chairman, frankly, I can see no justification for increasing any of these appropriations unless they are going to serve a real, constructive purpose in connection with agriculture.

This arboretum has cost a great lot of money, and we are spending a great lot of money to keep it going. I think we ought not to so far forget ourselves as to increase our appropriations for this sort of thing from one year to another, and I hope the committee will adopt the amendment and reduce the appropriation to what it is for the current fiscal year of 1936.

Mr. CANNON of Missouri. Mr. Chairman, it is a very welcome change to have someone suggest a reduction in this bill. The criticism invariably leveled at the committee has been that we have not appropriated enough; that we have cut too deeply; that we have been too economical; and I must say, Mr. Chairman, if a mistake has been made in either direction, that it is true of this item. We cut the appropriation to the minimum.

This project was initiated during the administration of President Coolidge. We are simply carrying out as economically as possible the plan started at that time, and any smaller appropriation would be insufficient.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 22, noes 50.

So the amendment was rejected.

The Clerk read as follows:

Rubber and other tropical plants: For investigation of crops, from tropical regions, and for the study and improvement of rubber plants by cultural methods, breeding, acclimatization, adaptation, and selection, and for investigation of their diseases, \$46,749.

Mr. CHRISTIANSON. Mr. Chairman, I move to strike out the last word, making the motion primarily for the purpose of asking the gentleman in charge of the bill a few questions. This appropriation is for the purpose of developing the rubber-growing industry in the United States?

Mr. CANNON of Missouri. That is true.

Mr. CHRISTIANSON. And it is in line with a general policy of developing or trying to develop new agricultural products to take the place of those whose production we seek to curtail by the acreage-reduction program. May I ask whether there are other similar appropriations for discovering or developing new plants which may be raised successfully by the farmers of the country?

Mr. CANNON of Missouri. That is the purpose of the research work provided by this appropriation. Investigations are also being made with a view to the utilization of byproducts now being wasted. The object is the diversion of land from the production of surplus crops to noncompetitive products.

Mr. CHRISTIANSON. Are you extending the program of developing industrial uses for agricultural products raised in this country? I read in the newspapers from time to time that we have carried on the work to a limited extent; what I want to ask is whether we are expanding that activity in this bill?

Mr. CANNON of Missouri. Yes. If the gentleman will follow the reading of the bill, he will find it under the Bureau of Chemistry.

Mr. CHRISTIANSON. I am glad to say to the committee that in my opinion it is acting wisely. Unfortunately, most of the items in past appropriation bills for the Department of Agriculture have been concerned with increasing production—making two blades of grass grow where only one grew before—which seems inconsistent with the policy we have pursued during the last 3 years. We have sought to reduce acreage and production in order to make supply and demand balance. Obviously it would be better to make supply and demand balance by finding new uses for farm products than by limiting production, if it could be done. It would be a wiser agricultural policy.

One of the handicaps of the farmer—and I am speaking particularly of the northern farmer—is that he is engaged almost exclusively in the production of food. Expenditures for food constitute only a fraction of the average family budget, and the farmer has been getting only a part of that fraction. In many cases processing, transportation, and

retail distribution have taken so large a toll that there has been little of the consumer's dollar left for the farmer, who, like other producers of raw material, gets only what is left after those who stand between him and the ultimate consumer have had theirs.

In order to become reasonably prosperous the farmer must get a larger share in the national income. He must be placed in a position to participate in that part of the national income which is not spent for food.

It is a fact that for every pound of grain taken off the land, there are 2 pounds of cornstalks and straw. While some of this is used, and properly should be used, for feed and bedding for his livestock, it is probably safe to say that one-half is wasted. Often it is burned. Figuratively speaking, the farmer has been selling only the cream of his crop and throwing away the skimmed milk. The skimmed milk must be saved and utilized. It must be made to contribute a part of the farm income; otherwise the prospect of the farmer is none too bright. The waste of today must become the byproduct of tomorrow. If that consummation can be brought about, the farmer will neither need nor ask a subsidy.

Fortunately experiments toward that end have been conducted that give promise of results. Good newsprint has been made from stalks and straw, and as pulpwood becomes more scarce and dear and processes of manufacture are improved there will undoubtedly be a more general use of the products of midwestern farms in the paper-making industry. Strawboard is displacing wood, as cartons are being substituted for boxes. New processes are improving the quality of wallboard, making it acceptable in lieu of plaster and lumber.

Alcohol, acetic acid, and tannin are other products which the modern chemist is able to extract with increasing efficiency from waste that was formerly plowed under. Rayon, which has taken the place of silk to a large extent, will become even cheaper and more popular when we learn how to make it from fiber raised on the farm. Casein and starch, already utilized in ways not suspected by uninquiring folk, will be put to uses now undreamed even by men of science.

All that is required to make our dreams realities is research, more research, and still more research.

At the outset I alluded to the possibility of growing new kinds of plants and producing therefrom raw materials now imported from the Tropics. I mentioned rubber specifically.

