

## MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts regarding the permission into this country of persons discriminated against in Germany; to the Committee on Immigration and Naturalization.

Also, memorial of the Legislature of the State of Massachusetts favoring the establishment of a permanent Civilian Conservation Corps; to the Committee on Labor.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. McCORMACK: A bill (H. R. 12836) for the relief of Katherine M. Devenny; to the Committee on Claims.

By Mr. THURSTON: A bill (H. R. 12837) for the relief of Effie Garton; to the Committee on Claims.

By Mr. WHITE: A bill (H. R. 12838) for the relief of Ida A. Gunderson and her three minor daughters; to the Committee on Claims.

## PETITIONS, ETC.

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

10951. By Mr. CROWTHER: Petition of citizens of Amsterdam, N. Y., requesting favorable action on House bill 11609; to the Committee on Interstate and Foreign Commerce.

10952. By Mr. KENNEY: Resolution adopted by the Truckmen's Store Door Committee of New York, memorializing the President, Members of Congress, Secretary of Labor, Interstate Commerce Commission, and the American Federation of Labor to repeal door-to-door delivery; to the Committee on Interstate and Foreign Commerce.

10953. Also, resolution of the Eastern Bergen Italo-American Independent Club, Fort Lee, N. J., favoring the adult-education program at their meeting on May 15; to the Committee on Education.

10954. By Mr. KOCIALKOWSKI: Petition of the City Council of the City of Chicago, favoring the enactment of the United States Housing Act of 1936 (S. 4424 and H. R. 12164); to the Committee on Banking and Currency.

10955. By Mr. KOPPLEMANN: Petition of residents of Hartford County, Conn., asking immediate construction by the Federal Government of the comprehensive system of flood-control dams for the Connecticut Valley, recommended by Army Engineer Corps; Federal Government survey of Connecticut River to determine what measures are to provide for the improvement of the run-off in times of flood and for restoring and raising necessary dikes; to the Committee on Flood Control.

10956. By Mr. KRAMER: Resolution of the Central Labor Council of Alameda County, relative to danger to miners from silica dust and urging Federal laws to prevent further disaster as that which occurred at Gauley Bridge, W. Va., etc.; to the Committee on Mines and Mining.

10957. By Mr. McCORMACK: Memorial of the General Court of Massachusetts, memorializing the President and Congress of the United States in favor of the permanency of the Civilian Conservation Corps; to the Committee on Labor.

10959. By Mr. PATMAN: Petition of H. B. Williams and 13 others, voicing 100-percent approval of the Townsend pension plan; to the Committee on Ways and Means.

10960. Also, petition of W. S. Chance and 12 others, voicing 100-percent approval of the Townsend pension plan; to the Committee on Ways and Means.

10961. By the SPEAKER: Petition of the Bookkeepers', Stenographers', and Accountants' Union, No. 12646, American Federation of Labor; to the Committee on Banking and Currency.

10962. Also, petition of the International Longshoremen's Association, Local No. 231; to the Committee on the Judiciary.

10963. Also, petition of the city of Youngstown, Ohio; to the Committee on Banking and Currency.

10964. Also, petition of the city of Youngstown, Ohio; to the Committee on Education.

## SENATE

MONDAY, MAY 25, 1936

(Legislative day of Tuesday, May 12, 1936)

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

## THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, May 21, 1936, was dispensed with, and the Journal was approved.

## MESSAGES FROM THE PRESIDENT

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

## CALL OF THE ROLL

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

Mr. NEELY. Mr. President, I have been requested to announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], and the Senator from Nevada [Mr. McCARRAN] are absent because of illness, and that the junior Senator from Oklahoma [Mr. GORE], the Senator from Kentucky [Mr. LOGAN], the Senator from New Jersey [Mr. MOORE], the senior Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] and the Senator from New Jersey [Mr. BARBOUR] are necessarily absent.

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

## 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 following bills of the Senate:

S. 3118. An act to provide for the creation of the Perry's Victory and International Peace Memorial National Monument, on Put-in-Bay, South Bass Island, in the State of Ohio, and for other purposes; and

S. 4448. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the issuance of the charter to the city of Lynchburg, Va.

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

S. 3531. An act to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928; and

S. 4023. An act to provide for the continuation of trading in unlisted securities upon national securities exchanges, for the registration of over-the-counter brokers and dealers, for the filing of current information and periodic reports by issuers, and for other purposes.

The message further announced that the House had agreed to the amendment of the Senate to the following bill and joint resolution of the House:

H. R. 8069. An act for the relief of Mr. and Mrs. A. S. Mull; and

H. J. Res. 439. Joint resolution authorizing the erection in the Department of Labor Building of a memorial to the officers of the Immigration and Naturalization Service and Immigration Border Patrol who, while on active duty, lost their lives under heroic or tragic circumstances.

The message also announced that the House had disagreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9496) to protect the United States against loss in the delivery through the mails of checks in payment of benefits provided for by laws administered by the Veterans' Administration; that the House had receded from its disagreement to the amendment of the Senate numbered 1 to the said bill and concurred therein; and that the House insisted upon its disagreement to the amendment of the Senate numbered 2 to the said bill.

The message further announced that the House had further insisted upon its disagreement to the amendments of the Senate numbered 24, 53, and 54 to the bill (H. R. 10630) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes, agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TAYLOR of Colorado, Mr. JACOBSEN, Mr. JOHNSON of Oklahoma, Mr. SCRUGHAM, Mr. LAMBERTSON, and Mr. WIGGLESWORTH were appointed managers on the part of the House at the further conference.

The message also announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 11929. An act granting to the State of Iowa for State park purposes certain land of the United States in Clayton County, Iowa; and

H. J. Res. 570. Joint resolution authorizing the President of the United States to award posthumously a Distinguished Service Medal to Maj. Gen. Clarence Ransom Edwards.

#### ENROLLED BILLS SIGNED

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

S. 537. An act for the relief of C. O. Meyer;

S. 920. An act for the relief of Ruth J. Barnes; and

S. 3789. An act authorizing the Secretary of Commerce to convey the Charleston Army Base Terminal to the city of Charleston, S. C.

#### SUPPLEMENTAL ESTIMATE, HOUSE OF REPRESENTATIVES (S. DOC. NO. 244)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, House of Representatives, fiscal year 1937, amounting to \$20,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

#### SUPPLEMENTAL ESTIMATES, UNITED STATES TARIFF COMMISSION (S. DOC. NO. 243)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the United States Tariff Commission, fiscal year 1936, amounting to \$4,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

#### INTERNATIONAL EXCHANGE OF PUBLICATIONS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, transmitting translation of a letter dated March 20, 1936, addressed to the Congress by the Commission of Mexican Library of Congress, Mexico, D. F., requesting the cooperation of Congress in the matter of the exchange of certain books and documents pertaining to the international exchange of official and other publications, which, with the accompanying paper, was referred to the Committee on Foreign Relations.

#### REPORTS ON THE TEXTILE INDUSTRY

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Trade Commission, transmitting a report of the Commission entitled "The Textile Industry in the First Half of 1935—Part I—The Cotton Textile Industry", and also copies of reports previously issued by the Commission on the textile industry, which, with the accompanying papers, was referred to the Committee on Education and Labor.

#### REPORT ON COTTON CLOTH

The VICE PRESIDENT laid before the Senate a letter from the Acting Chairman of the United States Tariff Commission, transmitting, pursuant to Senate Resolution 104 (submitted by Mr. METCALF, and agreed to on Mar. 29, 1935), a report relative to changes in import duties necessary to equalize differences in foreign and domestic costs of production of certain types of cotton cloth, which, with the accompanying report, was referred to the Committee on Finance.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Finance:

Whereas the farmers of the State of New York as well as farmers throughout the United States are known to be in straitened circumstances by reason of their inability to market farm products at a sufficient price to pay for the cost of production; and

Whereas the State and Federal Governments, recognizing this fact are, and for several years past have been, attempting to remedy this situation, by crop control, subsidies, and loans to farmers with varied success; and

Whereas the policy of Government protection for farmers from a ruinous influx of cheap foreign farm products by adequate tariff regulations has been, since the formation of these United States, demonstrated to be the only sound and effective method solving the farmers' problem; and

Whereas in conformity with this policy there is now a tariff duty of 3 cents a pound on imported coconut oil which is used in direct competition with domestic dairy, corn, and cotton products; and

Whereas there is now a concerted attempt to have said tariff duty removed or reduced to permit unhampered flooding of this country with coconut oil: Now, therefore, be it

*Resolved (if the assembly concur)*, That it is the sense of the Legislature of the State of New York that the tariff duty on coconut oil should not be reduced below a minimum of 3 cents a pound and that the Congress of the United States be, and it hereby is, respectfully memorialized to retain said tariff duty at not less than 3 cents a pound; and be it further

*Resolved (if the assembly concur)*, That a copy of this resolution be transmitted to the Clerk of the House of Representatives and the Secretary of the Senate and to each Member of Congress elected from the State of New York and that the latter use their united efforts to obtain the retention of a 3-cent-per-pound tariff duty on imported coconut oil.

The VICE PRESIDENT also laid before the Senate a telegram from E. O. Hanson, mayor of Santa Barbara, Calif., requesting permission to appear before Congress relative to the activities of the W. P. A. in the city of Santa Barbara, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by the national officers of the National Association Federal Employees, New York City, N. Y., favoring the enactment of the so-called Pearson bill, being the bill (H. R. 9258) to create United States Civil Service Boards of Appeals, which was referred to the Committee on Civil Service.

He also laid before the Senate resolutions adopted by the Municipal Housing Board of Jacksonville, Fla.; the Council of the City of Chicago, and the Illinois State Housing Board, Chicago, both in the State of Illinois; the Council of the City of Cambridge, Mass.; and the Council of the City of Youngstown, and Local No. 19366, Office Workers'

Union of Cleveland, both in the State of Ohio, favoring the prompt enactment of Senate bill 4424, known as the Wagner-Allenbogen low-cost housing bill, which were referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the National Society United States Daughters of 1812, favoring the enactment of legislation providing for the display of the American flag of dimensions approved by the flag code and displayed in accordance with that code at all public assemblages, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter from Ernesto C. Quiñones, of Santurce, P. R., relative to citizenship and immigration problems pertaining to Puerto Rico, which was referred to the Committee on Territories and Insular Affairs.

#### SUGAR PRODUCTION AND QUOTAS

Mr. OVERTON. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred resolutions adopted by the board of directors of the Farmers and Manufacturers Beet Sugar Association at a meeting in Saginaw, Mich., Tuesday, May 19, 1936, with reference to pending sugar legislation.

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

#### FARMERS AND MANUFACTURERS BEET SUGAR ASSOCIATION,

*Saginaw, Mich., May 20, 1936.*

At a meeting of the board of directors of the Farmers and Manufacturers Beet Sugar Association, held Tuesday, May 19, 1936, the following resolution was unanimously adopted:

"Whereas it has now been definitely and finally determined that any act of Congress which by its terms seeks to control, limit, or regulate the business of mining, manufacturing, crop growing, or other local industry is unconstitutional and void; and

"Whereas accordingly any act of Congress which seeks by its terms to limit, control, or regulate, either directly or indirectly, the domestic production of sugar beets, sugar cane, or the products thereof, would likewise be unconstitutional and void; and

"Whereas for the protection of domestic producers and processors of sugar beets and sugar cane it is desirable that some legal and constitutional control legislation be passed at this session of Congress which by its terms will control by quotas the amount of sugar that may be brought or imported into continental United States from the offshore producing areas, and yet not seek to effect, either directly or indirectly, any limitation on domestic production: Now therefore

"This association favors and approves the principles of quota control as set forth in the following bills now introduced in Congress, namely: Vandenberg bill (S. 4423), Overton bill (S. 4560), Woodruff bill (H. R. 12225), and Kniffin bill (H. R. 12295), and the principles of benefit payments as embodied in the following bills now introduced in Congress, namely: Overton bill (S. 4560), Kniffin bill (H. R. 12294), and respectfully urges upon the Representatives in Congress from the States of Ohio, Michigan, Indiana, and Wisconsin that the principles embodied in the aforementioned bills be enacted into law before the adjournment of the present session of Congress."

After the adjournment of the meeting of the board of directors of the association, the grower members of the board of directors met independently and unanimously passed the following resolution:

"To protect the welfare of continental producers and processors of sugar beets and sugar cane and domestic consumers of sugar, we, the farmer directors of the Farmers and Manufacturers Beet Sugar Association, representing more than 25,000 sugar-beet growers, endorse the principles set forth in the Vandenberg (S. 4423), Overton (S. 4560), Woodruff (H. R. 12225), Kniffin (H. R. 12295) sugar-quota bills, and the Overton (S. 4560), Kniffin (H. R. 12294) benefit-payment bills, and respectfully urge the passage of legislation at this session of Congress to make effective these principles, which maintain the American market for the American farmer, in the firm belief and conviction that we are justly entitled to the same."

ARTHUR A. SCHUPP,  
*Executive Secretary.*

#### REPORTS OF COMMITTEES

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

S. 4491. A bill for the relief of Arthur Lee Dasher (Rept. No. 2077); and

S. 4652. A bill to provide for the administration of the United States Soldiers' Home (Rept. No. 2078).

Mr. SHEPPARD also, from the Committee on Military Affairs, to which was referred the bill (S. 4565) to author-

ize the sale, under provisions of the act of March 12, 1926 (Public, No. 45), of surplus War Department real property, reported it with amendments and submitted a report (No. 2086) thereon.

Mr. SHEPPARD also, from the Committee on Commerce, to which was referred the bill (S. 4632) providing for a survey of the Colorado River, Tex., above the county line between Coke and Runnels Counties, reported it with amendments and submitted a report (No. 2083) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 4549. A bill authorizing the State Highway Board of the State of Georgia to replace, reconstruct, or repair the free highway bridge across the Savannah River at or near the city of Augusta, Ga. (Rept. No. 2093); and

H. R. 12370. A bill to authorize a preliminary examination of Big Blue River and its tributaries with a view to the control of their floods (Rept. No. 2094).

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (H. R. 11969) to promote national defense by organizing the Air Reserve Training Corps, reported it without amendment, and submitted a report (No. 2079) thereon.

Mr. WALSH, from the Committee on Education and Labor, to which was referred the bill (S. 4671) to amend the act approved February 1, 1928, concerning actions on account of death or personal injury within places under exclusive jurisdiction of the United States, reported it without amendment and submitted a report (No. 2080) thereon.

Mr. O'MAHONEY, from the Committee on the Judiciary, to which was referred the bill (S. 3700) for the relief of the State of Massachusetts, reported it without amendment and submitted a report (No. 2082) thereon.

Mr. AUSTIN, from the Committee on the Judiciary, to which was referred the bill (H. R. 11616) to fix the compensation of the Director of the Federal Bureau of Investigation, reported it without amendment and submitted a report (No. 2084) thereon.

Mr. JOHNSON, from the Committee on Naval Affairs, to which was referred the joint resolution (S. J. Res. 251) granting the consent of Congress to the city and county of San Francisco to construct a causeway and highways on Yerba Buena Island in San Francisco Bay, and for other purposes, reported it with an amendment and submitted a report (No. 2085) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 4346. A bill granting to the State of Iowa for State park purposes certain land of the United States in Clayton County, Iowa (Rept. No. 2087);

H. R. 1997. A bill to amend Public Law No. 425, Seventy-second Congress, providing for the selection of certain lands in the State of California for the use of the California State park system, approved March 3, 1933 (Rept. No. 2088);

H. R. 2737. A bill extending and continuing to January 12, 1938, the provisions of the act entitled "An act authorizing the Secretary of the Interior to determine and confirm by patent in the nature of a deed of quitclaim the title to lots in the city of Pensacola, Fla.," approved January 12, 1925 (Rept. No. 2089);

H. R. 5722. A bill to provide for the addition or additions of certain lands to the Colonial National Monument in the State of Virginia (Rept. No. 2090);

H. R. 8074. A bill to amend the act of March 3, 1925, relating to Fort McHenry (Rept. No. 2091); and

H. R. 8312. A bill to add certain lands to the Rogue River National Forest in the State of Oregon (Rept. No. 2092).

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the joint resolution (S. J. Res. 267) authorizing the President to invite foreign countries to participate in the New York World's Fair, 1939, Inc., in the city of New York during the year 1939, reported it without amendment.

## INVESTIGATION OF UNEMPLOYMENT AND RELIEF

Mr. HATCH, from the Committee on the Judiciary, to which was referred the resolution (S. Res. 241) creating a special committee to investigate unemployment and relief (submitted by Mr. HATCH on Mar. 2, 1936), reported it with amendments and submitted a report (No. 2081) thereon, and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

## INVESTIGATION OF HEALTH CONDITIONS IN METAL MINING—REPORT

Mr. MURRAY. Mr. President, I submit a report adopted by the Committee on Education and Labor, presented to it by a subcommittee, on Senate Concurrent Resolution 34, submitted by me and proposing to create a joint committee to investigate conditions in metal mining. I request that this report be printed in the CONGRESSIONAL RECORD.

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

The Committee on Education and Labor, to whom was referred Senate Concurrent Resolution 34, to create a joint committee to investigate conditions in metal mining, having considered the same, adopted as its report the report of a subcommittee appointed to investigate the matter, as follows:

Senate Concurrent Resolution 34 concerns the alarming conditions in metalliferous mining to which miners are subjected, such as rock dust, powder fumes, gases, foul air, and extreme heat, inducing silicosis and tuberculosis, which in turn results in inability to work, terrible agony, and premature death.

The findings of this subcommittee show that the Bureau of Mines in the United States Department of Interior has been acutely aware for some years of this problem of pulmonary afflictions caused by such conditions in both metalliferous and coal mines, and that such Bureau has been attempting with the cooperation of mine operators to devise methods of overcoming these unfortunate conditions. It appears that very fine particles of silica and other rock dust lodge in the lungs of miners causing abrasions and scar tissue, weakening their lungs and decreasing respirational capacity, making them easy prey to frequent colds and tuberculosis induced by extremes of heat and humidity. A continued exposure to the rock dust will in itself so injure the lungs as to cause eventually great difficulty in breathing, accompanied by terrible pain and followed by early death.

Among possible methods of overcoming these conditions are wet drilling and ventilation, the former to prevent dust from flying in the course of mining operations and the latter to carry off the gases and polluted air present in mines as well as to relieve the conditions of extreme heat and humidity. In spite of the general awareness of these evils, it is apparent that systematic and organized research will disclose more intimate knowledge of this dust disease, popularly known as silicosis, and its incidental evils, as well as revealing more efficient methods of combating and preventing the conditions leading to it. For instance, it appears that the use of water in mines to avoid the pervasion of dust in the air is not altogether satisfactory since its presence greatly increases humidity which in turn leads to pulmonary trouble.