There is no reason why we should be forever dependent upon the East Indies for rubber. Experiments thus far conducted show that we can acclimate and adapt guayule, from which most rubber comes. We have grown it successfully in Florida, and the Burbanks of today are developing hardy varieties that will in due time stand the climate of other Gulf States. We shall probably not raise it in Minnesota during our generation, but we have the goldenrod. Edison experimented with the goldenrod and accomplished substantial results during his lifetime. The task is by selection and cross-breeding to develop varieties with higher and higher rubber content. Wheat was a weed until man, at the dawn of civilization, began to coax it to yield larger and larger kernels. A nation that uses one-half the world's rubber will not be content forever to get its supply from abroad.

The problem is to reduce the cost so as to make the use of domestic rubber profitable. Today rubber made from home-grown guayule costs 30 cents a pound, whereas imported rubber costs 12 cents. Get the cost down to 12 cents and we shall ride on home-grown tires. Get the cost of 30-cent alcohol down to 15 cents and we shall put home-grown motor fuel in the tank.

American coffee and cacao are no longer possibilities—they are probabilities.

It is not economy to withhold money from research. Let us have more industrial and fewer social and political experiments; for our deliverance, when it comes, will come from the scientist and not from the politician.

The Clerk read as follows:

Sugar-plant investigations: For sugar-plant investigations, including studies of diseases and the improvement of sugar beets and sugar-beet seed, \$312,079.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word. I rise at this time to call the attention of the House to the most extraordinary work and valuable research which is being carried on in connection with sugar-plant investigations. Referring to page 284 of the hearings, we find that Mr. Richey's testimony indicates something like \$1,050,000,000 invested in the beet-sugar industry in this country and in the subsidiary interests related thereto; that in Puerto Rico and Louisiana there is something like \$330,000,000 invested, and in Hawaii and the Philippine Islands an additional \$350,000,000, making a total of \$1,730,000,000. Only a few years ago the production of cane sugar in Louisiana dropped to about 42,000 tons, while as a direct result of the research work carried on through the sugar-plant investigation department of the Department of Agriculture that production was in the last season brought back to about 300,000 tons.

Referring to some of the thoughts which have been expressed in connection with establishing new industries and improving those industries which are today nonsurplus crops, I might say to you that this country consumes annually about 120,000,000 bags of sugar, and that each bag represents 8 hours of productive labor for a laboring man. In this country, under the Jones-Costigan Sugar Act, we may produce approximately 30,000,000 bags of beet sugar. That deducted from 120,000,000 leaves 90,000,000, or 720,000,000 hours of labor, which, worked out on a basis of 300 days per year, 8 hours per day, means that we are importing into this country in the form of sugar jobs for approximately 300,000 workers. That is something which should be given serious consideration in providing these funds for the purpose of finding new crops and plants and for the purpose of fighting disease against crops now being grown.

In reference to the remarks of the gentleman from Texas, I might say that nematodes have a great deal to do with the hookworm disease, and they are one of the greatest enemies known to the sugar-beet industry. Nematodes, curley tops, and leaf-spot are the three real enemies of the sugar beet, and every sugar-beet grower in the United States knows that very well. The Department is doing wonderful work in holding down the ravages of the nematodes. I might also say in connection with the nematodes they are something which develop and operate in such a way that if you plow through a bed of nematodes with a cultivator, they will attach themselves to the feet of the cultivator and move on 15 or 20 feet and plant themselves and start their devastating work in that particular spot, so that when a field becomes entirely diseased, you have to stop the crop entirely, and I might say to the gentlemen from the South that killing out nematodes is just as tough a job as killing out Johnson grass, and if any of you have ever worked in a Johnson-grass field and tried to grow cotton, you know something about that.

Mr. Chairman, with loss of foreign markets and with so much claim that we are overproducing certain food-stuffs in this country, I cannot see why we pay so little attention to this nonsurplus crop—sugar. With the great imports we bring in from Cuba—to say nothing about the Philippine sugar situation, which must be dealt with under the creation of the new Philippine Commonwealth—while at the same time we are moving heaven and earth to meet our relief burden, we still pass up this golden opportunity of giving approximately 300,000 men a full year of work in this one industry. Do we prefer to let the men remain idle, keep them on relief, and import labor in the form of sugar, rather than produce our own consumption of sugar and supply jobs to these 300,000 men on a basis of 8 hours of work per day? Wherein do we use reason? Tomorrow I shall speak further on this very important subject and again attempt to show financial reasons why we should not longer pursue this policy of spending hundreds of millions of dollars for relief and for research in trying to find new crops—nonsurplus ones—when this great industry, which is already established to the extent of about 24 percent of our total requirements, stands begging for the opportunity to further expand. It is unable to do so be-

cause of restrictions which we have during the past 3 years imposed and because of fear that other countries will be permitted to ship in sugar, as they have been doing and are doing at this very moment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. TOBEY. Mr. Chairman, I rise in opposition to the pro-forma amendment to propound an inquiry to the chairman of the committee. On page 38, line 24, in the paragraph beginning "Soil-fertility investigations", I find the following language:

And soil amendments on yields and quality of crops.

What is meant by the word "amendments"?

Mr. CANNON of Missouri. What print has the gentleman?

Mr. TOBEY. Page 38, line 24, what does "soil amendment" mean?

Mr. CANNON of Missouri. There are many soils which are rich in plant food, but not in the proportions or form to be utilized by the crops, or crops to be most advantageously grown upon it, but which by the addition of fertilizers or mulch materials may be made available as plant food for the purpose desired. This process is termed "soil amendments."

Mr. TOBEY. That is a technical term, is it?

Mr. CANNON of Missouri. Yes; that is a technical or practical term applied to the process of adding to or subtracting from the soil so as to render it more adaptable to profitable cultivation.

Mr. TOBEY. The word connotes parliamentary usage but not agriculture to me. That is all.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUFF. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, while this bill was under consideration by the committee I was very greatly interested in the appropriation carried under the paragraph just read by the Clerk. The thing of concern to me was the necessity of supplying the Chemical Research Division of the Department of Agriculture with enough money to carry on certain investigations looking to more efficient storing methods for sugar beets from the time they are removed from the ground until they can be processed by the processing factory.

The scientists find that for every day a ton of beets is in storage it loses a pound of sugar. A pound of sugar taken from a ton of sugar beets does not mean much, but when you take 40 pounds of sugar from that ton of sugar beets it means something—not only to the processor, but a substantial sum to the man who grows the beets as well—because in my country the sugar-beet processors and the farmers divide the gross amount of money received from the sale of all products of the beet. In other words, they go 50-50. The farmer receives 50 percent of all the money received for the sugar, the beet pulp, or any other byproduct of the beet. Refined sugar sells on the market today for 4 1/4 cents a pound. This means a loss of \$1.80 a ton to the processor and the farmer who grows the beets. If all this loss could be eliminated, it would mean 90 cents a ton more to the farmer who grows the beets and 90 cents more to the processor.

CHEMICAL CHANGES DURING SUGAR-BEET STORAGE

The sugar-beet industry in this country is obliged each year to place a considerable percentage of the crop in storage. The harvesting season in most of the sugar-beet growing areas is of necessity limited, since the farmer desires to take advantage of as long a growing season as possible, and must complete the digging of the beets before the advent of severe freezing weather. The beet-sugar factories start operations soon after the beginning of harvest, but since the rate of digging is necessarily much greater than the rate of consumption of the sugar beets by the factories it becomes necessary to start storage soon after harvesting operations are begun.

The average annual production of sugar beets in this country is about 9,000,000 tons. It has been conservatively estimated that 50 percent of the crop is stored for a period of 40 days. On this basis 4,500,000 tons of beets are placed in storage each year.

According to available information, it is estimated that on an average a ton of beets loses 1 pound of sugar for each day of storage. Thus, 4,500,000 tons of beets stored over a 40-day period undergo an average loss of 180,000,000 pounds of sugar. This quantity of sugar, valued at 4 1/4 cents per pound—the market price today—means a monetary loss of \$7,650,000 annually.

In addition to the direct loss of sucrose during storage, certain biochemical changes occur in the tissue of the sugar beet which adversely influences its "workability" in the factory. These changes are very noticeable in manufacturing operation and result in increased manufacturing cost as well as a lower percentage recovery of sugar from the beets. It is difficult to evaluate this second monetary loss, as it varies considerably, depending on the deterioration of the beets during storage. However, manufacturing records show that a substantial loss occurs each year as a result of the reduced "workability" of the beets because of deterioration during storage.

It is evident from the foregoing that deterioration during storage causes a tremendous loss each year to the beet-sugar industry. This loss is shared by the beet farmer and processor, since the contract payment for sugar beets is based on the amount of commercial sugar recovered by the manufacturer. This loss of sugar is the more serious since it occurs after the full expense both of growing and of harvesting the crop has been incurred.

Some experimental work has been done on the problem of sugar-beet storage, and this work has established such facts as the loss of sucrose and the difficult workability of stored beets in the sugar factory, including some quantitative data on both of these topics. However, there has been hardly any research of a basic nature for the purpose of ascertaining the biochemical changes which take place during storage and, more important still, the relative influence on these changes of the various factors involved in storage as commercially practiced. Loss of sugar may be due to one or more causes, including respiration, growth, other metabolic changes, and microbiological action. It is planned to make a thorough biochemical study of the metabolic changes of sugar beets under various controlled conditions of storage and to ascertain the relative influence of various factors of storage on these changes. In addition to the action of the enzyme invertase on the sucrose content in the sugar beet, other presumed enzymatic actions occur—for instance, an increase in percentage of raffinose during storage. The factors influencing this, as well as other changes involved in storage deterioration, are not at the present time fully understood.

In investigating these deteriorative changes and other causal factors, it is proposed to use beets of known origin and to store them under controlled conditions of temperature and atmospheric humidity. The storage conditions will be varied on several lots of the same beet, so that optimum and minimum conditions for the various changes may be determined.

It is, of course, impossible to completely eliminate the loss of sugar resulting from respiration of the beets during storage. The metabolic activity of the beet can, however, be controlled within considerable limits, with the result that the annual loss of sugar resulting from deterioration during storage can be very materially reduced. This requires, however, an understanding of the various basic factors which influence deterioration, as well as a knowledge of their relative importance in causing loss of sucrose and in reducing the workability of the beets in the factory. The final objective, of course, is to effect a considerable control of the important factors of deterioration so as to reduce loss of sugar in storage.