It has been disclosed to the subcommittee that silicosis occurs not only in metalliferous mining but also in coal mining and tunneling and in many branches of industry not associated with underground mining at all. A pamphlet recently issued by the Division of Labor Standards, United States Department of Labor, shows that it is also found in industries using abrasives, in sand-blasting, brick and pottery making, glass making, sand pulverizing, metal grinding, granite and slate quarrying, stone polishing and finishing, and in foundry and steel works.

The subcommittee found that State legislation concerning the correction of conditions leading to silicosis or dust disease and compensation for workmen afflicted by this disease is rare, and that such legislation as there is does not deal adequately with the problem. It found that what preventive steps have been taken have resulted largely from the desire of certain mine operators and industrialists to better conditions in their plants.

It appears that the United States Department of Labor has recently initiated a Nation-wide investigation of this silicosis problem in an endeavor to ascertain the real nature of the disease, its causes, and the most effective means of controlling and preventing it. Secretary Perkins recently called a conference of leading doctors, engineers, economists, insurance experts, and representatives of employee and employer groups to take up these questions as well as that of properly compensating workers who have suffered and will suffer from the effects of this disease. Accordingly she has appointed five committees of experts under the Division of Labor Standards in the Department of Labor to study and report on the various aspects of this problem, namely, a committee on prevention of silicosis through medical control, a committee on prevention of silicosis through engineering control, a committee on regulatory and administrative phases of the silicosis problem, as well as a committee to correlate the work of these other four. These committees will study the various aspects of these problems with the cooperation of operators and industrialists, State industrial and compensation agencies, clinics and doctors, and State

and Federal public-health services. The reports resulting from this national program will be submitted at the reconvention of the National Silicosis Conference, probably sometime next autumn.

In view of the present disorganized state of information on this silicosis problem, especially since a systematic undertaking to procure the necessary data on all its aspects has been launched and will reach completion during the current year, this subcommittee believes it would be advisable to defer action on Senate Concurrent Resolution 34 until the next session of Congress. Investigation has shown that the need for action is vital but that the problem is so intricate and far-reaching, extending so far beyond the field of metalliferous mining into general industry, as not to be fully understood and dealt with without the further information which is now being secured.

The subject matter of this concurrent resolution is one of greatest importance. An announcement has very recently been made that the Department of Labor has instituted a comprehensive study of the subject and will consider the extent of any proposed legislation in the event it is found that it may be a subject for Federal regulation.

Furthermore, this special committee believes that there are constitutional questions involved that must be given consideration in connection with any proposed legislation. It is, therefore, recommended that the action by the committee on the concurrent resolution be deferred until the next session of Congress and reintroduced for further consideration.

DAVID I. WALSH,  
Chairman, Committee on Education and Labor,  
and Chairman of Subcommittee.  
JAMES E. MURRAY,  
JAMES J. DAVIS.

## 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. 4677) for the relief of Ruth Floyd Jakes; to the Committee on Claims.

By Mr. DAVIS:

A bill (S. 4678) to reinstate John Frederic Blandy as a midshipman in the United States Naval Academy; to the Committee on Naval Affairs.

By Mr. NYE:

A bill (S. 4679) to authorize the coinage of 50-cent pieces in commemoration of the founding of the International Peace Garden, at the international boundary line between the United States and Canada, in the Turtle Mountains of North Dakota and Manitoba; to the Committee on Banking and Currency.

By Mr. LA FOLLETTE:

A bill (S. 4680) authorizing the State of Wisconsin to construct, maintain, and operate a free highway bridge across the Mississippi River at or near La Crosse, La Crosse County, Wis.; to the Committee on Commerce.

By Mr. METCALF:

A bill (S. 4681) granting a pension to Emma S. Boutwell (with accompanying papers); to the Committee on Pensions.

By Mr. DUFFY (by request):

A bill (S. 4682) authorizing superannuation disability pay for alien employees of the Panama Canal; to the Committee on Interoceanic Canals.

By Mr. HATCH:

A bill (S. 4683) to amend section 3 of the Adjusted-Compensation Payment Act, 1936; to the Committee on Finance.

By Mr. METCALF (for Mr. BARBOUR):

A bill (S. 4684) for the relief of the First, Second, and Third National Steamship Cos.; to the Committee on Claims.

By Mr. SMITH:

A bill (S. 4685) to provide for the use of net weights in interstate and foreign commerce transactions in cotton, to provide for the standardization of bale covering for cotton, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. SHEPPARD:

A bill (S. 4686) to amend the act known as the Federal Credit Union Act, approved June 26, 1934; to the Committee on Banking and Currency.

By Mr. COPELAND:

A bill (S. 4687) to extend the laws governing inspection of vessels, and for other purposes; to the Committee on Commerce.

By Mr. WHEELER:

A joint resolution (S. J. Res. 271) amending and repealing certain sections of the Emergency Railroad Transportation Act, 1933, and extending the effective period of such act, and for other purposes; to the Committee on Interstate Commerce.

#### PUERTO RICAN INDEPENDENCE

Mr. TYDINGS. I introduce for appropriate reference a joint resolution providing for the appointment of a committee to study the question of Puerto Rican independence, the committee to be composed of 17 members, 1 member to be appointed by the President, 1 by the President of the Senate, 1 by the Speaker of the House of Representatives, 1 by the Secretary of State, 1 by the Secretary of the Interior, and 1 member by the central executive authority of each of the 4 major registered political parties in Puerto Rico, and so forth.

The VICE PRESIDENT. Without objection, the joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 270) to provide for the appointment of a committee to study the question of Puerto Rican independence was read twice by its title and referred to the Committee on Territories and Insular Affairs.

#### HOUSE BILL AND JOINT RESOLUTION

The following bill and joint resolution were each read twice by their titles and ordered to be placed on the calendar or referred as indicated below:

H. R. 11929. An act granting to the State of Iowa for State park purposes certain land of the United States in Clayton County, Iowa; to the calendar.

H. J. Res. 570. Joint resolution authorizing the President of the United States to award posthumously a Distinguished Service Medal to Maj. Gen. Clarence Ransom Edwards; to the Committee on Military Affairs.

#### INTERNAL-REVENUE TAXATION—AMENDMENT

Mr. SCHWELLENBACH submitted an amendment intended to be proposed by him to the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

#### RELIEF TO GOVERNMENT CONTRACTORS—AMENDMENT

Mr. LONERGAN submitted an amendment intended to be proposed by him to the bill (S. 4377) to amend an act approved June 16, 1934, entitled "An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes", which was referred to the Committee on Education and Labor and ordered to be printed.

#### THE AMERICAN MERCHANT MARINE—AMENDMENTS

Mr. FLETCHER submitted amendments intended to be proposed by him to proposed amendments submitted by Mr. COPELAND, Mr. GUFFEY, and Mr. GIBSON to the bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes, which were ordered to lie on the table and to be printed.

#### AMENDMENT TO FIRST DEFICIENCY APPROPRIATION BILL

Mr. McNARY submitted an amendment intended to be proposed by him to House bill 12624, the first deficiency appropriation bill, 1936, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 21, line 21, immediately preceding the figure "\$156,750,000", to insert the following: "And the acquisition of lands for National and State forests"; and on page 21, line 24, to strike out the last comma and add the words "including forestry."

#### PRINTING OF TAX HEARINGS BEFORE THE FINANCE COMMITTEE

Mr. HARRISON submitted the following concurrent resolution (S. Con. Res. 40), which was referred to the Committee on Printing:

*Resolved by the Senate (the House of Representatives concurring), That, in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Finance of the Senate be, and is hereby, empowered to have printed for its use 1,000*

additional copies of the hearings held before the said committee during the current session on the bill "The Revenue Act of 1936."

#### NAVAL APPROPRIATIONS—CONFERENCE REPORT

Mr. BYRNES submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12527) "making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1937, and for other 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 amendments numbered 6, 7, 10, 11, 12, 13, 15, 21, 28, and 34.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 8, 9, 14, 18, 19, 20, 22, 24, 25, 26, 27, 29, 31, 32, 33, and 35, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$1,147,500"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$3,395,300"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "including plant, \$1,500,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows:

Restore the matter stricken out by said amendment, amended to read as follows: "Provided further, That no part of this appropriation shall be used for the construction of a factory for the manufacture of airplanes"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert: "\$7,645,575"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert: "\$3,985,509"; and the Senate agree to the same.

JAMES F. BYRNES,  
ROYAL S. COPELAND,  
DAVID I. WALSH,  
FREDERICK HALE,  
HENRY W. KEYES,

*Managers on the part of the Senate.*

WILLIAM B. UMSTEAD,  
WILLIAM R. THOM,  
GEO. W. JOHNSON,  
J. G. SCRUGHAM

(except as to amendment no 14),

CLARENCE J. MCLEOD,  
J. WILLIAM DITTER,

*Managers on the part of the House.*

The report was agreed to.

#### LAKE CHAMPLAIN BRIDGE COMMISSION

Mr. SHEPPARD. Mr. President, I ask permission for the consideration at this time of a joint resolution for the creation of a commission by the States of New York and Vermont for the purpose of building a bridge across Lake Champlain. It is necessary that the papers be signed by June 1. It is a matter of great urgency, and I ask for the immediate consideration of the joint resolution.

The VICE PRESIDENT. The clerk will report the joint resolution by title.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 262) granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission.

The VICE PRESIDENT. Is there objection to the request of the Senator from Texas that the Senate give unanimous consent for the present consideration of the joint resolution?

Mr. ROBINSON. Mr. President, I understand that the joint resolution has been unanimously reported by the Committee on Commerce?

Mr. SHEPPARD. It has been unanimously reported by that committee.

Mr. ROBINSON. May I ask if the joint resolution was referred to the Department of Agriculture?

Mr. SHEPPARD. All bridge bills are referred to the Department of Agriculture in order that the Bureau of Public Roads may pass on the proposed bridges. They are also referred to the War Department in order that the engineers may pass upon the effect of the proposed bridges on navigation.

Mr. ROBINSON. I have no objection to the present consideration of the joint resolution.

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the consent of Congress is hereby granted to the States of New York and Vermont to enter into the amendatory agreement executed on April 1, 1936, by the commissioners duly appointed on the part of such States, amending the original agreement entered into by such States for the creation of the Lake Champlain Bridge Commission, which original agreement was consented to by Congress by Public Resolution No. 9, Seventieth Congress, approved February 16, 1928, and every part and article of such amendatory agreement is hereby ratified, approved, and confirmed: *Provided,* That nothing therein contained shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of such amendatory agreement; which amendatory agreement is as follows:

Whereas the States of New York and Vermont heretofore and on the 11th day of May 1927 entered into an agreement or compact, duly authorized by law, creating the Lake Champlain Bridge Commission; and

Whereas the legislatures of said States have authorized their respective commissioners to enter into an agreement or compact amending said existing agreement or compact: Now, therefore,

The said States of New York and Vermont do hereby enter into the following agreement, to wit:

The agreement heretofore made between the State of New York and the State of Vermont pursuant to chapter 321 of the laws of 1927 of the State of New York, entitled "An act authorizing designated authorities in behalf of the State of New York to enter into an agreement or compact with designated authorities of the State of Vermont for the creation of the Lake Champlain Bridge Commission, the establishment of the Lake Champlain Bridge Commission, and the defining of the powers and duties of such commission and making an appropriation for such purposes", and no. 139 of the acts of 1927 of the State of Vermont, entitled: "An act ratifying a proposed agreement or compact between the State of Vermont and the State of New York relating to the creation of the Lake Champlain Bridge Commission and providing for carrying out the provisions of said agreement or compact", as the same was amended by the agreement or compact entered into the 30th day of March 1935 by and under the authority of chapter 201 of the laws of 1933, as amended by chapter 355 of the laws of 1935 of the State of New York, and by and under the authority of no. 209 of the acts of the General Assembly of the State of Vermont of 1935, entitled "An act authorizing an agreement or compact between the State of Vermont and the State of New York to amend the existing agreement or compact between said States creating the Lake Champlain Bridge Commission, in relation to the construction of a new bridge across Lake Champlain, the issuance of bonds by said commission, and providing for the payment of said bonds", approved by the Governor February 27, 1935, as amended by no. 210 of the acts of 1935 of the General Assembly of the State of Vermont, approved by the Governor March 21, 1935, is hereby amended by adding thereto the following articles:

#### ARTICLE XXXVI

The Lake Champlain Bridge Commission shall have power and is hereby authorized to issue its negotiable bonds in addition to those issued prior to March 1, 1933, for the purpose of refunding its bonds issued before said date: *Provided, however,* That the aggregate principal amount of such bonds so issued to pay off and refund its bonds issued before said date shall not exceed the aggregate principal amount of the bonds so retired.

#### ARTICLE XXXVII

Such commission shall have power and is hereby authorized to call for payment and to pay its bonds issued before March 1, 1933, in accordance with the terms under which said bonds were issued and for such purposes to use any funds which it has or shall have in reserves and sinking fund and in investments at the time said bonds are called for payment, notwithstanding any provision heretofore set forth in this or any previous compact or agreement.

#### ARTICLE XXXVIII

The bonds issued under authority of article XXXVI shall be authorized by resolution of such commission and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, not exceeding 5 percent per annum payable semiannually, be in such

denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption as such resolution or resolutions may provide. Said bonds may be sold at public or private sale for such price or prices as such commission shall determine, provided that the interest cost to maturity of the money received for any issue of said bonds shall not exceed 5 percent per annum.

2. Neither the members of such commission nor any person executing said bonds shall be liable personally on said bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

3. The bonds issued under the authority of article XXXVI shall constitute a first lien upon the property, tolls, and revenues pledged to secure the bonds issued by such commission prior to March 1, 1933, and subject to the terms of any agreement made or to be made with holders of bonds issued by such commission under article XXVI of the amendments to this compact shall be a lien upon the tolls and revenues of the bridge referred to as the Rouses Point Bridge, and in accordance with subdivision 4 of article XXVI of the amendments to this compact any of such tolls and revenues which would otherwise have been payable into the State treasuries of the two States may be pledged to the payment of said bonds.

4. Said bonds shall not be a debt of the State of New York or of the State of Vermont, and neither State shall be liable thereon, nor shall they be payable out of any funds other than those of such commission.

5. Said bonds shall be exempt from taxation, and are hereby made securities in which all public officers and bodies of each State and of its municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, executors, administrators, guardians, trustees, and all other fiduciaries in each State may properly and legally invest the funds within their control.

6. Such commission shall have power out of any funds available therefor to purchase any bonds issued by it at a price not more than the redemption price thereof at the time of such purchase with accrued interest.

#### ARTICLE XXXIX

Such commission shall have the power to apply to the Congress of the United States or any department of the United States for consent or approval of this compact as amended; but in the absence of such consent by Congress and until the same shall have been secured, this compact, as amended, shall be binding upon the State of New York when ratified by it and the State of Vermont when ratified by it, without the consent of Congress, to cooperate for the purposes enumerated in this agreement and in the manner herein provided and for all purposes that it legally may be.

In witness whereof, by and under the authority of chapters 73 and 219 of the Laws of 1936 of the State of New York, and by and under the authority of Public Act No. 19 of the acts and resolves passed by the General Assembly of the State of Vermont at the special session 1935-36, approved by the Governor December 14, 1935, we have signed this compact or agreement in duplicate this 1st day of April 1936.

SEC. 2. The right to alter, amend, or repeal this joint resolution is hereby expressly reserved.

#### LOCAL RESPONSIBILITY FOR WELFARE SUPPORT

Mr. VANDENBERG. Mr. President, the Associated Press this morning reports a stimulating demonstration of recurrent local self-reliance in the matter of relief. I refer to the statement from New York by J. Reuben Clark, first counselor in the first presidency of the Latter-Day Saints Church. It ought to be a matter of challenging significance, it seems to me, that this great organization thus proposes to return to the principles of home responsibility for welfare support. In far lesser degree, but in conformity with the principles involved, I have been arguing for a restoration of State responsibility and State control in the matter of relief administration. I have endeavored to prove that the restoration of State responsibility would materially reduce the costs and the exploitation of relief. One of the reasons why I am confident this would be the result—and if it would be the result, Mr. President, instead of passing another bill imposing additional taxes of \$500,000,000, or \$600,000,000, or \$700,000,000, we might well anticipate economies of a like amount as an alternative course—one of the reasons why I think this could be the result is stated most succinctly by Mr. Clark in the newspaper dispatch from which I quote as follows:

Man may have no compunction in taking aid from the Government, but if he has to take it from his brother or neighbor it probably will be a very different picture.

I ask that the article in question be printed in the RECORD at this point.

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

[From the Washington Post of May 25, 1936]

**PLAN FOR CARE OF OWN NEEDY IS ANNOUNCED BY MORMONS—88,000 INDIGENT TO BE TAKEN OFF UNITED STATES ROLLS AND GIVEN AID—OCTOBER 1 SET AS DATE FOR NEW PROGRAM—LEADER SAYS HANDLING OF PUBLIC RELIEF IS TOO INDIRECT**

NEW YORK, May 24.—The Mormon Church will remove its 88,000 needy members from public relief rolls and support them itself, J. Reuben Clark, first counselor in the first presidency of the Latter-Day Saints Church and former Ambassador to Mexico, announced tonight.

"Our aim is by October 1 to accumulate enough food, shelter, and clothing to care for those who cannot care for themselves", Clark stated at a Mormon Church service here.

"The plan includes provision for those who have nothing to do something useful in return for that which they get", he said. "The president of the church feels it is time we got back to first principles and cared for our own."

Clark said he expected no difficulty in carrying out the work if the 750,000 Mormons in the United States "abide by the church teachings." He predicted it would be of spiritual benefit to all members.

Clark said he was not critical of Government relief, but said any mistakes in public relief administration were due to far-away management.

"Man may have no compunction in taking aid from the Government", he said, "but if he has to take it from his brother or neighbor it probably will be a very different picture."

#### ALL TO CONTRIBUTE

Clark said each Mormon will be expected to contribute the cost of two meals on the monthly fast day and the tithes rule, contribution of one-tenth of a member's income, will be enforced.

The procedure during the summer, Clark added, would be to take Mormons off home relief first and later to take the others off work relief.

"I believe \$1,000,000 a year will take care of the task", he said, "and as for the cost, it will cost us only 45 percent of what it costs the Government to care for these needy, because ours will be a service of love, and none of these persons doing the work will be paid."

Agencies for carrying on the work already are functioning in the church, he explained. Chiefs in each ward will be the bishop and his two councilors. The districts, subdivisions of wards, will be scoured by teachers to determine the needy.

The women's relief society will continue its work both in aiding the needy and soliciting aid.

"The male population of the church, including the elders and priests, will have as their duty the obligation to see that no one suffers", Clark said.

#### BANKING AND CURRENCY COMMITTEE WORK—ADDRESS BY SENATOR BULKLEY

Mr. FLETCHER. Mr. President, I ask unanimous consent to have inserted in the RECORD the splendid radio address delivered by the Senator from Ohio [Mr. BULKLEY] on the 5th instant on the subject of the work of the Committee on Banking and Currency.