The deterioration of beets during storage is, in all probability, the most important subject for chemical research in

connection with the sugar-beet industry. A thorough investigation of this subject is desired by many interests in the beet-sugar industry, including both grower organizations and beet-sugar companies.

I am very happy to say that the committee—at least, I am so assured by Mr. Payne, head of the Chemical Research Division of the Department of Agriculture—has, in this sum of \$312,079, provided for the necessary investigations and laboratory experiments before further investigations in the field can profitably be made.

I say these few words, Mr. Chairman, in order to express to the committee my appreciation of their consideration of this particular factor in arriving at the sum included in this paragraph.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

All time has expired. The Clerk will read.

The Clerk read as follows:

Tobacco investigations: For the investigation and improvement of tobacco and the methods of tobacco production and handling, \$137,744.

Mr. MITCHELL of Tennessee. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the subcommittee with reference to this particular item for the investigation of tobacco. At the last session, as I recall, there was a bill passed, and I think it passed the Senate and became a law, to provide for tobacco graders and inspectors. Is that item covered in this appropriation, or is it in some other part of this bill?

Mr. CANNON of Missouri. We carry a provision for that activity under the item of "Bureau of Agricultural Economics."

Mr. MITCHELL of Tennessee. It is provided for in this bill, however?

Mr. CANNON of Missouri. It is included in the bill.

Mr. MITCHELL of Tennessee. One other question. May I revert to the poultry item? Was there an appropriation to carry out the enforcement of the amendment to the stockyards and packers' act, so as to cut out the racketeering in New York and Chicago with reference to poultry?

Mr. CANNON of Missouri. Yes; we carry the usual appropriation for the enforcement of the act.

The CHAIRMAN. The time of the gentleman has expired. The pro-forma amendment was withdrawn.

The Clerk read as follows:

General administrative expenses: For necessary expenses for general administrative purposes, including the salary of the Chief Forester, for the necessary expenses of the National Forest Reservation Commission established by section 4 of the act approved March 1, 1911, and authorized by section 14 of said act, and for other personal services in the District of Columbia, \$532,163.

Mr. TABER. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the subcommittee a question.

Why is it necessary to increase the appropriation for administration of the Forest Service by \$166,000? It seems to me it is pretty high already, and that these bureaucrats are spending all the money they can get hold of. I wish the chairman would tell us why we should allow this increase.

Mr. CANNON of Missouri. Mr. Chairman, we are adding to the forest lands nearly 25,000,000 acres, and also undertaking new activities in that connection. The burden of administration is being correspondingly increased. This is a very modest increase in administrative costs in view of the additional burdens being placed on the Department.

By unanimous consent, the pro-forma amendment was withdrawn.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 42, line 24, after the word "Columbia", strike out "\$532,116" and insert in lieu thereof "\$365,800."

Mr. TABER. Mr. Chairman, I have been through the hearings. I realize that the Forestry Service has bought with relief money perhaps 5,000,000 acres of land, but we all know that these departments in Washington are over-staffed and top-heavy, and that there is absolutely no econ-

omy in their operation. They never will let up a bit in adding employees in the District, and this is one of the reasons we have so much rental to pay for space outside the regular Government buildings.

The committee, it is true, has made some cut in the request for general forestry administration to the amount of about half what they asked, but for this item they have allowed three-quarters of what was asked. There is no question at all in my mind but what with bona-fide management they can get along on an appropriation of the same size they had last year. I hope the committee will adopt this amendment and cut down the item.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. TARVER. The gentleman is, of course, aware that the committee reduced the appropriation below the Budget estimate by \$66,137.

Mr. TABER. Yes; but it is still \$166,000 above last year's appropriation. Why can we not cut out this increase? There is no excuse at all for loading up these bureaus with a tremendous lot of help right here in Washington.

Mr. TARVER. The gentleman's attention, doubtless, has also been drawn to the statement made by the National Forester to the effect that 16,000,000 acres have been added to the national forest area during a comparatively recent period. During this time no increases in personnel for general administration purposes have occurred. The additional acreage acquired represents approximately a 9½-percent increase.

Mr. TABER. Then we ought not to increase the appropriation more than 9½ percent, or perhaps \$35,000. If the gentleman will offer an amendment to my amendment so that the total increase will not be more than \$35,000, which would be about the amount the increase in acreage would justify, I will be willing to accept it. I have no desire to crowd them down so they cannot do efficient work, but this increase is altogether out of proportion, and we ought not to allow it.

Mr. CREAL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have listened with a good bit of interest to the information the gentleman gave us from the dictionary about bugs and worms. I want to say to the Members of this House that if Congress is in session in the year 2000 the appropriations to eradicate bugs, worms, and insects will look like mountains beside the figure we have before us now.

I want to give a minute of information. Man pays a terrible price for his folly. The wages of sin is death. While we have learned a great deal about insects and what they do and appropriations have increased, we have really done but little toward checking the insect in his progress.

What is the matter with the insect tribe and with man today? The Department of Agriculture figures show the enormous destruction brought about by insects and tells us of a new insect we never heard of. Man, animal, and every plant, of course, has its disease, but why do some plants have diseases they never had before?

One cause of this curse upon humanity today is man's own folly, committed when he deforested the land. He plants a mulberry tree today beside the cherry tree in order that the birds will eat the mulberries instead of the cherries. When he deforested he drove these fellows out, drove them into another field for food supply; and those Members who have studied the question and must know say the whale might have been a land animal once upon a time. If so, it took him a long time to make his habitation in the sea.

Those insects who never fed upon plants before, changed their diet and entered other fields. They underwent a gradual change in formation until finally we find a new animal with a new diet.

Mr. Chairman, we never had this situation when the forests were in existence. The Congress in the year 2000 will have a far worse condition at that time if these termites have not eaten down the Capitol or eaten up all the railroad ties out of the railroads of this country. Maybe there will not be any vegetation left.

We have to commence building up on these things. We have to rebuild the forests. As a matter of fact, this is the first Government that ever became forest minded to any extent. China, with its dry streams and floods of muddy water, paid the penalty by deforesting. That is where the insects live and thrive. They thrive best where your forests are located.

Where is the most trouble experienced from insects? In the immediate vicinity of where the forests are located. You must call the insects back off the vegetation. You want to change their former habits and move from where they once lived.

When we deforested we appropriated a lot of money to squirt chemicals on the insects and to doctor the seeds before planting. When we deforested we destroyed the bird family. We killed the bird family and then began appropriating millions of dollars to squirt some chemicals around to do away with the insects.

Mr. Chairman, I am not going to vote against anything that will promote forestry; therefore, I am against this amendment. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

(Mr. CHRISTIANSON asked and was given permission to revise and extend his remarks in the RECORD.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 4, noes 45.

So the amendment was rejected.

The Clerk read as follows:

Forest influences: For investigations at forest experiment stations and elsewhere for determining the possibility of increasing the absorption of rainfall by the soil, and for devising means to be employed in the preservation of soil, the prevention or control of destructive erosion, and the conservation of rainfall on forest or range lands, \$99,152.

Mr. FERGUSON. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FERGUSON: On page 48, line 3, after "\$99,150", strike out the period, insert a comma and the following: "and in addition thereto \$180,000 for complete shelterbelt investigation and for the free distribution of shelterbelt trees to farmers: *Provided*, That no trees shall be grown from seeds that are not now being produced in nurseries in that region."

Mr. TABER. Mr. Chairman, I raise the point of order that this is legislation in an appropriation bill, not authorized by law.

The CHAIRMAN. Does the gentleman from Oklahoma desire to be heard on the point of order?

Mr. FERGUSON. Yes.

Mr. Chairman, the section "Forest influences" was put in this bill in order to cover this very subject. If the amount of money and the language embodied in my amendment is subject to a point of order, then the \$99,152 as enumerated in the bill would be also subject to a point of order. The very purpose of that section is to promote an investigation at forest experimental stations and elsewhere to determine the possibility of increasing the absorption of rainfall by the soil and devising means to be employed in the preservation of soil, the prevention or control of destructive erosion, and the conservation of rainfall upon forest or range lands.

Mr. Chairman, this section was put in there on the recommendation of the Agricultural Department lawyers to take care of this very thing. A million dollars was recommended and provided by the Budget to carry out this very purpose. The million dollars was cut out by the Appropriations Committee and the \$99,000 retained. The section was put in the bill under authority of the Soil Conservation Act, Public, No. 46, Seventy-fourth Congress. Therefore the authority to appropriate money for this purpose exists under that law. A sum of money is provided in the bill for this very purpose;

therefore, in my opinion, it is impossible to direct a point of order against a sum to carry out the same identical purpose.

Mr. SNELL. Will the gentleman yield?

Mr. FERGUSON. I yield to the gentleman from New York.

Mr. SNELL. What authority in law is there anywhere for the distribution of trees to farmers?

Mr. FERGUSON. The Secretary of Agriculture, under Public Law No. 46, to which I just referred, the Soil Conservation Act, can do anything he desires in order to promote soil conservation.

Mr. SNELL. This is an agricultural appropriation bill, and we have to appropriate money according to law. The other is a matter of discretion with the Department.

Mr. FERGUSON. The law says that Congress may appropriate money to carry out the purposes of that act.

The CHAIRMAN. The Chair is ready to rule.

There is no question but that the Congress has the right to appropriate money to carry out the purposes indicated; but a point of order is raised that this is legislation.

The last provision in the amendment provides that—

No trees shall be grown from seeds that are not now being produced in nurseries in that region.

The Chair thinks that is legislation; and, therefore, sustains the point of order.

Mr. FERGUSON. Mr. Chairman, I offer another amendment striking out the limiting language to which the Chair has just referred.

The Clerk read as follows:

Amendment by Mr. FERGUSON: Page 48, line 3, after "\$99,152", strike out the period, insert a comma, and add the following: "and in addition thereto, \$180,000 for completing shelter-belt investigation and for the free distribution of shelter-belt trees to farmers."

Mr. TABER. Mr. Chairman, I make the point of order against the amendment that it is legislation calling for an appropriation not authorized by law. There is no authority in anything I have ever seen to provide for free distribution of trees or for a shelter belt.