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

From the very beginning of the Roosevelt administration the work of the Committees on Banking and Currency of both the Senate and House has been of unusual scope and importance. Numerous bank failures from 1924 on had prepared the way for the general break-down of 1929, and the great crash of that year had caused so many more bank failures and had so weakened the position of all banks that by March 1933 the situation was desperate indeed.

The Senate Committee on Banking and Currency had already been engaged for 2 years in a study of the faults and weaknesses in the structure and administration of our banking system, which had caused or at least substantially contributed to the unsound credit inflation which led up to the financial disaster of 1929. A bill had been drafted in the committee for the purpose of preventing the speculative use of the credit of the Federal Reserve system, and this bill had passed the Senate during the early months of 1933, but failed of final enactment into law.

In March 1933 the administration and the Congress were confronted with a wholly desperate situation. It was necessary to meet not only the problem of removing from our banking system the faults which had in the past caused trouble, but it was absolutely necessary to meet also the problem of tiding over a financial situation which was so bad as to endanger the very existence of our whole banking system. The President closed all the banks in the country before he could even convene the Congress in extraordinary session, and the very first act of the Seventy-third Congress was the Emergency Banking Act of March 9, 1933, which brought about a reexamination of all banks and a reopening of as many of them as could safely be reopened. This act provided for the appointment of conservators and liquidators to protect the interests of the millions of bank depositors. It also provided the authority for the nationalization of gold, which was shortly

thereafter accomplished by Presidential proclamation. This proclamation prohibited gold exports and called for the deposit with the Government of all gold and gold certificates held in this country. This took the United States off the gold standard, and for some months our dollar had no legal fixed gold content.

These acts laid the foundation for subsequent legislation authorizing the President to change the gold content of the dollar. Soon after came the resolution approved June 5, 1933, declaring contracts specifying payment in gold of specific weight and fineness to be against public policy and making all United States currency legal tender at face value. Further legislation in January 1934 was necessary to complete the nationalization of gold and fix the rights of Federal Reserve banks with respect to their gold reserves. This was immediately followed by a proclamation of the President fixing the gold content of the dollar at approximately 59 percent of the previous gold content, and so the gold standard was theoretically restored, but neither the act nor the proclamation restored to our currency its absolute redeemability in gold.

Following shortly after the Emergency Banking Act of March 9, the important general Banking Act of 1933 was enacted. This was the act which substantially embodied the results of the 2 years' study of the banking situation by the Senate Banking and Currency Committee. The broad purpose of this law was to place restrictions upon the operating policy of the Federal Reserve banks and member banks in the Federal Reserve System; to limit them to the extension of credit for ordinary business purposes as distinguished from support of speculative transactions. The act also separated national banks and all member banks of the Federal Reserve System from the investment-banking business, whether such business was conducted directly or through affiliates. The affiliate relation was sharply curtailed and the unsound practices connected with affiliate operations were prohibited. This act also set up for the first time a system of deposit insurance. This system has been perfected by amendments carried in the Banking Act of 1935, and each depositor in any of the 14,300 banks which are now members of the system is insured up to the amount of \$5,000 in the Federal Deposit Insurance Corporation.

Bank failures, which aggregated about twenty-three hundred in the year 1931 and nearly fifteen hundred in 1932, have been practically eliminated and there have been but few banks closed since the reopening in the spring of 1933. Since the Federal Deposit Insurance Corporation commenced business in 1934, only 53 insured banks with total liabilities aggregating about \$13,000,000 have closed, and in these cases all small depositors have been promptly reimbursed by the Federal Deposit Insurance Corporation. The ultimate loss to the Corporation is not yet determined, but will probably be about \$5,000,000. Of course, the deposit insurance system has not yet been put to any severe strain. Up to this time, however, the position of the Corporation looks very strong. In establishing the Federal Deposit Insurance Corporation the Congress provided that \$150,000,000 should be contributed from the United States Treasury, and the Federal Reserve banks were required to contribute one-half of their surplus accounts which brought \$140,000,000 into the Corporation. In addition to this, a total of \$40,000,000 has been received from the constituent member banks in payment of premiums on deposit insurance. The temporary insurance plan was wound up on the 30th of last June with no premium cost whatever to the member banks, and all amounts theretofore paid were credited as payments on premiums accruing after July 1, 1935. So small have been the losses and expenses of operation that after all these have been paid the Corporation could, if it were wound up today, repay the entire \$150,000,000 contributed by the Treasury, the \$140,000,000 contributed by the Federal Reserve banks, the \$40,000,000 premiums paid by the member banks, and still have enough left over to pay a 3-percent dividend on the Government and Federal Reserve bank interest in the Corporation.

The Federal Deposit Insurance Corporation has done much more for the banking system than merely to make good losses in closed banks. Its examinations of many thousands of banks and its insistence upon new capital for some of them have been important factors in strengthening the banking situation throughout the country. This work of the Corporation has resulted in additional capital being provided for at least 6,000 banks which needed it. In every such case additional capital is subscribed and paid in the local community, and in many cases there was a stock subscription from the Reconstruction Finance Corporation.

The Banking Act of 1935 not only definitely and permanently established the deposit-insurance system and strengthened its basic law, but it provided a further strengthening of the Federal Reserve banking laws, and reorganized the open-market operations of the Federal Reserve System so as to increase the measure of public control and public responsibility for the administration of national monetary policy. This act not only changed the name of the Federal Reserve Board to the Board of Governors of the Federal Reserve System, but also provided a substantial reorganization of the Board by bringing to an end the service of all members of the Board, so that the Board was reconstituted with a large proportion of new members as of February 1, 1936. The terms of office of the members were lengthened, and salaries increased, with a view to increasing the independence and non-political aspect of the Board.

Further efforts to put the Government sufficiently in control of financial operations in the country to prevent a recurrence of the events which led up to the panic of 1929 are represented by the Securities Act of 1933 and the Securities Exchange Act of 1934, both of which were formulated and reported by the Senate

Banking and Currency Committee, the latter as a result of a very extensive investigation by that committee concerning stock-exchange practices. As a result of these two acts the Securities Exchange Commission, created by the act of 1934, is given general supervision of the issuance of securities, and also over trading on security exchanges of the Nation, and by brokers and dealers who are members of such exchanges. It is much to be hoped that with strong and capable supervision by the Board of Governors of the Federal System and by the Securities Exchange Commission, the country may be saved in the future from the development of such practices as led to disaster in the past.

The Senate Banking and Currency Committee has had to concern itself not only with the problem of preventing the continuance and recurrence of unsound practices but has also been very greatly concerned with the problem of saving the masses of borrowers from the ruin which threatened to result from the pressure of an excessively heavy debt structure. A beginning in dealing with this problem had been made in the previous administration by the establishment of a Government agency, the Reconstruction Finance Corporation, to provide assistance to sound banks, railroads, and insurance companies which were endangered by the unusual pressure incident to the financial collapse. The activities of this Corporation were continued under the present administration and greatly extended so as to give to the Corporation the authority and the means to help business institutions and private borrowers more generally. The funds used by the Reconstruction Finance Corporation are all supplied by the Treasury. Interest at the rate of 2½ percent is paid on Treasury advances, and the Corporation has paid into the Treasury on account of interest more than \$150,000,000. The average rate charged on loans made by the Corporation is 4 percent, which is regarded as a low rate of interest.

The Reconstruction Finance Corporation has rebuilt the Nation's banking structure by investing upward of a billion dollars of new capital in more than 6,000 banks, State and National. This Reconstruction Finance Corporation work under the Roosevelt administration has been an important factor in making our banking system stronger and safer than ever before.

The Reconstruction Finance Corporation has loaned more than \$6,000,000,000 to businesses of every character. Three billion five hundred million of this has already been repaid. The activities of the Reconstruction Finance Corporation have been helpful, directly or indirectly, to literally every citizen of the United States. There will be no loss to the taxpayer from these vast operations.

In addition to the Reconstruction Finance Corporation, two other Government agencies have been set up to serve important classes of borrowers. The Home Owners' Loan Corporation was established to relieve distressed mortgagors who were in danger of having their homes foreclosed. In order to qualify for a loan from this Government corporation it was necessary for the applicant to show that he was actually in distress and unable to satisfy the requirements of his existing mortgage. Yet the operation was in no sense a charitable one, as the applicant was also required to show that he had some income or earnings to enable him to support a new mortgage to be given to the Home Owners' Loan Corporation. The emergency with respect to foreclosures of homes is now believed to be past, and for some months the Home Owners' Loan Corporation has not been receiving any new applications. Within a few weeks it will make the last of its loans on applications already pending, and from then on it will continue in business only to hold and gradually to liquidate the mortgages which it has already made. It has made loans in excess of \$3,000,000,000 and directly saved more than a million of American homes from foreclosure. It is hard to imagine what disastrous business effect and what disastrous social effect would have followed from the foreclosure sale of a million American homes. Yet it is fair to say that, beyond this vast number of homes which the Corporation has saved by its own direct action, it has also saved a very large additional number by the effect of its operations in restoring confidence in the real-estate market.

A very large percentage of interest and amortization payments, about 70 percent, is being made to the Home Owners' Loan Corporation by its borrowers without delinquency, notwithstanding that each and every one of these borrowers was in distress with his previous loan when he first made his mortgage to the Corporation. There will, of course, be foreclosures and some losses, and it is entirely too early yet to predict with confidence just how well this operation will ultimately work out. The Corporation, however, has been able to borrow money by sales on the market of its bonds, which are unconditionally guaranteed as to principal and interest by the United States Government, at a very low rate of interest. The latest financing was a sale of bonds bearing only 2½-percent interest, and these are quoted on the market somewhat above par. The Corporation's mortgage loans are made at a rate of 5 percent, a lower rate than had previously been available to the small-home owner. Yet there is a substantial margin between the interest the Corporation pays to its bondholders and that which it receives from its borrowers. There is a real possibility that this margin may be sufficient to meet all expenses and losses. Only time will tell.

The Farm Credit Act of 1933 consolidated under one agency, the administration of the Federal land banks, Farm Board, intermediate credit banks, production credit corporations, cooperative credit agencies, and general emergency farm relief, such as that represented by seed loans. This Farm Credit Administration has saved from foreclosure a vast number of farms, and now owns almost one-half of the number of farm mortgages in the United

States. More than \$2,000,000,000 have been advanced on about three quarters of a million individual mortgage loans. The Farm Credit Administration has made mortgage loans during a period of less than 3 years in an amount more than the total loaned by the Federal land banks in the 16 years of their operation prior to the spring of 1933. The grand total amount loaned by the Farm Credit Administration during these 3 years is over three and one-half billions of dollars.

The Banking and Currency Committee has also given much attention to the further development of private lending in the housing field, and in order to stimulate it, it has created the Federal Housing Administration which has, in less than 2 years, insured \$368,000,000 of loans for renovation of houses and small business properties. These operations have undoubtedly stimulated a large additional amount of private expenditures for renovation. Long-time mortgages have been accepted for insurance to the amount of \$264,000,000, and it is believed that the investment of private capital in housing enterprises will be greatly stimulated by the further operation of this system.

We have also been concerned with the extension of building-and-loan operations into parts of the country not adequately served by existing building-and-loan associations. And so, in connection with the Federal Housing Act of 1933, the incorporation of Federal savings and loan associations supported by stock subscriptions from the United States Treasury was authorized, and over a thousand of these Federal savings and loan associations are already in operation, providing needed credit facilities where they were not available before. These new Federal associations have assets of over \$500,000,000, less than one-fifth of which was contributed by the Government. During the past year they made loans on homes to the amount of \$125,000,000, or more than all banks and insurance companies combined.

We have also provided, through the Federal Savings and Loan Insurance Corporation, for the insurance of accounts in building-and-loan associations. Insurance has been granted to over 1,200 associations, representing about 1,000,000 savers and over \$750,000,000 of accounts insured.

The legislation which we have been reviewing and which has been sponsored by the Committee on Banking and Currency during the past 3 years has been of extraordinary importance. The amount of it within so brief a time is, I believe, unprecedented, and some of the legislation is of an unprecedented character. Some of it has been the subject of controversy. Some features of it may prove unwise, but on the whole it seems so far to be proving sound. It has brought a great change in the national outlook. Our banking and financial structure has been remarkably strengthened. Where there was chaos, there is order. Where there was despair, there is now confidence.

#### NATIONAL ISSUES—ADDRESS BY SENATOR BYRNES

Mr. ROBINSON. Mr. President, I ask unanimous consent to have printed in the RECORD a very instructive speech delivered by the Senator from South Carolina [Mr. BYRNES] on the occasion of the Democratic convention at Columbia, S. C., May 20, 1936.

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

Under the rules of the Democratic Party of South Carolina a State convention is held in every general-election year. This year there are no candidates for Governor or other State offices to be elected. The only candidates to be voted for other than aspirants for local offices are those who seek to serve as Presidential electors, United States Senators, and United States Congressmen. Therefore any declaration by this convention of the views of the Democracy of South Carolina must necessarily be devoted in great part to issues affecting the administration of the United States Government.

We cannot consider national issues without recalling the days preceding March 4, 1933. For 12 years the Republican Party had been in continuous and complete control of the Government. As a result of their abuse of power, the business of the Nation was paralyzed and fear gripped the hearts of our people. Bank clearings decreased in every State, and credit facilities were denied. Gold was being shipped out of the country. People were withdrawing funds from the banks, and banks were closing their doors, until finally, on the morning of March 4, 1933, a moratorium against the withdrawal of deposits existed in every State in the Union. The railroads were facing bankruptcy, and Government operation was urged as the only solution. As their securities decreased in value, life-insurance companies were in distress, and no man knew whether his insurance policy was worth the paper upon which it was written. Mortgages were being foreclosed upon the homes of the people of the cities and of the country. In the West, as the hammer of the auctioneer fell and people were driven from their homes, mobs stormed courthouses and in some cases judges suffered physical violence. Agriculture was paralyzed. Cotton was selling for 5 cents per pound, tobacco for 9 cents, and wheat for 30 cents per bushel. It was estimated that 16,000,000 men walked the streets seeking employment, and in the great cities of the country hungry men searched the garbage cans.

In New York City one night in January 1933, in company with a group of Senators and Congressmen, I was at the home of Governor Roosevelt discussing the legislative program to follow his inauguration. We heard a noise. It sounded like the cry of a



mob. Afterward we learned that several thousand persons had been stopped by policemen a block from the Governor's home. They wanted to gather before his door and present to him and to the group of legislators a request for food to relieve their hunger. They were hungry men. Hungry men are dangerous men.

The former President of the United States, Mr. Hoover, may not recall the serious conditions then existing, but I recall that just before the adjournment of Congress in 1932 he sent word to a subcommittee of which I was a member, that while he advocated a reduction in the compensation of all Government employees, that an exception should be made as to the enlisted personnel of the Army and Navy, because he did not know what would happen in the next few months and he did not want to have to rely upon an Army that might be dissatisfied because of a reduction in compensation.

In other lands, conditions would have been ripe for revolution, but the people of this land, who believed in a change of policy by government, sought that change not by force of arms but in the only way I hope there will ever be a change in our Government—by the free expression of the will of the people at the ballot box. The people spoke. The Republican administration was repudiated. Herbert Hoover was relegated to private life, and the control of the Government was transferred to the Democratic Party under the leadership of Franklin D. Roosevelt.

At that time there was no criticism of Roosevelt by big business. And, while cries of assistance came from all the people, none cried louder or longer than those who possessed great wealth. With one accord they declared that the emergency was as great, if not greater, than any war emergency; that the ordinary processes of government could not be relied upon. They begged that the President of the United States do something—do anything—to save them and their property. Something was done. Action was substituted for inaction. The President ordered that all banks remain closed until assurance could be given, as a result of examination, that those permitted to open would remain open. The Government loaned money to many banks holding assets that were sound but frozen, in order to enable such banks to open. The people of wealth who had been shipping gold out of the country regained confidence; the savings of the people were returned to the banks; bank deposits continued to grow until today they are greater than ever before in our banking history. In South Carolina deposits in National and State banks increased from \$74,522,000 in 1939 to \$120,814,000 in 1935, and because of the action of this administration in guaranteeing deposits the people now feel that the money they deposited in the banks they can get out of the banks.

The Democratic administration could follow no beaten path. Those paths had been followed and had led into a wilderness of distress. We had to blaze new trails in the effort to save the Nation and its people. We enacted laws having for their object the restoration of the purchasing power of the people by providing jobs for the unemployed, increasing the compensation of those who were still employed, and by increasing the price of agricultural commodities so that those who had borrowed money would be able to pay their debts with the same kind of dollar they had borrowed.

As a result of the agricultural legislation, cotton, instead of selling for 5 cents per pound, is now selling for 11½ cents. Tobacco, instead of selling for 9 cents per pound, has sold for more than 23 cents per pound. Wheat, instead of bringing 30 cents a bushel, has been selling for approximately 95 cents a bushel.

Of the 16,000,000 men who walked the streets in idleness, more than 5,000,000 have secured jobs in private industry, and the others have been provided for by Government. The labor provisions of N. R. A. resulted in increasing the compensation and shortening the work hours of wage earners. By the decision of the Supreme Court it was abolished, but the labor standards established as a result of that legislation continue in most industries, and wage earners are receiving a fairer share of the profits. The railroads are no longer threatened with bankruptcy. Insurance companies are solvent and prosperous. A permanent banking law was enacted, fair to the banks and, at the same time, placing greater control over the issuance of currency, where the Constitution provided it should be placed—in the hands of the people.

By the Securities Act corrupt promoters have been prohibited from unloading worthless securities upon a confiding people, and by other legislation banks are prohibited from lending the money of their depositors upon worthless securities of foreign governments. Reciprocal-trade agreements have been concluded with 12 governments, lessening tariff barriers.

The Labor Relations Board has been established to arbitrate the controversies between capital and labor, and by the Wagner Act and other legislation labor has been given greater recognition than it has ever received at the hands of any administration in the political history of America.

Farm mortgages have been refinanced, and borrowers now have a long period in which to pay their obligations and are paying a rate of interest as low as 3½ percent. Mortgages on homes in the cities have also been refinanced at 5-percent interest. The annual saving to the people by reduced interest rates will amount to millions of dollars. As these mortgages have been refinanced, an amount has been included to cover unpaid taxes, and the payment of these taxes has enabled the State, county, and city governments to function and pay their employees with something other than script. Let us consider conditions in South Carolina:

In South Carolina the receipts from the sale of the principal farm products in 1932 amounted to \$46,219,000. In 1935 the re-

ceipts amounted to \$92,026,000, an increase of almost 100 percent.

In 1932 the total construction of all kinds in South Carolina amounted to \$7,658,800. In 1935 it amounted to \$18,493,300.

When people file income-tax returns with the United States Government for tax purposes, you can rest assured that they do not overstate their incomes. In 1933 the total income tax paid in South Carolina was \$1,108,624; in 1935 it was \$2,976,370, or an increase of 168 percent.