Mr. FERGUSON. Mr. Chairman, may I call the gentleman's attention to the fact that in this very bill there is a provision for State cooperation, providing for free distribution of trees and cooperative distribution of forest-planting stocks, on page 49. This has been done for years. In the Forest Service they plant trees to produce timber on private lands, and certainly if you have authority to plant and produce and distribute trees to be put out on forest land, we cannot become so technical as to say that we cannot do the same thing in the plains area with respect to trees that are to be used for shelter and soil conservation purposes.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. ANDRESEN. Can the gentleman point out any instances where the Forest Service has planted trees on private land at Government expense?

Mr. FERGUSON. So I understand.

Mr. ANDRESEN. I do not know of any such instances.

Mr. FERGUSON. I may be misinformed.

Mr. ANDRESEN. I think the gentleman is.

Mr. FERGUSON. But I notice there is a provision for cooperative distribution of forest planting stock, and money is provided for that purpose. We have quite a table over here in the hearing that shows how many trees and how much money has been put out in various States to carry out the purpose of distributing trees free to be planted on privately owned lands.

Mr. TABER. Mr. Chairman, the gentleman has not cited any statute which authorizes this kind of appropriation.

The CHAIRMAN (Mr. McREYNOLDS). The Chair is ready to rule.

The Congress in the last session passed an act—Public, No. 46—to provide for the protection of land resources against soil erosion, and for other purposes. This act provides that—

It is hereby recognized that the wastage of soil and moisture resources on farm, grazing, and forest lands of the Nation, resulting from soil erosion, is a menace to the national welfare and that it

is hereby declared to be the policy of Congress to provide permanently for the control and prevention of soil erosion and thereby to preserve natural resources, control floods, prevent impairment of reservoirs, and maintain the navigability of rivers and harbors, protect public health, public lands, and relieve unemployment, and the Secretary of Agriculture, from now on, shall coordinate and direct all activities with relation to soil erosion, and in order to effectuate this policy is hereby authorized, from time to time—

(1) To conduct surveys, investigations, and research relating to the character of soil erosion and the preventive measures needed, to publish the results of any such surveys, investigations, or research, to disseminate information concerning such methods, and to conduct demonstrational projects in areas subject to erosion by wind or water.

(2) To carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land;

(3) To cooperate or enter into agreements with, or to furnish financial or other aid to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary, for the purposes of this act; and

(4) To acquire lands, or rights or interests therein, by purchase, gift, condemnation, or otherwise, whenever necessary for the purposes of this act.

Sec. 2. The acts authorized in section 1 (1) and (2) may be performed—

(a) On lands owned or controlled by the United States or any of its agencies, with the cooperation of the agency having jurisdiction thereof; and

(b) On any other lands, upon obtaining proper consent or the necessary rights or interests in such lands.

The Chair is of the opinion that this proposed appropriation is authorized by the provision of law just quoted, and, therefore, overrules the point of order.

Mr. TABER. Would the Chair hear me a moment on the point of order?

The CHAIRMAN. The Chair has ruled on the point of order.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. McREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, had come to no resolution thereon.

"GAG" RULE INDEFENSIBLE

Mr. LEMKE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, including therein my reply to the letter from the gentleman from New York, which has been put in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LEMKE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 26, 1936.

Hon. JOHN J. O'CONNOR,
House of Representatives, Washington, D. C.

DEAR JOHN: I was glad to receive your letter which is a masterpiece of dodging issues and facts and throwing logic and reasoning to the winds.

I am not interested in the remarks you make concerning the Frazier-Lemke refinance bill in the Senate. If you desire to know what took place there, I suggest that you read the remarks made by Senators Frazier, Borah, and the immortal Huey Long in connection with this bill.

You state that this bill could have been brought up and passed on Calendar Wednesday, May 15, 1935. You know and I know that no controversial public measure of importance is ever brought up for discussion and passage on Calendar Wednesday. The reason is that on Calendar Wednesday controversial measures are blocked by quorum calls and roll calls. Such measures are invariably brought up under a rule.

You are hard pressed for excuses when you have to go back a year. Even if you were right in your erroneous conclusions, do you believe you are justified in continuing to deny a rule for a bill that will save the homes of 10,000,000 men, women, and children? I will leave that with your conscience.

It is not possible for you and me to settle this great issue by writing letters to one another. You know and I know where the responsibility rests for the strangulation of this bill.

The undercover method of getting names off of petition no. 7 has become a national disgrace. Therefore, I invite you to get 2 hours' time, to be equally divided between you and myself, to debate this question on the floor of the House. If the Speaker refuses to give you the time, then may I suggest that you bring out a rule.

May I also invite you to publicly debate this question with me here in Washington, in your own State, New York, or in Chicago, Minneapolis, Kansas City, or Los Angeles, so that the whole ugly truth may get to the public, the ultimate judge of issues of this kind?

For you personally I have the highest regard, therefore, I am extending this invitation to publicly debate to you in the spirit of true sportsmanship, so that the Members of the House and the public may know who is blocking a vote on this bill.

However, whether you accept this invitation or not, the denial of representative government here in Congress will be carried by me into every agricultural State between now and next November, unless those who have been strangling this bill recede from their unwarranted position and do the only honorable and constitutional thing that they can afford to do, and that is to bring this bill up for discussion and disposition on its merits with ample time for debate and amendment.

Very respectfully yours,

WM. LEMKE.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3998. An act to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season; to the Committee on Banking and Currency.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 9062. An act authorizing a preliminary examination of the Esopus Creek and its tributaries of Birch, Bushnellville, Woodland, Warner Bushkill, and Beaverkill Creeks; Sawkill, Rondout, and Neversink Creeks, Ulster County; Schoharie and Catskill Creeks, Greene County; Neversink, Beaverkill, East Branch of Delaware, Willowemoc, and Lackawack Rivers, Sullivan County; Schoharie Creek and its tributaries, Schoharie County, all located in the State of New York, with a view to the controlling of floods.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 399. An act to amend sections 416 and 417 of the Revised Statutes relating to the District of Columbia; and

S. 3035. An act to provide for enforcing the lien of the District of Columbia upon real estate bid off in its name when offered for sale for arrears of taxes and assessments, and for other purposes.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 9 minutes p. m.) the House adjourned until tomorrow, Thursday, February 27, 1936, at 12 o'clock noon.

COMMITTEE HEARING

IMMIGRATION AND NATURALIZATION

Subcommittee of Committee on Immigration and Naturalization, Thursday, February 27, 1936, at 10:30 a. m., room 445 Old House Office Building, on H. R. 10485, relating to pay and promotion of certain employees of the Immigration and Naturalization Service.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 11019) for the relief of George W. Iler; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 10729) for the relief of Charles Augustus Lathrop; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 5740) for the relief of May C. Jacobson; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK: A bill (H. R. 11474) for the relief of the Indians of the Fort Berthold Reservation, N. Dak.; to the Committee on Indian Affairs.

By Mr. CELLER: A bill (H. R. 11475) to increase duties on certain articles; to the Committee on Ways and Means.

By Mr. SANDERS of Louisiana: A bill (H. R. 11476) to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River at or near Talisheek, La.", approved June 17, 1930; to the Committee on Interstate and Foreign Commerce.

By Mr. HARTER: A bill (H. R. 11477) to foster industry and fair competition, to promote and encourage employment, and to prevent the dumping of foreign merchandise on the markets of the United States; to the Committee on Ways and Means.

By Mr. SCHAEFER: A bill (H. R. 11478) to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stites, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. BIERMANN: A bill (H. R. 11479) to prevent the infringement of patents; to the Committee on Patents.

By Mr. JONES: A bill (H. R. 11480) to amend the act approved June 29, 1935 (49 Stat., 436-439), entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges"; to the Committee on Agriculture.

By Mr. CARMICHAEL: A bill (H. R. 11481) to provide for the conveyance by the United States of certain land to the city of Tuscaloosa, Ala.; to the Committee on the Public Lands.

By Mr. BELL: Resolution (H. Res. 431) authorizing the expenditure of not more than \$50,000 by the select committee of eight Members of the House instructed to inquire into the acts and conduct of any person, partnership, group, trust, association, or corporation, claiming or purporting to promote, organize, or further old-age-pension schemes authorized by House Resolution 418; to the Committee on Accounts.

By Mr. STEWART: Joint resolution (H. J. Res. 499) authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BINDERUP: Joint resolution (H. J. Res. 500) proposing an amendment to the Constitution of the United States providing for direct proportional primaries to nominate candidates for President and Vice President, and for direct proportional election of such candidates; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. CANNON of Wisconsin: Joint resolution (H. J. Res. 502) restricting immunity of debate to Members of Congress; to the Committee on the Judiciary.

By Mr. JONES: Joint resolution (H. J. Res. 503) authorizing the completion of certain records and operations resulting from the administration of certain acts repealed and making funds available for these and other purposes; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY: A bill (H. R. 11482) for the relief of Carlo Resta; to the Committee on Immigration and Naturalization.

By Mr. CHURCH: A bill (H. R. 11483) for the relief of Mary Kane, Ella Benz, Muriel Benz, John Benz, and Frank Restis; to the Committee on Claims.

By Mr. CROWE: A bill (H. R. 11484) for the relief of the heirs of David H. Fish, deceased; to the Committee on Claims.

Also, a bill (H. R. 11485) granting a pension to Andrew J. Owens; to the Committee on Pensions.

Also, a bill (H. R. 11486) for the relief of Mary Hemke; to the Committee on Claims.

By Mr. DEMPSEY: A bill (H. R. 11487) for the relief of John E. Joy, Walter Beale, Lilly Ross, Lee C. Yokum, and Verna E. Yokum; to the Committee on Claims.

By Mr. DONDERO: A bill (H. R. 11488) for the relief of George A. Brown; to the Committee on Claims.

By Mr. DUFFEY of Ohio: A bill (H. R. 11489) for the relief of Cecelia Folta, wife of Victor Folta, nee Patran Folta, or Karolina Szczygiel, or Carolina Szczygiel, alias Mary Folta, or Marya Fotta; or Marjanna Folta, alias Mary Ann Folta; to the Committee on Immigration and Naturalization.

By Mr. GEARHART: A bill (H. R. 11490) for the relief of Charles Barchard; to the Committee on Military Affairs.