From January 1933 to January 1, 1936, the United States Government paid to the farmers of South Carolina in rental and benefit payments \$21,823,284. Of this amount \$18,046,506 has been paid on account of cotton, \$3,221,464 to tobacco growers, and the balance on account of corn, hogs, and peanuts.

But, say the Republicans, we admit conditions have improved, but too much money is paid to farmers, and you are destroying their "rugged individualism." Well, for three-quarters of a century the farmers of the South have been forced by Republican administrations to contribute to the enrichment of the manufacturers of the North. Never before has the Federal Government paid them a dollar or used its powers to increase the price of their commodities. The farmers have nothing against rugged individualism, but they are awfully tired of "ragged individualism." They may not approve of everything done by some local officials in the name of the Government, but they appreciate the fight Franklin D. Roosevelt has made and is still making against great odds to give to them increased purchasing power, so they can enjoy some of the comforts enjoyed by other people.

New Deal recovery is not restricted to South Carolina. It is being felt throughout the land, and all citizens, even those who now so severely denounce the Roosevelt administration, have been its beneficiaries. Let me give you a few percentages contrasting conditions under the New Deal and under the Old Deal.

Between January 1, 1935, and January 1, 1936, industrial production advanced 51 percent, steel production advanced 257 percent, auto registrations advanced 326 percent. Between January 1, 1933, and December 1, 1935, the dollar value of exports advanced 33 percent and imports 37 percent.

Listed stocks on our security exchanges advanced 134 percent from March 1, 1933, to January 1, 1936. Listed bonds during that period advanced 22 percent.

Finally, for the benefit of our utility friends, who are so worried about the final effect of the Santee-Cooper and Buzzard's Roost projects, let me say that from January 1, 1933, to January 1, 1936, power production increased 19 percent.

In view of this remarkable record of achievement it is difficult to understand the vicious attacks that have been made upon the President and the Democratic administration, unless you recall our political history. For three-quarters of a century, with the exception of 16 years, the Republican Party was in control of the United States Government. Possibly because they were in control, they concentrated great power in the administration of the Federal Government. Through the instrumentality of tariff subsidies and expenditure for public works, the Federal Government developed certain sections of the country controlled by the dominant party, leaving other sections at the mercy of the favored States. These acts of Government contributed to the accumulation of great fortunes in the hands of a few individuals, and these few individuals in turn, used that wealth to continue the Republican Party in control of the Government in order that they might continue to enrich themselves at the expense of the masses of the people.

Among these favored citizens there are a few who have an appreciation of the great responsibility which rests upon them by reason of their wealth. But they are few. To the great majority a new deal means an end to the old deal by which they accumulated their fortunes. They are opposed to that change. They have organized to make war upon this administration because it seeks to give an opportunity to the average man. They are content to let your Government nominally exist in the city of Washington, but they want to return to the financial barons of America the power to dictate the policies of the Government.

What are their arguments against the administration? They say we have increased the national debt. We have; but not one of them is fair enough to say that of the increased debt four and one-half billion dollars is invested in loans secured by mortgages over the farms and homes of America; by liens upon cotton and the assets of banks, and by the securities of States, counties, and cities, and other liens. These loans are so secured that the Government of the United States will not lose a dollar. Some of the securities have already been sold at a profit to the Government.

In their effort to destroy confidence they assert that the credit of the Government is in danger. The fact is, under this administration Government credit is so good that outstanding obligations have been refinanced at a rate of interest as low as 1½ percent.

But say these Republicans and Liberty Leaguers: "You failed to live up to your campaign pledge to reduce expenditures by 25 percent." Every schoolboy knows that after the platform was adopted in June 1932, because of the incompetency and inefficiency of the Hoover administration, the conditions which I have heretofore described and which no one could have anticipated, made it impossible to reduce expenditures. And the last to make this charge should be those who most often make it, namely, the presidents of banks, railroads, insurance companies, and corporations, who, in the dark days of 1933, came to Washington and borrowed millions of dollars from Government agencies in order to save themselves.

As these gentlemen came to Washington with hats in hand and tears in their eyes, begging for financial assistance from the Government, I wonder what they would have said had President Roosevelt told them: "I believe that you need assistance. I believe that the Government must act in order to save the Nation and its people; but in our platform adopted 9 months ago we said we would reduce expenditures, and therefore we must stand by that declaration even though the Government itself should fall."

But they say: "The Supreme Court has held unconstitutional some of the legislation enacted." Well the Republicans should know that during the administration of one of the patron saints of their party, President Lincoln, eight acts were declared unconstitutional, and during the administration of President Grant five were declared unconstitutional.

In every case recently decided by the Court, with one exception, the Supreme Court has been divided. If the Justices of the Supreme Court cannot agree as to whether a law is constitutional, how can you expect the Congress to agree? However, this should be remembered: The Agricultural Adjustment Administration Act which was declared unconstitutional passed the Senate with only six Republican votes against it.

When all other arguments are exhausted, they declare that, in any event, we have spent too much money for relief. A relief bill passed the House 10 days ago. Republicans offered some amendments but not one of them dared to offer an amendment to reduce the appropriation for relief purposes by a single dollar. We must remember that the United States Government never entered into this field of relief until the States of the Union, through their legislatures and their Governors, placed the problem on the doorsteps of the Congress. The original act provided that not a dollar could be advanced to any State until the Governor certified that the State, its subdivisions and its charitable organizations, were unable to care for their needy and their unemployed. And when they denounce this legislation, let me say: When the bill appropriating \$4,880,000,000 for relief and work projects was considered in the Senate, if every Democrat had walked out of the Chamber—if not a single Democrat had voted—the bill would have been passed.

The President, through his appointees, has endeavored to administer this fund wisely. Of course, he has made mistakes, and every man appointed to administer it will inevitably make mistakes. If you open your doors and listen to the pleas of those who come asking your aid, no matter how good a judge you may be of human nature, you are bound to make mistakes and give aid to some undeserving people. The more undeserving they are, the more experience they have had in pleading for assistance and the more plausible they are. But because you may make a mistake, are you going to refuse to respond to every plea for assistance?

The President of the United States and Democratic Senators and Congressmen know that expenditures for relief constitute a political liability. We appreciate that some men out of employment who cannot secure a job are dissatisfied. Even when a man is given a job, we know that the political demagogue will try to convince him that he really is entitled to a better job. These dispensers of discord exist everywhere. You recall the parable of the laborers in the vineyard. When the householder went to the market place early in the morning and found men idle, he hired them upon the agreement to work for a penny a day. At the third hour he found others idle and hired them, agreeing to pay whatsoever was right. Again at the sixth, the ninth, and even at the eleventh hour he found men who said they had been idle all the day because no man would hire them. He gave them employment, agreeing to pay whatever was right. When evening came he knew that those hired at the eleventh hour could not live on the compensation to which they would be entitled for the short time they worked, and he therefore gave to all of the laborers a penny. Whereupon those employed in the earlier hours, even though they received the amount for which they had contracted to work, murmured against the goodman of the house. In like manner there are those who are today employed upon public projects and who, because some other person they believe less efficient receives the same compensation, murmur against the Government that is endeavoring to provide them with employment in order to give them food and shelter.

You know, I am satisfied that at the vineyard described in the Scriptures there was a political agitator who caused the laborers to become dissatisfied with the compensation for which they had contracted, and at times I entertain the suspicion that in South Carolina today there are lineal descendants of that agitator who spend their time trying to arouse dissatisfaction in the hearts of the people for whom the Government is endeavoring to provide employment.

The willingness of some persons to disregard human suffering is not new. We are told that long, long ago, on the road to Jericho, there lay a man wounded and suffering. He was in need. That was relief case no. 1. I imagine that the clergyman who passed without heeding his appeals contented himself with the thought that it was a case for the community chest or Salvation Army. Doubtless the Levite who passed and ignored the cry for assistance feared that if he granted relief he would not be able to balance his budget. But fortunately there came a Good Samaritan, who heeded the cries of the unfortunate man. He did not stop to consider budgets. He took him to an inn, paid for his keep, and then, because his credit was good, pledged that credit for whatever amount was necessary to relieve the suffering of a human being. There comes a time in the life of a government, as in the life of

an individual, when the spirit of the Samaritan must influence our actions and we must place the relief of human beings above the balancing of budgets.

Direct relief is now the duty of local governments. The Federal Government, however, is seeking to furnish jobs to the unemployed. The Republicans and some disgruntled Democrats charge that they are being employed upon projects of no value. I have no doubt that some projects are of doubtful value because they are applied for by human beings and selected by human beings and they will make mistakes. But judge the truth of their statements, not by what is said to be taking place elsewhere but by what is being done in your own State.

Is it a waste to build a hospital in Laurens and Orangeburg, a courthouse in Richland County, dormitories at The Citadel and at Clemson College? Is it a waste to build farm-to-market roads? Is it a waste to build schoolhouses in rural districts? Is it a waste to advance money to the State of South Carolina to enable it to keep open its rural schools and to give employment to teachers? Is it a waste to make loans to the receivers of closed banks so that they can pay dividends to the depositors? Is it a waste to provide funds for rural electrification to make life more comfortable upon the farms and induce the young men and young women to remain upon the farms? Is it a waste to provide for the Civilian Conservation camps? These camps came to the rescue of young men at a time when they were at the crossroads of life. Without this assistance many of them might have been induced in despair to follow a life of crime. In these camps they have received physical training and moral training. They have been prepared for the battles of life. It cost money, but if it saved these boys it is worth every dollar spent.

This is not the only assistance that has been provided. The Social Security Act was passed to assist the States in caring for the unemployables who were formerly the beneficiaries of relief. Under it the Government will lend financial assistance to the States, but the States have absolute power to control and direct the expenditures.

There is nothing sadder than the plight of an old man and old woman who have no means of support. They certainly cannot secure employment in old age. The depression of the last few years exhausted the savings of a majority of the people. It is the duty and the privilege of children to care for their aged parents. But in many cases where children themselves have dependents it is impossible, and an old man and an old woman, feeling themselves in the way, often pray for the coming of the end. In those cases where need exists and families cannot take care of these old people, Government, through the instrumentalities of this law, will help to make their last days upon earth comfortable and happy days.

Who will dissent from the provisions to take care of the blind? Certainly they cannot earn an income. Unless loved ones care for them, they must go to the street corner, and while holding pencils in one hand, with the other ring a bell, in the hope of awakening a response in the hearts of those who pass by.

What constructive program have the Republicans and the disgruntled Democrats associated with them offered the people? The record will show that in the Congress—certainly in the Senate—a majority of the Republicans have voted for practically every legislative enactment of this administration. When they talk about economy, I tell you that only one amendment to reduce an appropriation has been offered by a Republican Senator during the last 3 years. You have never heard of them advocating new taxes. Well, if they have done nothing to reduce appropriations and nothing to raise taxes, how can they talk about balancing budgets?

In 1935 when we initiated the legislation they now criticize, what plan did the Republicans, either in or out of public life, offer as a substitute? What would they have done then? What would they now repeal? Will they foreclose the mortgages upon the farms and the homes of the people? Will they force upon the market the cotton which is held by the Government as security for loans? Will they discontinue the agricultural program?

The American Liberty League has been called the American Celophane League, because it is a Du Pont product and because you can easily see through it. At least, we can clearly see through one activity of Mr. Du Pont and his associates.

The testimony before the Black committee shows that they have been practicing the policy of "sharing the wealth." They have advanced thousands of dollars to organizations organized for the sole purpose of attacking the administration. These organizations are masquerading under various names. In the South, one organization secured a most liberal contribution to create discord among Democrats. And then we learned that from the same source money had come to finance the Talmadge convention in Georgia.

A new party was to be formed, the "Jeffersonian Party." By others it was called the "grass-root convention." The Black committee discovered that the roots extended all the way from Macon, Ga., to Delaware, and into the treasury of the Du Ponts. By this time I think the Du Ponts have learned that they are wasting their money in endeavoring to divide the solid South.

Yesterday morning we heard from Mr. Hoover. He declared he was not a candidate for the Republican nomination. "But," said Mr. Hoover—and when a man says "but" that is where the trouble begins—"But," said Mr. Hoover, "it is significant that almost three-fourths of the delegates to the convention are uninstructed and these splendid men and women have no purpose other than to select the best man to serve the Nation in the greatest crisis it has confronted in two generations."

Now, if that isn't a fine appeal to the uninstructed delegates, I never heard one. He is wrong. The greatest crisis that has confronted the country in two generations was the crisis for which he was responsible and which culminated in the closing days of his administration. The large percentage of uninstructed delegates to the Republican convention is due simply to the crisis in the Republican Party. Never in the last two generations has that great political party been so lacking in leadership. This large percentage of delegates is uninstructed because the Republicans do not know for whom they should instruct their delegates to vote.

Every Democrat has just as much right to criticize our Democratic President as I have to praise him. When a party comes into power at a time and under such circumstances as those which faced us in 1933 it was inevitable that we would be forced to do many things as to the wisdom of which men might justly differ. Though I have participated in what has been done by the Congress, I do not approve of every law that has been enacted, nor have I been in accord with every view and act of the President. If today he has any regard for me, I believe it is due in great measure to the fact that when I disagree with him I tell him so; and I and every other Member of the Senate or House have ever found him willing to hear and consider our views. However, we must recognize that no administration can be judged by any one law, nor can a President be judged by his views upon any one question. The record of a Congress or of a President must be judged as a whole. The spirit of Democracy is that we fight our battles within the party and abide by the will of the majority. My earnest hope is that when this convention has spoken and the national convention has spoken those honest and sincere Democrats who have criticized the administration because of some one or two measures will, after considering the record as a whole, determine to wholeheartedly support the nominee of their party.

But, my friends, no man can be neutral. As a citizen, he has a duty to perform. He is either for us or against us. If, after the convention has spoken, a man who calls himself a Democrat, intends to criticize the nominee of the Democratic Party and the Democratic administration; if he intends to befool his own nest and give aid and comfort to the enemy, then he should have the courage of his convictions and "take a walk." However, when he starts walking, he should know where he is going. This year there are going to be no "Hoovercrats" and no other kind of "crats" except Democrats. If a man determines to leave the house of his fathers and start walking, he will find no resting place until he nestles in the arms of Joe Tolbert and his gang of patriots.

In politics, we have heard much of the friends of the working men. I want to see how many friends there are of these "walking men." To the end that we may know the sentiment of South Carolina Democrats, I hope this convention will consider a resolution unqualifiedly endorsing the administration, and pledging the delegates of South Carolina to support the renomination of Franklin D. Roosevelt. If in the convention there are those who favor other candidates, I hope they will offer a substitute resolution. Then, I hope there will be a standing vote. I have no doubt about the result. I hope the press will announce that result so that the people of the Nation may know that the few newspapers and individuals in South Carolina who have for 3 years, day after day, and week after week, denounced the President of the United States and the Democratic administration, do not represent the true sentiment of our people; that South Carolina, the strongest Democratic State in the Union, remains true to the Democratic Party and remains loyal to Franklin D. Roosevelt.

THE ADMINISTRATION'S AGRICULTURAL ACHIEVEMENTS—ADDRESS BY SENATOR BULOW

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the Senator from South Dakota [Mr. BULOW] on May 22, 1936, on the subject of the Administration's Agricultural Achievements.

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

Most of my life has been devoted to wrestling with agriculture problems, and therefore I am more interested in farm conditions than any other. When the farmers of the Nation are in a healthy and thriving condition the people of the Nation thrive, and this thrift is Nation-wide and not confined to farming localities. When the farmer is down and out no one thrives. The effort that the Roosevelt administration has made to be helpful to agriculture has no parallel in American history. The vision of President Roosevelt with respect to agriculture, the basic industry of our Nation, goes far beyond that of any other President. The fact that the Nation depends upon those citizens who are engaged in the production of grains, fibers, and meats has been taken as a matter of course, and perhaps because of the fact that most of the citizenry of this country were engaged in these enterprises, it might be said that this was everyone's business and therefore no one's business, and therefore no prior administration made a sympathetic study of the farmer's problem.

It may seem paradoxical to say that when Mr. Roosevelt became President not only the farmers of the country, but also those engaged in other industrial pursuits, were starving in a land of plenty; yet that was a fact. The farmer for some years had not received cost of production for the food that he produced to feed the Nation, and this situation could not continue. The farmer

who produces the food that keeps the Nation alive must have cost of production plus a profit.

The Roosevelt plus-profit program was inaugurated to bring this about and the 3 years of this administration reflect a most gratifying result. The work, though showing splendid results, is not ended; the job is not complete but a good beginning has been made and agriculture sees the dawn of a grander day. The time on this occasion does not even permit a full reference to the many activities of this administration—agricultural achievements in behalf of those who till the soil, but the sum total of these achievements are realized by everyone and point with an unerring finger to a star of hope. The critics of the administration do not condemn the agricultural program as a whole but pick out specific things and say this, that, or the other thing was wrong, even though the medicine prescribed cured the patient; yet the medicine prescribed was the wrong medicine, so they say, but they write no prescription of their own. The farm problem is as big as the Nation and the Roosevelt vision is not focused on one locality to the exclusion of others but is a Nation-wide view taking in the entire national picture in which every one is reflected. A nation as large as ours has conflicting interests and different views that must be harmonized and blended into a harmonious whole. A program that is beneficial to some sections of the country is not so beneficial, in fact may be harmful to other sections, and it becomes the duty of an administration in guiding our national destiny to harmonize these conflicting interests as much as possible into a program of national welfare affecting all of our people and making all classes subservient to the general welfare.

The present administration is making a more conscientious attempt to do this than has ever heretofore been made in the history of our Republic. To give you an illustration and a concrete example of conflict between a local and a national view, let me say that at the present time I am receiving complaints from the people of South Dakota, the State I have the honor to represent in part in the Senate, against importations into this country from Canada under the reciprocal trade agreement. It is difficult for our people to reconcile the policy of curtailing home production of grain and meats and permitting importations from foreign countries. The people of my State feel some objection to a Federal program that provides for a reduction in home production of grain and meats and then permits the importation of wheat and beef from Canada. Representing the people of my State and having only the picture of South Dakota in mind, I share in their objections and from the viewpoint of my State it is hard to reconcile the two propositions. But that is a local and State view and not a national picture. My State is basically agricultural and we exchange our products for the products of industry of other States and foreign nations. We are interested in exchanging our products with the people of sister States and foreign nations. The ideal situation to us would be if we could market our surplus products in jurisdictions outside of our State upon our own terms and without competition in these outside jurisdictions as to the products that we produce but that is not the way trade negotiations are conducted. It takes two agreeing minds to make a trade among individuals and the same rule maintains among nations. If I want to trade with my neighbor, I must accept something that he has in return for the horse I trade him.

If we want to sell our automobiles and other products of industry to the Canadians, we must accept something that the Canadians have in return, and whatever that something is, on account of the diversified industries of our country, it of necessity will be stepping on somebody's toes and be objectionable to someone. I do not like the importation of wheat and beef from Canada or from anywhere else in competition with the people from my State, but I do not subscribe to the fear expressed by the critics of the administration and of the New Deal that those importations are going to ruin us. In exchange for these importations we are expecting to export an equal amount of some of our national products. The law of trade balance must govern and, over a period of time, exports and imports must balance.

Neither am I alarmed at the comparative figures constantly quoted by the critics of the administration as to the amount of imports in 1936, compared to a similar period in 1932, before the New Deal came into existence. In 1932, before we had the New Deal, we did not import very much from Canada nor from anywhere else, because nobody had any money to buy imports. Our people could not even sell their home products. There was no market. We were all starving to death in a land of plenty. The New Deal has changed this picture. Let me suggest to those who are constantly lambasting the administration's whole agricultural policy, that they reflect on agriculture's condition before the advent of the New Deal. I don't believe any thinking American willingly wants to go back to those terrifying days of prior administrations.

As before indicated, I hold no particular brief for the so-called Canadian reciprocal treaty, and I regret the importations of wheat and beef in competition with the people of my State, and I wish that the situation might be otherwise. I wish that we might be able to make a treaty not only with Canada but with all the other nations, by the terms of which Canada and these other nations would agree to buy everything that we had to sell at a price we demanded without our agreeing to buy anything from them in return. But that manifestly cannot be done. That would be an ideal treaty from our viewpoint, but even that kind of a treaty would not meet with the approval of some of the critics of the New Deal.

Let us not become too much exercised or too much alarmed about this treaty with Canada ruining the agricultural interests of this country. A careful reading of the treaty provisions will disclose to the fair-minded person that it is not a one-sided affair and that the benefits that this country will derive at least will equal the benefits derived therefrom by the Canadian people. The agreed fixed quotas will prevent any form of dumping, and we ought not to get too much alarmed until we really are hurt. Even if it should be conceded that this treaty was not in the best interest of some agricultural States, it will not be of major importance but minor when we survey the entire administration agricultural achievements as brought about by the entire New Deal program in saving not only the farming industry but the entire national economic structure from total wreckage.

After all, the farmer is far better off under the New Deal selling wheat at a dollar a bushel and beef cattle for 10 cents a pound against this so-called Canadian competition than to be selling wheat for 30 cents a bushel and beef for 3 cents per pound under the "old deal" without such competition.

THE UNITED STATES SUPREME COURT—ADDRESS BY GOVERNOR OLSON

Mr. WHEELER. Mr. President, I ask leave to have printed in the RECORD an address delivered by Governor Olson, of Minnesota, before the Farmer-Labor State convention at St. Paul, Minn., March 27, 1936, relative to the United States Supreme Court.

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

[From the Minnesota Leader of Apr. 4, 1936]

OLSON RAPS SUPREME COURT "USURPATION"—ADDRESS BY GOV. FLOYD B. OLSON, OF MINNESOTA, BEFORE THE FARMER-LABOR STATE CONVENTION AT ST. PAUL, MINN., MARCH 27, 1936

A tremendous and concerted effort is being made by those who champion the perpetual continuation of the present social and economic system to place a halo around the members of the Supreme Court of the United States and to create an impression that the members of that Court and the inferior Federal courts are supermen who sit like all-wise oracles upon the top of some imaginary Mount Olympus, unaffected and uninfluenced by the hopes, aspirations, and prejudices of the more common mortals who inhabit the valleys of the earth.

CRITICISM OF COURT

Added to this endeavor is the further endeavor to place those who criticize the Court in the position of dangerous enemies of the Nation and its continued existence. If one were to believe these contentions, one would conclude that today is the first time when the Court has been the subject of criticism by the people of the United States. Before undertaking an analysis of the Supreme Court and its members and a criticism of its conduct, let us consult the history of the United States and see whether or not this allegedly sacrosanct body has ever before been attacked because of its conduct and if ever before its motives have been impugned.

When we consult history we find a long list of distinguished Americans who have inveighed against the tribunal in language far more critical and bordering more upon invective than any language used during the present time in criticizing the Court. I call the roll:

Following the decision of the Supreme Court in *Marbury v. Madison*, where it assumed the powers to nullify acts of Congress upon the ground that they were not consistent with the Constitution, Thomas Jefferson, the author of the Declaration of Independence, and the outstanding champion in all American history of human rights and liberties, said: "But the opinion which gives the judges the right to decide what laws are constitutional and what not, not only for themselves in their own sphere of action but for the legislative and executive also in their spheres, would make the judiciary a despotic branch." So impressive was the stern criticism of Jefferson that it held the Supreme Court of the United States in check for some 55 years, during which time it did not undertake to nullify any act of Congress.

RAPPED BY G. O. P. PAPER

What did the Republican Party of the United States, which is now endeavoring to picture the Supreme Court as the holy of holies, say in the past about that Court? After the Dred Scott decision, in which the right of Congress to abolish slavery in the Territories was set aside by the Supreme Court, the outstanding newspaper spokesman of that party, the New York Tribune, said:

"The long-trumpeted decision having been held over from last year in order not too flagrantly to alarm and exasperate the free States on the eve of an important Presidential election is entitled to just so much moral weight as would be the judgment of a majority congregated in any Washington barroom. It is a dictum prescribed by the stump to the bench."

It further said:

"The vote stood 7 to 2, the 5 slaveholders and 2 doughfaces making up the 7."

COURT OF INJUSTICE

The New York Independent, another Republican newspaper, in an editorial headed "The decision of the Supreme Court is the moral assassination of a race and cannot be obeyed", said:

"The moment the supreme judicial court becomes a court of injustice, a court to carry schemes of oppression against classes of men by forced constructions of the Constitution, that moment its claim to obedience ceases. The moment it becomes the court of a political party and not of the United States, and promulgates falsehoods, that moment its decisions cease to be binding and impeachment, not obedience, belongs to it. The decision is a deliberate iniquity. It is not a mistake, but it is a deliberate, willful perversion for a particular purpose, and that purpose the sanction and perpetuity of human slavery. If the people obey this decision they disobey God."

The Republican Legislature of Maine adopted a resolution stating "that the extrajudicial opinion of the Supreme Court in the case of Dred Scott is not binding in law or conscience upon the Government or citizens of the United States."

The foregoing quoted language not only denoted wanton disrespect for the decision of the Supreme Court and for its members, but it actually counseled rebellion against the mandates of that Court.

The great Abraham Lincoln commenting upon the decision said: "If the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by the decisions of the Supreme Court the instant they are made in ordinary litigation between parties in personal actions, the people have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of that eminent tribunal."

The Democratic Party in 1895 and 1896 did not hesitate to use similar language in denouncing the decision of the Supreme Court declaring the Federal income-tax law unconstitutional by a vote of 5 to 4. Many years before the Supreme Court had held such a law constitutional—in fact, in the original decision in 1895, the vote was 5 to 4 in favor of the constitutionality of the income-tax law, but upon reargument, one judge changed his mind and his vote, with the resultant unconstitutionality of the law.

Theodore Roosevelt repeatedly attacked the assumptions of power by the Supreme Court and advocated the overruling of judicial decisions on constitutional questions by recall.

Even though history did not inform us of the repeated criticisms of the Supreme Court in the past, the exercise of our constitutional right of free speech and the upholding of the principle that the people are sovereign, and not the Court, not only justifies, but demands that criticism shall be made of that body for its exercise of powers in a manner contrary to the principles of a democracy.

"It is not my purpose here to denounce the Court nor even to approach the use of language similar to that used upon occasions in the past by critics of the Court. While I dispute the constitutional right of the Supreme Court to nullify acts of Congress, I am willing to assume that because of its exercise of that power over a long period of years that power has become imbedded in our American system of government and I accept it as such. It is not the jurisdiction of the Court that I challenge here, but its use of its jurisdiction."

A TRIBUNAL OF MEN

The claim that this tribunal is one merely of powers is erroneous. It is fundamentally and essentially a tribunal of men. Those men are not supermen. Providence has not gifted them with any capacities foreign to other men. They are subject to the same prejudices and passions and the same influences as other men. Acting as men in the interpretation of the Constitution with reference to legislative acts designed to change the social and economic status of the people of a State or of the Nation, they determine the constitutionality of that legislation not from anything that appears in the written Constitution but from their own ideas as to whether or not the legislation is wise and proper.

My contention is proven beyond a reasonable doubt by the very fact that the men who sit upon that Court continually disagree as to the interpretation of the Constitution with reference to social and economic legislation.

DISPUTES JUSTICES' CLAIMS

These men, acting as such, have sought continually to implant in the minds of the people the idea that their decisions are determined entirely from a reading of the written Constitution of the United States. For example, the claim of Justice Roberts in the A. A. A. decision that the Court lays the law beside the Constitution and determines whether or not the law squares with the Constitution is mere legalistic hypocrisy, because there is no living being who can place a law effecting social and economic change alongside the Constitution and find any definite statement in the Constitution authorizing or forbidding that law.

Can Justice Roberts find any reference in the Constitution to the control of agricultural production? Of course not. The Constitution is a document written in general terms, and, while it is easy for its readers to determine that the use of the word "two" in specifying the number of Senators from each State means two, when the reader comes to words and phrases such as "reasonable", "persons", "property", "necessary and proper", "due process of law", "privileges and immunities", the Constitution has, as one judge very aptly said, "a convenient vagueness." Not even the Court has ever undertaken to define those terms in an all-inclusive definition.

JUDGE'S VIEW REFLECTED

The phrase "necessary and proper" means to the reading judge what he thinks it ought to mean in the light of his own viewpoint of life, and of social and economic conditions. So with

"due process of law." What is "property"? What emphasis should be laid upon the word "property" in the Constitution when property rights come into conflict with the rights to life, liberty, and the pursuit of happiness? Which is the end to be attained in our system of government—life and liberty, or property? Is property a means to the end that we may have life, liberty, and the pursuit of happiness, or is it an end in itself to which life, liberty, and the pursuit of happiness must yield? What is a "person"? The Court says it includes corporations, but the Constitution does not so state.

These are but a few of the innumerable questions arising in the interpretation of the written constitution. When a judge undertakes to interpret words of general import in the Constitution, can he do other than interpret them in the light of his own convictions and his own experiences? In other words, in interpreting the Constitution he interprets it not from the lessons of law, but from the lessons of life; and when he does so, of necessity, and because he is a mere human being, he interprets legislation in the light of what he believes to be wise and proper. If he be conservative in his thoughts he will interpret the Constitution from a conservative social and economic viewpoint; if liberal, from a liberal viewpoint. In fact, that has been the history of the decisions of the Supreme Court of the United States.

#### CHARGES CONSERVATIVE BIAS

If we examine the decisions of that Court we find conclusively that it has interpreted legislation, State and National, not only with a conservative viewpoint, but with a conservative bias.

The Supreme Court set aside the so-called A. A. A. legislation upon the ground that the powers undertaken to be exercised therein by Congress were powers held exclusively by the States. Many of my listeners would join with me in challenging the wisdom of the Agricultural Adjustment Act, but the wisdom of the act is none of the business of the Supreme Court.

#### CITES NORTH DAKOTA CASE

In the case of the North Dakota Grain Grading and Inspection Act decided in 1922, the Supreme Court of the United States took a position diametrically opposite to the one taken in the A. A. A. case. And curiously enough, the vote in both cases was the same—6 to 3. In 1919 the legislature of North Dakota undertook to stop the systematic defrauding of farmers in the purchase of their grain in North Dakota by establishing a State system of licensing, and of inspection, grading and weighing, and by requiring a purchaser of grain either to pay separately for the dockage on the grain, or to return the same to the farmer.

The Court held that because most of the wheat in North Dakota was shipped in interstate commerce, the law was a burden upon interstate commerce and therefore beyond the power of the legislature of North Dakota to enact. What is true of wheat in North Dakota is true of wheat all over the United States, and what is true of wheat all over the United States is true of every other basic agricultural commodity; that is, that the bulk of that commodity produced within a State is shipped beyond the borders of the producing State.

#### FOR FAIR PRODUCTION PRICE

The only way to regulate production or to undertake to provide a fair price for the producer of agricultural commodities is by the exercise of the taxing power or by other regulations. Under the A. A. A. decision, the Supreme Court said that the power of regulating production was exclusively one to be used by the States. Under the North Dakota grain decision, it said in substance that every attempt by a State to regulate the production and sale of agricultural commodities constituted a burden upon interstate commerce and was beyond the powers of the States.

And so in the A. A. A. case the astute members of the majority undertook to nullify the act of Congress by asserting a right exclusively enjoyable by the States, which right the Supreme Court of the United States had already taken away from the States.

A conservative majority has continually interpreted the Constitution with respect to social and economic legislation so as to favor the rights of property as against the rights of the human being. I do not charge that they have been corrupt in so doing. I do charge that they have so held because that is their social and economic conception of what should be in this Nation.

The Congress of the United States declared that all combinations and trusts in restraint of trade were unlawful and criminal. The Supreme Court of the United States in an adroit opinion of a divided Court, held in substance that there were good trusts and bad trusts, and that the good trusts were not subject to the sanctions of the Sherman Act.

#### COURT MAKING LAW

That was not interpretation of a law. That was lawmaking. That was for the benefit of monopoly. On the other hand, they read into the Sherman Act an interpretation that labor unions engaged collectively in a strike were operating in restraint of trade and in violation of the Sherman antitrust law. That was more lawmaking, but this time it was against the human right of collective action by human beings seeking to attain a better standard of living through better wages and through better working conditions.

#### GENERAL-WELFARE CLAUSE

In the Lochner case the Supreme Court held that the State of New York had no right to limit the working hours in bake shops to 60 hours per week because it interfered with the free opportunity of contract. There is nothing in the Constitution about wages or working hours, but there is a general-welfare clause,

which the Court could have applied with greater force in sustaining the law.

The Supreme Court has laid the cold hand of despair not only upon State legislation tending to benefit cooperative enterprise, as in the Frost cotton-gin case, and upon protection of the consumer in the Nebraska bread-labeling case, and in the Oklahoma ice case, but it has sought to perpetuate the institution of child labor by nullifying an act of Congress forbidding the shipment in interstate commerce of goods manufactured within a State through the labor of children.

Just as in the Dred Scott decision it sought to perpetuate the institution of Negro slavery, so has it subsequently undertaken to perpetuate, insofar as its powers can so perpetuate, the institution of child slavery. Even beyond that, its decisions have tended to perpetuate the economic slavery of the producing groups of the United States.

It is of no avail for the champions of the Court to point to the fact that the acts of the legislatures of the several States pertaining to social and economic matters which have been set aside by the Court are comparatively few in number. It is not so much the number of those which have been set aside that is important. It is the great amount of legislation that never was passed by the legislatures which would have been passed were it not for these barriers that have been set up by the Supreme Court in a comparatively small number of cases in which it has held acts of State legislatures to be inconsistent with the Federal Constitution.

#### CONTRASTS DECISIONS

If anyone doubts the viewpoint of the present court with reference to the protection of property, he need but read the decision in the North Dakota tax case recently handed down, and contrast it with the decision in the Baltimore utility case made only a few years ago.

In the North Dakota tax case the majority opinion declared that the State of North Dakota, in valuing a railroad for the purpose of taxation was obliged to take into consideration the effect of the depression upon the reduction in valuation of its holdings, even though the railroad in North Dakota was taxed upon the same basis and under the same principles as every other citizen and corporation in the State. In the Baltimore utility case, the Supreme Court held that in determining the valuation of the utility for the purpose of fixing rates to be charged the public, that the local government could not take into consideration the effect of the depression upon the reduction in the valuation of the property of the utility.

#### LEGAL NO MAN'S LAND

By reason of the nullification of acts of Congress and the restraints placed upon the legislatures of the several States in their endeavors to promote the welfare of the citizens of this Nation, the Supreme Court has created a legalistic no man's land within the boundaries of which no representative institution of the people of this country may trespass, because of the "no trespassing" and "no admittance" signs erected by the Supreme Court. Within that no man's land of legal jurisprudence is found all the fundamental problems, all the social and economic oppressions, all the denials of the pursuit of happiness, to which the American people are now subject.

#### REMADE BY COURT

This situation has been created because the Court has remade the Constitution. The cry of the reactionaries that we "return to the Constitution" is as silly as would be futile our endeavors to so return if we desired. There is no constitution of the founding fathers to return to. It has been remade by the Supreme Court, sitting as a continuous constitutional convention.

Is it only the liberals and radicals of this Nation that so contend? Let us call the roll. Let us see what so-called respectable citizens have said about the exercise of its powers by the Supreme Court.

President Taft said, in substance, that the Constitution was being constantly remolded in the light of the interpretations of it by the Court.

The present Chief Justice Charles Evans Hughes, said:

"The Constitution is what the judges say it is."

And then we have the following statement: "The Supreme Court is a continuous constitutional convention" from none other than Mr. James Beck, counsel in chief of the Liberty League of America.

In addition to the mandates and dictates of the Supreme Court, we are confronted with a huge mass of decisions on the rights of citizens, and interpretations of State and Federal constitutions, by about 200 judicial satraps who preside over the inferior Federal courts. And all of these members of a judicial oligarchy, holding office for life, are operating and decreeing and dictating without any check whatsoever upon their actions by the people of the United States, either directly or through their representatives in the legislative and executive branches of the Government.

That any branch of the American Government should operate without any check whatsoever is contrary to the fundamental principles not only of the Government of the United States, but of any democracy. How then can we check the judiciary?

#### FOR CHECKS ON COURT

Some desire a check through a constitutional provision which shall require the votes of at least seven of the nine members of the Supreme Court in order to set aside an act of Congress. Some groups advocate a constitutional amendment which will provide that the decisions of the Supreme Court declaring an act of Congress unconstitutional may be overruled or vetoed by a vote of two-thirds of the Members of Congress.

As a means of checking autocratic power these proposals are worthy of great consideration, but one must not overlook the fact that with the potential growth of fascism in this Nation, we could conceivably have a Fascist-minded Congress which would pass sedition laws and other laws interfering with our civil liberties, and that it would be impossible to obtain seven votes on the Supreme Court to set aside those laws. Or if the other possible check be instituted, the sedition laws set aside by the Supreme Court might be reenacted by a two-thirds vote of a Fascist Congress.

It seems to me, therefore, that the most effective means of checking the despotism of the Federal judiciary is to adopt the same check with reference to them that is used by most of the States with reference to State judges—that is, a limited term of office rather than a life term of office.

I propose therefore an amendment to the Constitution of the United States which shall provide that members of the Supreme Court of the United States and its inferior courts shall hold office for a term not to exceed 10 years, and that they shall continue to be appointed by the President, with the advice and consent of the Senate.