Also, a bill (H. R. 11491) for the relief of Fred E. Shaffer; to the Committee on Naval Affairs.

By Mr. GREEN: A bill (H. R. 11492) granting a pension to John F. Fisher; to the Committee on Pensions.

By Mr. JOHNSON of West Virginia: A bill (H. R. 11493) for the relief of Perry Randolph; to the Committee on Military Affairs.

By Mr. MCFARLANE: A bill (H. R. 11494) for the relief of Luther Woodrow Mayes; to the Committee on Naval Affairs.

By Mr. McMILLAN: A bill (H. R. 11495) granting a pension to Mary Irene Broughton; to the Committee on Pensions.

By Mr. O'CONNOR: A bill (H. R. 11496) granting a pension to Denis Keohane; to the Committee on Pensions.

By Mr. QUINN: A bill (H. R. 11497) for the relief of James H. Riffle; to the Committee on Military Affairs.

By Mr. SCOTT: A bill (H. R. 11498) for the relief of Georgina Park; to the Committee on Claims.

By Mr. THOMAS: A bill (H. R. 11499) granting an increase of pension to Sophia Rawlins; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 11500) granting an increase of pension to Lydia Atkins; to the Committee on Invalid Pensions.

By Mr. GUYER: Joint resolution (H. J. Res. 498) for the relief of William K. Richardson; to the Committee on Claims.

By Mr. McSWAIN: Joint resolution (H. J. Res. 501) authorizing the President of the United States to award a posthumous Congressional Medal of Honor to William Mitchell; to the Committee on Military Affairs.

PETITIONS, ETC.

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

10291. By Mr. BEITER: Letter signed by Edith M. MacVeigh and eight other residents, of Buffalo, N. Y., and vicinity, advocating the enactment of the Kerr immigration bill (H. R. 8163); to the Committee on Immigration and Naturalization.

10292. By Mr. BIERMANN: Petition of Peter Paul Adams and others, asking for remedial patent legislation; to the Committee on Patents.

10293. Also, petition of Peter Paul Adams and others, asking for a bridge at Cassville, Wis.; to the Committee on Interstate and Foreign Commerce.

10294. Also, petition of A. C. Gaunitz, of Lansing; N. O. Faldet, of Decorah; Hale & Sons, of Waukon; H. G. Gunhus, of Ridgeway, all in the State of Iowa; and many others,

asking for passage of House bill 6246; to the Committee on Interstate and Foreign Commerce.

10295. By Mr. COFFEE: Petition of 166 patrons of star routes at Rushville and Broken Bow, Nebr., favoring legislation to grant compensation to star-route carriers on equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10296. By Mr. KENNEDY of New York: Petition in the nature of a resolution of a majority of the members of the Downtown Owners' Committee, 120 Broadway, New York City, representing the ownership of 52 buildings in the Borough of Manhattan of the city of New York, with an aggregate assessed valuation of over \$300,000,000, endorsing the proposal now before Congress to establish a landing field for mail and passenger planes at Governors Island; to the Committee on Interstate and Foreign Commerce.

10297. By Mr. LAMNECK: Petition of Edith Perkins, recording secretary of the Mayewood Council, No. 311, Daughters of America, Columbus, Ohio, to take House bill 5921 out of the hands of the House Committee on Immigration and Naturalization, and also protesting against the passage of the Kerr bill (H. R. 8163); to the Committee on Immigration and Naturalization.

10298. By Mr. MEAD: Petition of the Common Council of the City of Buffalo, N. Y., requesting Congress to enact House bill 10408, which provides for the improvement of the New York State Barge Canal; to the Committee on Rivers and Harbors.

10299. By Mr. GRAY of Pennsylvania: Petition of citizens residing in towns served by star route no. 10962, requesting enactment of legislation that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10300. By Mr. O'CONNELL: Petition requesting Congress to restore to the District of Columbia its prohibition law by passing House bill 8739; to the Committee on the District of Columbia.

10301. By the SPEAKER: Petition of the Junior Order United American Mechanics, Clarksville Council, No. 153; to the Committee on Immigration and Naturalization.

10302. Also, petition of the Third National Co., mortgage loan department, Nashville, Tenn.; to the Committee on Banking and Currency.

10303. Also, petition of Branch 515, International Workers' Order, Los Angeles, Calif.; to the Committee on Military Affairs.

10304. Also, petition of the Sergeant Jasper Post, No. 13, the American Legion, supporting House bill 6427; to the Committee on the Judiciary.

10305. Also, petition of Sergeant Jasper Post, No. 13, the American Legion, supporting Senate bill 2253; to the Committee on Military Affairs.

10306. Also, petition of the Methodist ministers' meeting in Philadelphia; to the Committee on Interstate and Foreign Commerce.

10307. By Mr. MOTT: Petition signed by Earl Farrier, Brownsville, Oreg., and 80 others of Linn County, Oreg., urging the enactment of legislation placing star-route carriers on the same salary and working basis as rural carriers; to the Committee on the Post Office and Post Roads.

SENATE

THURSDAY, FEBRUARY 27, 1936

(*Legislative day of Monday, Feb. 24, 1936*)

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

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, February 26, 1936, was dispensed with, and the Journal was approved.