It is difficult to determine the presence or lack of ability and the presence or absence of partisanship in a man when he is originally being proposed for appointment to the Federal bench, but after he has served any considerable period as a member of that bench it is not difficult to analyze his capacity and impartiality, or the lack of it. It has been difficult to prevent the original appointment of men who were allegedly biased in their viewpoints, but it has not been difficult to prevent the promotion of members of the Federal bench whose judicial conduct has disclosed a lack of fairness. I need but cite the cases of Parker, Wilkinson, and McIntosh to sustain the claim just made.

#### CONSTITUTION SILENT

And the proposal is not answered by claiming that it runs counter to the conclusions of the so-called founding fathers, because there is no convincing proof that the founding fathers, in conferring a life term upon members of the Federal judiciary, intended that that judiciary should exercise the power to nullify acts of Congress. In fact, the Constitution itself, in which that power must be found, is absolutely silent on the subject.

And the proposal is not answered by the claim that we would thereby deprive the Federal judiciary of its independence, because independence without check is the equivalent of dictatorship. There is no branch of the American Government that can be absolutely independent of the people, unless we cast aside the fundamental doctrine of popular sovereignty which is the very basis of the American form of government.

#### STATE JUDGES' TERMS LIMITED

And to challenge the proposal upon the ground that it would subject the members of the Federal judiciary who are subject to reappointment, to outside influence, is to insult the integrity and fairness of every State judge in the State of Minnesota and in all the other States where they are appointed and elected for a definite term of years.

If we appoint them for a definite term, the people will have a check upon them by being able to protest when their terms expire and they are proposed for reappointment.

To fail to take steps to curb the ever-increasing domination of the Federal Court over our Government and our lives is to resign ourselves to the dictatorship of a tribunal having all the attributes of kingship except hereditary succession, and possessing greater powers than any king.

#### WOMEN'S BUYING POWER—KEY TO RECOVERY

Mr. WHEELER. Mr. President, on Wednesday, May 20, 1936, Hon. I. M. Ornburn, secretary-treasurer of the union-label-trades department of the American Federation of Labor, and Hon. John M. Baer, former Representative from North Dakota, engaged in a dialogue discussion on the subject of the Union Label over the national network of the National Broadcasting Co. Mr. Ornburn is an authority on the subject, and I believe all the Members of the Senate will undoubtedly wish to read this brief discussion. I ask unanimous consent that the discussion may be printed in the CONGRESSIONAL RECORD.

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

Mr. BAER. In leading up to the principal topic of this discussion, I shall ask Mr. Ornburn a few questions, the answers to which, I believe, will give us an important background to his final conclusions.

Mr. Ornburn has always been an ardent advocate of union-label goods and union services. He also has taken a firm American position by consistently urging the buying public to purchase domestic-made goods in preference to foreign-made products. He holds that just so long as one American worker is out of a job American money should be spent for the merchandise of our own industries instead of sending it abroad to buy goods of European and oriental nations.

This problem of foreign buying concerns not only organized labor but it is one that should concern every citizen who works

for a living, as well as the taxpayers who are footing the bill for taking care of the 20,000,000 persons now on relief.

It gives me great pleasure to introduce Mr. I. M. Ornburn, one of America's outstanding labor leaders and advocates of "America first." Mr. Ornburn, how can we increase the purchasing power of the masses of the people?

Mr. ORNBURN. There is only one way. It is to increase wages. Wages can best be increased through organization of workers into labor unions. Organized labor has been the single force in raising wage standards in America. The so-called white-collar workers, as well as the unskilled laborers, would still be working long hours for a dollar a day if it were not for the collective efforts of members of labor unions.

The State and National Governments in some instances have set minimum wages, but they have always been initiated through the efforts of labor unions.

Congressman CONNERY, an ardent supporter of union labor, recently wrote into the Works Progress Administration appropriation bill a provision which will require that prevailing wages be paid on Federal relief projects. Such action forces the Federal Government to pay the union scale of wages. Uncle Sam should set an example for private employers by paying the highest wages.

Mr. BAER. How can we obtain employment for the 12,000,000 jobless workers?

Mr. ORNBURN. The only answer is to shorten working hours. Here again the organized-labor movement has been the greatest factor in decreasing the workday and workweek for unorganized workers as well as for union men. Working hours can be written into the contracts between private industry and labor unions.

The productive power of the worker through the use of machinery has increased faster than his buying power. That is the cause of increasing unemployment. There is nothing so disheartening as to see an honest man, willing to work, but unable to obtain a job that will keep his family in ordinary comfort.

Mr. BAER. How can workers safeguard the wages and hours obtained through collective bargaining by labor unions?

Mr. ORNBURN. Organized workers can maintain American labor standards only by buying their own products. These products bear the union label, which is a guaranty that they are union made and it is also the best assurance that they are American made.

Mr. BAER. What is the key to recovery, Mr. Ornburn?

Mr. ORNBURN. The women's buying power, which is estimated at about four-fifths of the wage earner's income, is the key to recovery.

Mr. BAER. Are the women members of the labor unionist's family organized?

Mr. ORNBURN. Yes, indeed; wives of labor unionists have formed women's auxiliaries to the various national and international labor unions of the American Federation of Labor, and also the standard railway brotherhoods. Just last month representatives of the various women's auxiliaries met in Washington and formed the American Federation of Women's Auxiliaries of Labor. It is merely a coordination of the various women's auxiliary movements of American labor. It is destined to be one of the most powerful groups in America. There are now over 2,000,000 members of these ladies' unions, and the potential power of these women and their friends in the market place is greater than any other organized group of society.

Mr. BAER. How can the women help America to recover from this disastrous depression?

Mr. ORNBURN. I wish I were able to effectively emphasize the power that is in the purse of these women. They are able through their purchases for the ordinary household to revolutionize our entire industrial system. Many of these women, however, have come to realize that by patronizing only firms which display the union label, shop card, and button can they protect the wages, hours, and the jobs of their husbands. When the 7,000,000 wives of organized workers come to a full realization of their economic power and also urge their neighbors to buy union-label goods and patronize union services, then the industries of this country will be compelled to recognize the principles of collective bargaining. If firms do not recognize labor unions, which means higher wages, shorter hours, and better working conditions, then they will not be able to sell their products. I emphasize the women's auxiliaries because the members of these organizations are the wives and other members of the labor unionist's family and naturally will take a greater interest in his welfare. There are other women's organizations and also union-label leagues that have many women members. These ladies are doing splendid work for the union label at the present time. The combined membership of these women's organized groups will, I know, create a vast demand for union-label goods and union services within the next year. They know that it is the only way out. They know that the union label is constitutional, and therefore will not be hampered by decisions of our courts. They further know that only by patronizing the firms that recognize labor unions and display the union label, shop card, and button can they uphold American standards and protect the jobs of their breadwinners.

The union label trades department confidently announces that from now on the wives of the unionists will buy collectively in the same degree that their husbands bargain collectively.

Mr. BAER. Will the industries that become unionized receive any benefits from the display of the union label, Mr. Ornburn?

Mr. ORNBURN. Yes; there are mutual benefits to be derived from a labor-union agreement and the use of the union label. We have received numerous letters from large manufacturers who have

stated that they increased their sales immediately upon the display of the union label. Allow me to quote from a letter received from Rolland E. Friedman, president of the American Chemical & Cosmetic Co. of Indianapolis. Mr. Friedman says:

"We know that the fact that our products are union made and that our plant is 100 percent organized has been the reason for the tremendous demand for our barber supplies and cosmetics. This company has shown an average of 400-percent increase each month in its sales. It is due to the cooperation we have received from members of organized labor."

Mr. BAER. If we do not shorten working hours, what will be the result?

Mr. ORNBURN. With the increase in population and the use of machinery unemployment will grow to such an extent that half of the workers will be on doles.

Mr. BAER. Do you think that the union label alone will solve our economic problem?

Mr. ORNBURN. Yes; it will; because the union label is the emblem of a great cause. That cause stands for definite principles, which are higher wages, shorter hours, and greater social justice. One cannot divorce the union label from the labor-union movement. When all the remedies of organized labor are taken as a whole we find that it has set forth the only constructive program for solving our economic ills.

Mr. BAER. But what if these principles are not adopted by American industry?

Mr. ORNBURN. Then America will face a general panic, which will be far more severe than the so-called depression through which we are now passing.

If unemployment continues to increase and something permanent is not done to remedy it, I doubt if enough revenue can be raised by the Government to take care of the idle workers and their dependents. The great majority of unemployables normally supported by workers when they have employment at decent wages are also thrown on relief.

Merchandise and other commodities in themselves are not wealth. It is not until all consumers have sufficient buying power to purchase goods that they become wealth.

America must utilize every possible means to retain its position in the industrial world. We cannot retain our high standards of living if we do not cut off the competition of foreign manufacturers and give the masses of the people sufficient buying power to balance our consumption with our production.

Mr. BAER. What will happen if we do not shut out cheap foreign products?

Mr. ORNBURN. It will destroy American industry and increase our breadlines.

Mr. BAER. If the Federal Government does not eliminate the sweatshop and other unfair products in its own purchases, what will happen?

Mr. ORNBURN. It will destroy the labor conditions of American workers, because many industries point to the Government as a standard when promoting the general sale of their products.

America's wealth is not the gold in its vaults nor the savings in its banks. It is the goods and commodities that labor and farmers produce. When Americans buy foreign-manufactured goods and farm commodities they are increasing the wealth of other nations, creating a surplus at home, and thus decreasing our own wealth.

The purchasers of imported goods are supporting Hitlerism, fascism, and other "ismities" of foreign countries.

Since the Supreme Court has declared the new-deal acts unconstitutional, the only channel through which the American worker can obtain economic freedom is through labor unions.

I implore the workers of America to join a labor union of their own craft, and the wives of the workers to buy only union-label goods. This will do more to offset communism, on the one hand, and dictatorships, on the other, here in our own beloved land of America, than any other single remedy.

The union-label trades is a department of the American Federation of Labor and is the clearing house for information and publicity about union labels, shop cards, and working buttons. These emblems are authorized by the American Federation of Labor for labor unions that display insignia to designate their products or services.

For those who are not familiar with what I mean, the union label is a symbol which is displayed by means of a cloth or paper label, stamp, or other imprint upon products to indicate that they are made in unionized shops, factories, and other industrial establishments.

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

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

Many forward-looking businessmen have come to realize that increased purchasing power can be obtained only through increasing the income of the wage earner.

Mr. Lucius Tilley, Jr., president of the Rich Maid Manufacturing Co., of Richmond, Va., who, by the way, is a large manufacturer of union-made products, recently stated: "The only way that our Nation can recover is for American business to cooperate with the American Federation of Labor in raising the wages and reducing the hours of American workers."

We were greatly pleased with the response we received from our last broadcast over this national network. Thousands of letters

asking for copies of the address and the Union Label Directory came in from all parts of the country. We were especially gratified to receive numerous requests from high-school and college students who desired to obtain information regarding organized labor and union-made products.

We also received requests from college professors who expressed a desire to make the union label a part of their course in economics.

We are anxious to have authentic facts about the American Federation of Labor and the union label, shop card, and button placed in every public library, high school, and university in this country. We prefer to have these facts go out from an official source rather than having distorted statements about organized labor sent out by the propaganda bureaus of the powerful monopolies antagonistic to organized labor.

No course in economics is complete without this information about the American Federation of Labor, which has been the principal factor in bringing about shorter hours, better wages, and more decent living conditions for the average worker.

Economics itself is the effort of man to obtain a living. Surely the effort of organized labor to obtain a better living for American workers is a very vital factor in the economics of our national life.

The union-label trades department is receiving encouraging reports from all parts of the Nation. Here is a message that we received today from the Union Label League of Alameda County in California:

"The demand for union-made products has jumped over 100 percent in the past 8 months, and reports reaching this office show that the merchants are being hard put to keep up with the demands made upon them, not only for the lines already carried but for new lines which have come into the market."

From the Austin Trades Council, of Austin, Tex., comes the encouraging report that—

"The Austin Trades Council is finally making organized labor felt in this community, and prospects look bright for a fast growth during this year. We have succeeded in getting interest created in a union-label league, and they are really working. They already have 200 signers to our pledge 'I promise to buy only from firms that display the union label, shop card, and button.' We have just started, but, believe me, we are going to start something."

From Barre, Vt., this message comes from Brother Cecil V. Crawford, secretary of the Vermont Federation of Labor:

"The labor movement in Vermont is taking a renewed interest in the union label, shop card, and button and any information that you could send us from time to time will be highly appreciated and used to advantage."

From John Burdoff, a merchant of Morgantown, W. Va., we received the following:

"I sell clothes, but I want to know where I can get the union-made lines, for I see where other stores are selling them. I am going to talk union-made every day."

In these new-deal days when the administration desires to have a certain bill passed in Congress, it is called "must" legislation. There are two measures that organized labor should like to see on the "must" list. One is the Walsh bill, which provides that any firm that sells any products to the United States Government shall maintain a fair labor standard in its industry. The other bill is the Black 30-hour-week measure.

Workers must register and vote to elect their friends and defeat their enemies. It is the only way to obtain Members of Congress who will support necessary labor laws.

There are some "musts" for workers in the economic, as well as the legislative field. They are absolutely indispensable if workers hope to retain their jobs, maintain the present wage scale, and uphold American standards.

Members of labor unions must spend their union-earned money for union-label goods and union services. Each day of the year organized workers spend \$2,000,000. If this amount is not spent for their own products and their own services, their jobs will be scarcer and wages will be cut lower and lower.

Workers must organize into labor unions.  
Workers must buy union-made goods and union services.  
Workers must wake up before it is too late.

#### REGULATION OF COMMODITY EXCHANGES

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity-future exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes.

Mr. SMITH. Mr. President, I ask that the formal reading of the bill be dispensed with, that the bill be read for amendments, and that committee amendments be acted upon before individual amendments are offered and considered.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

Mr. SMITH. Mr. President, I think a preliminary statement is necessary. The bill involves a subject which developed before the committee and will probably develop on the

floor considerable discussion. There has been a unanimous sentiment in the committee that some regulations governing the great market places of the country are essential for the public welfare, essential for those who consume and essential for those who produce.

The Grain Futures Act, which is now the law and is now proposed to be amended by the pending bill, proved upon actual test to contain certain features of essential regulation which were insufficient and inoperative. A bill proposing to amend these shortcomings was introduced in the House, passed the House, came to the Senate, was referred to the proper committee, reported at the last session, and is now on the calendar. Certain interested parties wanted the bill discussed in the committee so their interests might be clearly understood by the committee. That privilege was granted without having the bill referred back to the committee. Members of a subcommittee heard the complaint or the suggestions of those interested in the grain features of the law. In pursuance of those suggestions extended hearings were held and the subcommittee recommended to the full committee certain changes which were approved by the full committee.

For 90 days hearings were held on the cotton-exchange feature. Certain flagrant abuses were made manifest. The time consumed in the hearings made it impossible for all Senators to acquaint themselves with what was brought out before the committee. The last session was a busy session of Congress.

Those who take the trouble to study the economic situation in our country recognize that the two great elements which enter into the welfare of our people are food and clothing. The West supplies the former and the South the latter, in great part.

There have grown up in the commodity futures exchanges abuses which must be regulated either voluntarily by the exchanges themselves or by the enactment of a law which expresses the will of Congress in reference thereto. After due deliberation, the committee this morning recommended certain amendments to the pending bill, the amendments pertaining to what is known as the Cotton Futures Act. It is proposed to add them to the pending bill, though they deal only with practices in cotton trading which are manifestly detrimental and unfair and which tend to burden and repress free and unlimited trading in this great commodity. To my great gratification, the committee this morning reported these amendments.

For the guidance of those who are listening to what I have to say about the matter, I remind them why we passed the Sherman antitrust law. It was because certain great aggregations of capital were preempting and dominating the markets. There was no such thing as the law of supply and demand being availed of without restriction and without interference. We either did the bidding of these dominant forces or we were destroyed if we attempted to enter into the market place.

Just the other day this body gave its approval to proposed anti-chain-store legislation. What was the basis of our action? It was that certain manufacturers sold their entire output to a few great aggregations of capital, so that the local markets were preempted by them and the small merchant had no chance whatever to enter into the retail mercantile business.

The Senate reached the conclusion that even if the consumer had to pay a little more it was of greater importance to let the local man have an opportunity to deal with his people than to have the whole business monopolized by a few gigantic organizations manufacturing the stuff and selling their entire output to a like organization which could distribute it.

Identically the same thing has occurred in the cotton business. The farmers of this country produce the raw material, and a few great concerns distribute it. The representative of one firm testified before the committee that at one time it had practically 2,500,000 bales of cotton at its disposal. Any man familiar with the business knows that, like the domination of a few in the grain exchange, this condition in the case

of cotton has practically destroyed the market place. The only market place is in the minds of those who dominate the exchange, and their propaganda has been spread like a cloudburst on the Senate.

Men from the cotton States have said to me they could not agree to these amendments; that the cotton people were opposed to them. I am fortunate enough to have hundreds of unsolicited telegrams from the man in the field and the small man who wishes to do business locally stating that they are in favor of the cotton amendments in toto. Therefore, I desire to thank the members of the committee who heard the entire evidence and the members who did not, because this morning, when the amendments were read and explained, the committee gave them its endorsement.

Mr. President, as the consideration of the bill proceeds, if a debate should arise, I am going to take occasion to explain how I stand not only with reference to the grain features of the bill but with reference to other features which will be introduced from the floor; and since I not only produce cotton but have devoted almost my entire political life to trying to bring about a condition where the man who produces this indispensable article of universal human use may have a voice in its sale and distribution, I think I should be accorded the right to have this essential part of the bill considered with the same zeal and earnestness that the Senate considers the grain feature of the bill.

I know the propaganda which has been going on. I know that it has been said, "You may interfere with the manufacturers; you may interfere with the big dealers." I have no interest in any manufacturer or dealer other than seeing that the channels of trade shall not be obstructed by a vast accumulation of wealth, and an organization which spreads not only over North America but over South America and Europe. Two of these concerns have their organization in every market place in Europe, the Orient, South, Central, and North America. They dominate the market; they control the market; and today the cotton trade is absolutely moribund. The most anomalous condition exists.

Mr. President, with these preliminary remarks I think we may proceed to the consideration of the amendments dealing with grain, cotton, and potatoes; and if they shall be accepted, as a matter of course, time will be greatly conserved. The Senator from Iowa [Mr. MURPHY] has the grain amendments, and I shall be glad to have him offer them; and when they shall have been offered, or if the opportunity shall present itself in the interim, I shall offer in behalf of the committee the amendments I have sent to the desk.

Mr. MURPHY. Mr. President, the amendments I am offering on behalf of the committee are in two parts. The first part comprises amendments which are purely technical, and are suggested by the drafting clerk as necessary to perfect the measure. They are lying on the clerk's desk, and presumably are on the desks of Senators. There is no means of briefly differentiating between them. One set of amendments, however, comprises four pages, and the other set two pages. The amendments comprising two pages are purely technical, as I have stated; and unless the Senate desires to go over each one of them I shall offer them en bloc and ask for their approval.

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

Mr. MURPHY. I yield to the Senator from Florida.

Mr. FLETCHER. Do the amendments appear in the printed copy of the bill as reported by the committee?

Mr. MURPHY. No, Mr. President; this is the House bill that we are considering, with amendments by the Senate committee in the bill before us, but which does not contain the amendments for which I am now asking consideration.

Mr. FLETCHER. I understand; but the Senate committee has reported the bill, with amendments in italics, beginning on page 27.

Mr. SMITH. Mr. President, if I may explain the situation, this bill has been on the calendar for some time. It is unchanged as it appeared on the calendar. The amendments which appear in italics in the print which lies on the Senator's desk have no relation whatever to the amendments



that are now to be offered, following the action of the committee. For instance, all of the amendments that pertain to cotton, beginning on page 27, are to be stricken out and replaced by the amendments which were acted on this morning by the committee, and are to be offered in lieu of all cotton amendments. The same thing is true of the grain amendments.

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

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

Mr. ROBINSON. I think it is rather unfortunate that the Senate has had no opportunity to see these amendments. I do not refer particularly to the amendments proposed by the Senator from Iowa, but have in mind especially the cotton amendments. It seems, from the statement of the able chairman of the committee, that the amendments which the Senate is actually to be asked to consider were agreed on by the committee only this morning. Is that correct?

Mr. SMITH. Yes. They have been discussed, however, for several days.

Mr. ROBINSON. But the point is that while the bill has been pending on the calendar for almost a year, and while there have been hearings before the committee, the amendments which we are expected to pass on have been reported and have become available for the study of the Senate only this morning, and since the bill was made the special order. I do not know that anything can be done about it, but I do express the regret that there has been no opportunity to study the amendments.

This bill is technical in its terms. Since it was brought forward, there has been no explanation of its primary purposes. I remember that some weeks ago one of the Senators who is a member of the Committee on Agriculture and Forestry did take the floor and make a somewhat prolonged speech in explanation of the primary purposes of the measure. I think that ought to be done now. I do not wish, of course, to interfere with the procedure that is in progress; but before we are asked to vote on anything I think the Senate ought to understand what the bill is about and what abuses it is intended to correct, so that the Senate may have the opportunity of passing on the question whether or not the language employed is appropriate to the purposes in mind.

Mr. SMITH. I agree with the Senator.

Mr. ROBINSON. I have read the bill, and literally hundreds of pages of literature on the subject; and still my mind is somewhat in doubt as to the purposes of the proposed amendments. I do know that the courts have held that on account of the language in the original Grain Futures Act the penalties prescribed by the act are not applicable to offenses which have been completed; that in order to have a remedy against alleged evil practices, the practices must be in progress or in contemplation. That decision at first seems absurd; but when Senators read the language of the act they will see that the proscription is against what is taking place, and not against what has already occurred.

It is my understanding that one of the purposes of the pending bill is to change that, and to insert in the law language which will correct that discrepancy; namely, make the provisions of the law applicable to offenses which have already taken place, instead of limiting their application to transactions which are in progress.

Before this measure progresses far enough for the Senate to begin to vote on the amendments, I shall ask some member or members of the committee who have had opportunity of studying it to explain the intention and the purpose of the proposed legislation. After reading a great deal, I have come to a conclusion as to some of its features; but I am perfectly sure that those who are listening to me are in the same state of mind I have described. They do not know what the proposed legislation will accomplish. They recognize in a general way that there is a desire, and perhaps a necessity, for legislation of this character, but they do not understand how the errors in existing law are proposed to be corrected.

I thank the Senator from Iowa for yielding to me to make this statement.

Mr. SMITH. Mr. President, will the Senator from Iowa yield to me?

Mr. MURPHY. I yield.

Mr. CONNALLY. Mr. President, will the Senator from South Carolina yield to me to ask a question so that he may discuss what I have in mind?

Mr. SMITH. Mr. President, I wish to make just one statement in reference to what the Senator from Arkansas [Mr. ROBINSON], our leader, has said. I agree with him 100 percent that if an amendment, upon a reading of it, is not sufficiently clear, the Senator offering it should explain what is proposed to be done, so that the Senate may have a clear understanding of the purpose of the amendments.

Mr. CONNALLY. Mr. President—

Mr. MURPHY. I yield to the Senator from Texas, who desires to ask a question.

Mr. CONNALLY. If I may, I wish to supplement what the Senator from Arkansas has said to the Senator from South Carolina, and to suggest that one of the most important amendments, if not the most important, is that proposed by the committee striking cotton from the provisions of the bill as it passed the House. I should like to have someone who understands the subject explain that.

Mr. ROBINSON. Mr. President, I may say to the Senator from Texas that it is my understanding that that amendment is to be withdrawn; it is not to be voted on.

Mr. CONNALLY. I am glad to hear that.

Mr. ROBINSON. I understand that the cotton amendments which were reported by the committee this morning are in lieu of the amendments which appear in the first report of the committee bill.

Mr. CONNALLY. I thank the Senator from Arkansas. I have a copy of the amendments, and I tried to examine them in my office briefly; but those of us who have not had time to examine carefully the amendments which were presented only this morning were not in possession of the information which the Senator from Arkansas now conveys to us, to the effect that cotton is to be restored to the bill, and some new amendments are now presented for the first time. So I should like to have these amendments explained in detail before we swallow them in their entirety.

Mr. SMITH. They will be explained.

Mr. McNARY. Mr. President, I was unable to attend the meeting of the Committee on Agriculture and Forestry this morning, and I am curious to know whether, after the elimination of cotton from the original bill, the amendments now submitted by the Senator from South Carolina embody the views of those who are supporting the cotton amendment.

Mr. CONNALLY. Mr. President, I will say to the Senator from Oregon that, so far as my investigation has enabled me to comprehend what is proposed in the amendments, they do not represent the views of the junior Senator from Texas. I favor the House bill as it came to us.

Mr. McNARY. Let me ask the chairman of the committee whether the amendments proposed by the Senator from South Carolina, now on the desk, meet the views of his committee.

Mr. SMITH. They do, without a dissenting vote.

Mr. McNARY. Action was taken this morning?

Mr. SMITH. Action was taken this morning; and the amendments have been thoroughly discussed, modified, and finally whipped into this shape. They were read seriatim.

Mr. ROBINSON. Mr. President, may I ask, in that connection, in order to understand the actual endorsement the amendments have, what representation of the committee membership was present?

Mr. SMITH. Each amendment was read and explained.

Mr. ROBINSON. That is not what I mean. How many members of the committee were present participating in the action?

Mr. SMITH. Nine.

Mr. BORAH. Mr. President, will the Senator from Iowa yield to me?

Mr. MURPHY. I yield.

Mr. BORAH. Mr. President, I presume these amendments have just come to the desk. This is the first I have seen of them. What I should like to understand is whether any substantive change in the bill as it appears on the calendar is proposed before we reach page 27, where the cotton controversy arises.

Mr. MURPHY. There are some substantive changes, and there are some technical changes, and it is my purpose to discuss the substantive changes when they are reached. It is not my purpose, as to the amendments I am presenting on behalf of the committee, to touch cotton. That subject is separately dealt with in the amendments tendered by the Senator from South Carolina.

Mr. GEORGE. Mr. President, that was the point about which I wished to ask. Is it understood now that the committee amendment on page 2, which would eliminate cotton, is to be disagreed to?

Mr. MURPHY. Yes. The committee is not disturbing the inclusion of cotton as it appears in the House bill.

Mr. GEORGE. Is it understood that the committee amendment on page 27 of the bill I hold in my hand—and this is the only bill I have—

Mr. MURPHY. As to those amendments, I will say to the Senator from Georgia that a few moments ago the Senator from South Carolina stated that they will be withdrawn from the bill, and he has other amendments which he is offering this morning.

Mr. GEORGE. That is, that the entire section 13, beginning on page 27, is to be eliminated?

Mr. SMITH. That goes out.

Mr. GEORGE. The amendments on the desk to be proposed by the chairman of the committee are to be considered?

Mr. SMITH. Yes.

Mr. GEORGE. Those are the only ones relating to cotton which are to be considered?

Mr. SMITH. That is correct.

Mr. MURPHY. I should like to have the Senator from South Carolina confirm the statement I made to the Senator from Georgia, to wit, that it is unfortunate that the print before us is a print as amended, that what we intend for consideration is the House bill, and that the word "cotton" occurs in the House bill.

Mr. SMITH. Yes.

Mr. MURPHY. And that considering this measure we are assuming that the word "cotton", where it appears in line 9, page 2, as stricken out, shall be restored.

Mr. SMITH. That is correct.

Mr. GEORGE. I understand the situation. I thank the Senator.

Mr. MURPHY. Mr. President, with this explanation I recur to what I have referred to as the purely technical amendments, and I ask unanimous consent that they may be considered en bloc.

Mr. BORAH. Mr. President, when the Senator say "technical amendments", does he mean that they are corrections of the language or something of that kind?

Mr. MURPHY. I may say to the Senator from Idaho that they are suggested by the drafting clerk, and none of them is substantive.

Mr. BORAH. They are supposed to put the bill in better form?

Mr. MURPHY. That is my understanding.

Mr. BORAH. They seek to express the same purpose?

Mr. MURPHY. Just that.

Mr. FRAZIER. Mr. President, will the Senator from Iowa yield?

Mr. MURPHY. I yield.

Mr. FRAZIER. There is one amendment to which I seriously object, and I should like to have it voted on separately. I refer to the amendment striking out butter and eggs.

Mr. MURPHY. The Senator has confused my reference. Has the Senator the other group of amendments offered by me?

Mr. FRAZIER. The Senator's motion is as to the technical amendments?

Mr. MURPHY. Just that.

Mr. FRAZIER. Very well.

Mr. NORRIS. Mr. President, I believe the Senator's explanation to the Senator from North Dakota answers the question I had in mind. There are some committee amendments upon which members of the committee are divided.

Mr. MURPHY. Yes.

Mr. NORRIS. Never yet, so far as I can remember, have I heard of adopting a lot of amendments en bloc. I have no objection, if it is understood that they are the technical amendments which were submitted by the Department of Agriculture and agreed to unanimously by the committee.

Mr. MURPHY. That is what they are.

Mr. NORRIS. If the Senator includes only such amendments, of course I have no objection.

Mr. MURPHY. I ask for action on my motion.

The PRESIDENT pro tempore. The clerk will state the motion.

The LEGISLATIVE CLERK. It is moved that the Senate adopt en bloc the following amendments:

On page 1, line 3, before "title" insert "1934 ed.,".

On page 1, line 4, strike out "This" and in lieu thereof insert "That this".

On page 1, line 6, before "title" insert "1934 ed.,".

On page 2, lines 5 and 6, strike out "(U. S. C., title 7, sec. 2)" and in lieu thereof insert "(U. S. C., 1934 ed., title 7, secs. 2, 3, and 4)".

On page 2, line 18, before "title" insert "1934 ed.,".

On page 4, line 2, before "title" insert "1934 ed.,".

On page 4, line 11, before "title" insert "1934 ed.,".

On page 16, line 2, before "title" insert "1934 ed.,".

On page 16, line 15, before "title" insert "1934 ed.,".

On page 16, line 22, strike out "changed" and insert in lieu thereof "changes".

On page 19, line 17, before "title" insert "1934 ed.,".

On page 21, line 3, before "title" insert "1934 ed.,".

On page 22, line 2, before "title" insert "1934 ed.,".

On page 24, line 23, before "title" insert "1934 ed.,".

On page 26, line 14, before "title" insert "1934 ed.,".

The PRESIDENT pro tempore. The Senator from Iowa asks unanimous consent that the amendments be considered en bloc. Is there objection?

Mr. ROBINSON. Mr. President, it is my understanding that these amendments are merely corrective of the language in the bill.

Mr. MURPHY. That is my understanding. They are just as the drafting clerk gave them to me, and he suggested the necessity of having them in the measure.

Mr. ROBINSON. I, of course, have no objection to the disposition of these amendments; but my suggestion made a few minutes ago is renewed, that some Senator who is familiar with the bill and with its fundamental purposes undertake to explain it to the Senate before we attempt to pass on more substantial amendments. There is no objection to making corrections such as the proposed amendments seem to make of the language that is in the bill; but before we pass upon a point that is material there ought to be a general explanation of the measure.

Mr. McNARY. Mr. President, there is so much confusion in the Senate Chamber that I must confess I do not know the nature of the request made by the Senator from Iowa.

The PRESIDENT pro tempore. The Senator from Iowa asks unanimous consent to consider en bloc the several amendments which he has moved to adopt. Is there objection?

Mr. McNARY. I object. It is an unusual practice. I have not been able to determine the nature of the amendments of the Senator from Iowa. It is seldom that we attempt to act on a number of amendments en bloc. They may be wholly unrelated in their subject matter. Are they amendments which have been offered by the committee? Are they committee amendments in character?

Mr. MURPHY. I will say to the Senator from Oregon that it is my purpose to offer later the amendments which are substantive in their nature. They are printed separately.

Mr. NORRIS. Mr. President, I desire to join in the request of the Senator from Iowa. The present proceeding is an exceptional one. The request made by the Senator from Iowa is exceptional; but, as I understand his request, he has offered only amendments which do not change substantive portions of the bill and only amendments which were unanimously agreed to by the committee. As I understand, they are technical amendments changing a word here and there. I think he would have gotten through with the whole matter had he taken up the amendments separately.

Mr. McNARY. That may be so; but I observe that the amendments are technical in character. They are offered for the committee, and so they are really committee amendments?

Mr. NORRIS. Yes.

Mr. McNARY. That is a different matter.

The PRESIDENT pro tempore. Is there objection to considering the amendments en bloc?

Mr. McNARY. I object.

Mr. LEWIS. Mr. President, I desire information along the lines indicated by the able leader on this side of the Chamber, the Senator from Arkansas [Mr. ROBINSON]. I wish disclosure concerning certain matters.

The constituency known as the Board of Trade of Chicago—naturally, under the circumstances, a constituency of mine—is of the opinion that somewhere in the bill is a purposed injustice against its interests. I should like to ask the able Senator from Iowa, knowing he would be perfectly frank with me, whether any of the amendments alluded to do in their nature touch the business or the affairs, as he understands them to be, of the board of trade dealing with futures in the city of Chicago; if so, in what way do they affect them?

Mr. MURPHY. The bill as drawn is directed at the grain exchanges and commodity exchanges—the board of trade in Chicago no less than the boards of trade in other cities in the country. The proposed legislation has been the subject of discussion for a number of years. Two weeks ago the Senator from Idaho [Mr. POPE] made a speech which was printed in the RECORD in which he reviewed the purposes of the legislation. There is a report accompanying the House bill dated March 18, 1935, covering the provisions of the bill. Yielding to the request of the Senator from Arkansas for a general statement of the provisions of the bill as they relate to the commodity exchanges, while I myself am perfectly conversant with all its provisions and heartily favor the passage of the bill, nevertheless, as a courtesy to the Senator from Idaho, who is very deeply interested in the bill and who has already spoken upon it, I yield to him to set forth briefly the principles of the bill.

Mr. POPE. Mr. President, as the Senator from Iowa has said, about 2 weeks ago I attempted to point out the important features of this bill, which amends the original Grain Futures Act. That original act was passed in 1922 to regulate the various grain exchanges of the country. During the 12 years or more which have elapsed since that time certain practices have developed in trading on the grain exchanges which are thought to be injurious to the producers of and the traders in grain. The pending bill amends certain features of the original act.

The first section of the bill, which is section 2 in the print before the Senate, changes the word "grain" to "commodity." "Grain" was defined in the original act to include wheat, corn, oats, rye, flaxseed, and grain sorghums. The word "commodity" is defined in this bill to include those commodities and, in addition to them, cotton, rice, millfeeds, butter, and eggs. It can be seen that the only point in that section is the change in the word "grain" to "commodity", and the enlargement of the scope of commodities to be dealt with in futures on the grain exchanges.

With reference to that matter, when the bill came over from the House to the Senate the word "cotton" was in the bill and was one of the additional commodities provided for. In the original consideration given by the Committee on Agriculture and Forestry the word "cotton" was stricken out, as shown by the print on the desks of the Senators.

Then at the end of the bill a long amendment relating to cotton was inserted. The Cotton Futures Act was amended as indicated by the italicized portion of the bill, which is on the desks of Senators. The bill was reported to the Senate and went to the calendar. There was a great deal of pressure upon the part of those interested in grain that the bill be passed. After that a hearing was had before a subcommittee of the Committee on Agriculture and Forestry, at which representatives of the grain exchanges, and particularly the board of trade in Chicago, were heard, and also representatives of those administering the Grain Futures Act, and those who are interested in having the bill passed.

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

Mr. POPE. I yield.

Mr. FRAZIER. Was the hearing before a subcommittee or a full committee?

Mr. POPE. The hearing was before the full committee. I stand corrected. However, a subcommittee which was appointed recommended certain amendments growing out of the hearing before the full committee. Later on a session of the full committee was had, and the amendments were adopted by the committee informally, because the bill was still on the calendar and was not formally before the Committee on Agriculture and Forestry. Those are the amendments which the Senator from Iowa is now offering and are the amendments which relate to the grain-futures part of the bill. They have nothing to do with the cotton amendment.

Some consideration was given from time to time of cotton amendments other than those in the printed form of the bill. Several sessions were held on that subject. No action was taken on the subject by the committee. The committee was called to meet several times, but the meeting was postponed until finally this morning the amendments referred to by the Senator from South Carolina [Mr. SMITH] were presented to the committee. A number of the members of the committee were present. I was present part of the time, but was unable even to read the amendments. However, the committee reported favorably upon the amendments of the Senator from South Carolina. The one who made the motion, as I recall, reserved the right to vote otherwise on the floor. I think that was the Senator from Nebraska [Mr. NORRIS].

Mr. SMITH. Mr. President, may I call the Senator's attention to the fact that the Senator from Nebraska stated that if upon the floor a showing was made that they were not as he understood them to be, then he reserved the right to vote otherwise than as he then voted. He also reserved the same right with regard to the other amendments. The chairman replied that he reserved the same right, not only as to the cotton amendments but as to the amendments affecting grain.

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

Mr. POPE. I yield.

Mr. WALSH. Are the amendments which were acted upon by the committee this morning different from the amendments appearing on page 27 of House bill 6772, proposing to amend the United States Cotton Futures Act?

Mr. POPE. Yes.

Mr. WALSH. So the Senate committee first acted on the amendments appearing on pages 27, 28, 29, 30, 31, and 32, proposing to amend the United States Cotton Futures Act, and this morning the committee proposed amendments to those amendments?

Mr. SMITH. No. I should like to make a statement in regard to that matter which should have been made in my introductory remarks. The intent of the committee is to strike from the bill the italicized cotton amendments and to substitute the amendments which were agreed upon this morning.

Mr. WALSH. Have they been printed?

Mr. SMITH. They have been printed and are available in that form.

Mr. BORAH. Mr. President, may I interrupt my colleague?

Mr. POPE. I yield to the senior Senator from Idaho.

Mr. BORAH. I do not want to urge the suggestion I am about to make, but, as we all know, this is a very technical bill. Is there anything engaging the attention of the Senate tomorrow which would make it inadvisable to consider the bill tomorrow after we have had time to take counsel as to the effect of these amendments, and so forth? We are now proceeding blindly.

Mr. SMITH. Mr. President, I think it would have been a good idea for someone who was thoroughly conversant with the intent and purpose of the original bill and the amendments to give a general statement, and then I think the Committee on Agriculture and Forestry of the Senate ought to be authorized to have a reprint of the bill as it is now proposed to amend it. Take the original text and wherever it is proposed to amend it print the amendments in italics, so that the Senate when it comes to consider them will have the original text and all the proposed amendments right before it. I think that ought to be done, and I think we would not lose any time if the committee were authorized to do that for the convenience of the Senate, so that the Senate might be advised.

Mr. ROBINSON. Mr. President, there can be no objection to a new print of the bill, but I wish to point out to the Senate the fact that this bill must either be disposed of within the next day or two or, in all probability, it cannot be acted upon during the present session. Once the Senate takes up the relief bill and the tax bill, we will be busy here all day and part of the nights.

I have moved to adjourn and recess the Senate day after day in order that the committees of this body might have an opportunity of considering the measures before them and of bringing in their reports. This bill has been on the calendar for almost a year, and on the very day when it is to be actually taken up for consideration, after it has been made the unfinished business, a group of new amendments are brought in.

My suggestion is that the Senate go ahead and discuss this bill and the purposes of the proposed legislation. We can discuss the amendments which will be proposed. The measure will not be disposed of today, and this evening an order may be made, if the Senator from South Carolina will so request, for a reprint of the bill, so that the amendments which are proposed today by the committee will be substituted for the amendments which were reported many months ago.

I shall object, under the circumstances, to recessing or adjourning the Senate at this time. We ought to go ahead. We should discuss the measure, and we can discuss the amendments. I shall not ask that a vote be taken on them today; but the result of taking a recess now or adjourning until tomorrow would be that we would then come in here with a new print on our desks in the morning—the print will not be made until tonight—and we would have the same situation tomorrow that we have now. Let the bill be reprinted now, for that matter, but let us go ahead and discuss the measure and discuss the amendments.

Mr. BORAH. Mr. President, I agree with the Senator from Arkansas that we ought to go ahead with the bill, but, so far as anyone is concerned outside of the members of the committee, the discussion will be very unintelligible if we have not time to read the amendments.

Mr. NORRIS. Mr. President, will the Senator from Iowa yield for a statement? I do not wish to take the Senator off the floor.

Mr. POPE. Mr. President, I have the floor.

Mr. MURPHY. I had the floor and yielded to the Senator from Idaho for a statement.

The PRESIDENT pro tempore. The Chair will state that the Senator from Idaho has the floor.

Mr. MURPHY. I yielded to the Senator from Idaho to make some remarks, but I did not yield the floor.

Mr. POPE. I now yield to the Senator from Nebraska.

Mr. NORRIS. As I understand, the Senator from Idaho has not the floor and he cannot yield.

The PRESIDENT pro tempore. The Senator from Idaho has the floor, and he yields to the Senator from Nebraska.

Mr. MURPHY. Mr. President—

Mr. POPE. I yield first to the Senator from Nebraska, and then I will yield to the Senator from Iowa.

Mr. MURPHY. I said that I would yield to the Senator from Idaho to make a statement in connection with this bill.

The PRESIDENT pro tempore. The Chair will say that the Senator cannot farm out the time, and when he yielded to the Senator from Idaho for a statement he yielded the floor.

Mr. POPE. I yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, I hope the Senate will have a proper understanding of the parliamentary situation of this proposed legislation.

It is very important. It was reported to the House by the Committee on Agriculture of that body after extended hearings, and was passed by the House at the last session of Congress. It was brought to the Senate, reported by the committee, and placed on the calendar, where it has been for nearly a year. The cause of all this delay—and I am not going to complain about it; it arose in such a way that I do not think any complaint can be made—the cause of all this difficulty and this delay has been cotton. The grain men, so far as I know, are unanimously in favor of this proposed legislation. The Agricultural Department has been urging it. It is necessary that this grain exchange bill be passed at this session, because this is the last session of the present Congress, and, if the Congress shall adjourn without passing it, it will be necessary to start again at the next Congress; at any rate, it will be necessary for those who may be here at that time to start all over again. There is danger even now as to getting it into conference, and a dispute about cotton may endanger the entire grain provisions of the bill.

As to the amendments, some pertaining to grain, which came from the Agricultural Department in the ordinary routine, are technical in nature and have been approved by the committee. There has not been any division and no opposition, so far as I know, in the committee or from the Agricultural Department. The Chicago Board of Trade was opposed to this proposed legislation. They do not want it; they have fought it, as they have a right to do, I concede; but it is not right that all the grain farmers of America should have to suffer what they believe to be a legal wrong because there happens to be a dispute about cotton.

Why not go on with the bill; consider the technical amendments that will be offered in regard to grain—just a few of them—pass on them, and then take up the cotton amendments which the Senator from South Carolina, the chairman of the committee, will offer; debate them, discuss them, and vote them either up or down; so that this bill may go to conference and be ready for final disposition before the Congress shall adjourn?

Mr. BORAH. Mr. President, may I ask to interrupt my colleague again for a moment?

Mr. POPE. I yield to the senior Senator from Idaho.

Mr. BORAH. I wish to ask again, as I undertook to ask sometime ago, are there any amendments in the list of proposed amendments which have any substantial bearing with reference to the grain features of the bill?

Mr. POPE. I will say to my colleague there are two or three amendments, as I attempted to point out some few weeks ago in an address to the Senate, which are important. One has reference to the matter of margin deposits. Another has reference to the payment by federated grain co-operatives of certain remuneration to their regionals. Though not of great importance, they are of sufficient importance that the Secretary of Agriculture and the Grain Futures Administration thought them desirable in this bill.

Now, if I may go on—

Mr. NORRIS. Mr. President, may I say that, so far as I know, there is no dispute about those amendments.

Mr. POPE. There is none at all.

Mr. NORRIS. They are suggested by the Agricultural Department.

Mr. POPE. So far as the Committee on Agriculture and Forestry is concerned, and the Grain Futures Administration, the Secretary of Agriculture, and those who will have the administration of this bill, there is no dispute about them. There is, however, some opposition to various portions of the bill by the representatives of the grain exchanges, particularly the Chicago Board of Trade.

Mr. LEWIS. Mr. President—

Mr. POPE. I yield to the Senator from Illinois.

Mr. LEWIS. May I ask the Senator a question, if he will allow me to interrupt him, as I wish to refer to the observations of the Senator from Nebraska [Mr. NORRIS]? As I understood the senior Senator from Nebraska, he said there was no opposition from the grainmen to the bill. I assume that the able Senator meant the grain producers and not those who dispense the grain through the trade agencies. May I ask the Senator from Idaho, will he at some convenient moment disclose wherein the present bill changes the law as it exists as to regulations of the Agricultural Department or otherwise as affecting the board of trade, to which he alludes as the board of trade of Chicago? I am anxious to have their rights protected. I am anxious to have no law enacted which would perpetuate injustices, if they can be disclosed. If the Senator would be so kind as to let me know wherein these amendments, if adopted, would change the law as it previously existed and in what way the changes would operate, I should be under great obligations to him.

Mr. POPE. I was undertaking to do that. I had referred to the first change which this bill would make in the original Grain Futures Act, which would be to enlarge the scope of the act to include certain other commodities.

May I say with reference to the commodities included in the bill, which are proposed in an amendment to the original act, that there has been some difference of opinion as to whether butter and eggs should be included among the commodities. There is no question that there are dealings in butter and eggs futures on various exchanges. On the Chicago Mercantile Exchange futures are dealt in with reference to butter and eggs. But there is some difference of opinion among members of the committee and, I understand, among other Senators as to whether butter and eggs should be included in the bill.

I shall offer during the consideration of the bill an amendment to include potatoes as one of the commodities. The people of my State desire such an amendment. I have a letter from the Grain Futures Administration recommending that potatoes be included in the bill. The committee this morning unanimously voted to recommend that potatoes be included among the commodities covered by the bill.

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

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Nebraska?

Mr. POPE. I yield.

Mr. NORRIS. The Senator has touched upon two amendments which are not fundamental. Whether butter and eggs go in or stay out, the bill ought to be considered and acted upon anyway. The same suggestion applies to potatoes. There may be some other items similar to those which are in dispute, but such amendments are not material; they are not technical. The Department of Agriculture is in a tentative attitude in reference to them. They are willing such commodities should be included in the bill, but they will not object if we leave them out.

Why not go on with the consideration of the bill, let the Senator from Iowa [Mr. MURPHY] offer the other amendments relating to the grain business, consider them, and vote as to whether we shall incorporate them in the bill? Then let us vote whether we shall include butter and eggs and whether we shall include potatoes. Let us settle those matters and then come to the cotton feature of the bill, which I understand those interested in cotton will take some time to discuss.

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

Mr. POPE. I yield to the Senator from Iowa.

Mr. MURPHY. As suggested by the Senator from Nebraska [Mr. NORRIS], I stand ready to proceed with the amendments, but the Senator from Arkansas [Mr. ROBINSON] desired that committee amendments be first considered. For that purpose I yielded to the Senator from Idaho [Mr. POPE]. I did not think I yielded the floor. I thought I merely yielded to the Senator from Idaho until I was in position again to take up the amendments. Whenever the Senator from Idaho shall have concluded his explanation I shall be ready to proceed with the amendments which it is my intention to offer.

Mr. POPE. I had intended to state that one of the amendments of the Senator from Iowa deals with the matter of butter and eggs, and will come before the Senate for a vote in due course.

Mr. McNARY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. POPE. Certainly.

Mr. McNARY. The bill about which the Senator is speaking and which we have before us for consideration, as it was reported by the committee does not contain the item of butter and eggs.

Mr. POPE. The Senator is correct.

Mr. McNARY. The Senator from Iowa has suggested that he intends to offer an amendment to exclude butter and eggs from the bill. I understood that the committee adopted an amendment to exclude butter and eggs. If that is the case, why not proceed with the bill? Why should the Senator from Iowa [Mr. MURPHY] be proposing now to exclude something from the bill which has heretofore been excluded by the committee?

Mr. POPE. As the bill came from the House it contained the item of butter and eggs. Sometime in August 1935 the committee acted and approved of leaving the item of butter and eggs in the bill. In other words, we did not strike that item from the bill. During the last few weeks the committee has acted informally and by a bare majority voted to strike the item of butter and eggs from the bill. That action is now in the form of an amendment which the Senator from Iowa will present in due time. As the committee originally acted on the bill which was reported on the calendar, the item of butter and eggs was left in the bill.

Mr. McNARY. Am I to understand the Senator from Idaho to state that while the committee had excluded butter and eggs, he is now pleading for an amendment which the Senator from Iowa will offer proposing to include them again?

Mr. POPE. I so understand. The bill was on the calendar and not before the committee, notwithstanding the fact that hearings were had sometime ago. Afterward the committee met and informally voted upon certain amendments which the Senator from Iowa [Mr. MURPHY] will present. As I understand, it means that the Senator from Iowa will present those amendments individually, but they have the informal support of the majority of the members of the Committee on Agriculture and Forestry. That, it seems to me, is an unusual way to proceed in this matter, but it is the procedure which was adopted by the committee in this instance.

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

Mr. POPE. I yield to the Senator from Maryland.

Mr. TYDINGS. Am I to understand that the bill was placed on the calendar without the action of the committee?

Mr. POPE. No. The committee acted on the bill and reported it favorably with one or two amendments. It went to the calendar. Afterward there was a hearing on the bill before the committee; and the committee, without having the bill referred back to them, acted informally upon certain amendments which appeared to be desirable, growing out of that hearing.

Mr. TYDINGS. I cannot see how the committee had any authority to act on the bill after the committee had concluded its hearings, and the bill had been reported to the Senate and was placed on the calendar. If the committee

was going to reconsider the bill the obvious course was to take it off the calendar and have it recommitted to the committee. The amendments would not be committee amendments if they came in subsequent to the time the committee reported the bill and had it placed on the calendar.

Mr. POPE. I think the Senator is entirely correct. They are not committee amendments, but they are amendments which have received the approval of a majority of the committee acting informally, for whatever that may be worth.

Mr. SMITH. Mr. President—

Mr. POPE. I yield to the Senator from South Carolina.

Mr. SMITH. This point ought to be clearly understood. There was a suggestion that the bill be recommitted to the committee. There was opposition to that being done. Then the suggestion was made to leave the bill on the calendar and let the committee meet and consider and agree upon such amendments as in their judgment were germane and report the amendments to the Senate without the bill losing its place on the calendar. This is what has caused the confusion.

The committee were authorized to make certain recommendations as to amendments. Obviously the thing to do now is to authorize a reprint of the original bill, leaving out those things which were suggested to be left out, and incorporating in the proper places the amendments now proposed so that each Senator may have the bill before him with the original text and the amendments now proposed informally by the committee.

That is the confused situation arising from the mistake of not recommitting the bill to the committee. The committee met, acted, and made certain suggestions. If we are allowed to have a reprint of the bill, the measure in proper form will be here for the consideration of Senators.

Mr. POPE. Mr. President, I think when the bill is explained in detail—as I hope to do—and then the committee amendments are presented in the order in which they have been prepared, the matter will be clear to Members of this body and we can proceed to vote. I am attempting as I proceed with the explanation of the bill to point out where the amendments will appear, and perhaps I shall indicate the reasons for the amendments.

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

Mr. POPE. I yield.

Mr. WHEELER. I think the confusion comes about by referring to these as committee amendments. Strictly speaking they are not committee amendments. If they were committee amendments they would have been incorporated in the bill as the bill was originally reported.

Mr. POPE. Let me try again to make that clear. The only two amendments which the committee made to the bill were to strike out the word "cotton", on page 2, and to add a cotton amendment at the end of the bill. As the bill now stands on the calendar, those are the amendments which the committee made. All the amendments which have been referred to by the chairman of the committee [Mr. SMITH] and by the Senator from Iowa [Mr. MURPHY] are really individual amendments, but they do have the informal approval of the committee. They are not, however, actual committee amendments.

Mr. McNARY. Mr. President, I desire to make an inquiry. We are working under an agreement to consider, first, committee amendments. If it be true that the amendments to be offered by the Senator from Iowa [Mr. MURPHY] are simply individual amendments having informal endorsement, they would not come under the classification of committee amendments.

Mr. POPE. The Senator is entirely correct. They are not committee amendments; and the only two amendments that can be considered at this time, under the unanimous-consent agreement, as I understand, are those to which I have referred—the one striking out "cotton", on page 2, and the cotton amendment which appears at the end of the bill.

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

Mr. POPE. I yield to the Senator from Iowa.

Mr. MURPHY. While the amendments to which reference has been made by the chairman of the committee and myself are not technically committee amendments, nevertheless they express the mind of the committee.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The Senator will state it.

Mr. McNARY. I am advised by one distinguished Member of this body that the amendments in question are not committee amendments, and by another distinguished Member that they are. I should like to have a ruling on that point from the Chair. It becomes vital, because we have a unanimous-consent agreement to consider, first, committee amendments. If we follow out that procedure, we should take up the cotton amendment printed in the bill before we take up the butter-and-egg amendment.

The PRESIDING OFFICER. The Chair understands the parliamentary situation to be that the bill was originally reported with certain amendments recommended by the committee, and that thereafter, while it was still on the calendar, the committee approved certain other amendments which have been presented by the Senator from Iowa [Mr. MURPHY]. If the amendments presented by the Senator from Iowa have the approval of the committee, they have the same effect as committee amendments. The Chair, of course, is unable to state whether or not those amendments actually come here with the approval of the committee.

Mr. McNARY. I assume from the statement of the Chair that the decision is somewhat uncertain at this time.

The PRESIDING OFFICER. It cannot be otherwise until the Chair has a statement from the committee that these are committee amendments.

Mr. POPE. Mr. President, now I shall proceed. If there are those who are following the bill, I will say that in section 3 of the bill, subsection (b), there are certain definitions—a definition of a cooperative association, for instance, on page 2; a definition of a member of a contract market at the top of page 3; a definition of a futures commission merchant on page 3; a definition of a floor broker; and then, proceeding to section 4, there are certain technical amendments to the original Grain Futures Act. As I construe the amendments in section 4, they simply make more accurate the language, but do not change the meaning or effect of the original Grain Futures Act.

In section 5, a number of new amendments have been added which will interest the Senator from Illinois [Mr. Lewis], who inquired a few minutes ago as to the effect of this bill upon the grain exchanges of the country. In section 4 (a), on page 4 of the bill, there is a provision giving to the Commodity Exchange Commission power to fix limits on future trading in these exchanges. It has developed within the past few years, since the original act was passed, that certain injurious practices grew up because of the fact that there was no limit on the amount of trading in futures; that, for instance, under that situation, Mr. Arthur Cutten, to whom I have referred, traded very largely in grain.

At one time he had as many as 7,000,000 bushels, I believe, of grain futures that he had purchased. He failed to report according to the regulations of the Grain Futures Administration, and charges were brought against him for failing to report as required by the original Grain Futures Act. His case went to the United States Supreme Court and was decided 3 or 4 days ago. In that case it was held by the circuit court of appeals and by the United States Supreme Court that because of the wording of the original Grain Futures Act, which was to the effect that when it is found that a trader on an exchange is violating the provisions of the act, he may be deprived of the privilege of trading on the exchange. The use of the present tense prevented a charge or a complaint for past offenses. It appeared from the complaint in the Cutten case that he had violated the law continuously for some 2 years before the complaint was filed, but was not violating it at the time the complaint was filed. Therefore it was held that he had not violated the act. In this bill there is a provision to correct that condition by

making past offenses, within a reasonable time, I assume, a basis for a complaint that would enable the Commodity Exchange Commission to deprive one of trading privileges on one of these exchanges.

Mr. CONNALLY. Mr. President—

Mr. POPE. I yield to the Senator from Texas.

Mr. CONNALLY. Of course, I assume that the narrow construction of that language by the court was because of the fact that they regarded it as a penal statute and construed it strictly as against the Government.

Mr. POPE. Yes. I put into the RECORD 2 or 3 days ago the decision of the Supreme Court, which was just to that effect. They said it was perfectly clear in the original statute that the present tense was used, and that past offenses, therefore, would not constitute offenses under the statute.

Mr. LEWIS. Mr. President—

Mr. POPE. I yield to the Senator from Illinois.

Mr. LEWIS. May I ask what was meant by the remark of the able Senator from Idaho with reference to a futures-trading commission? Have we a commission in this Government which exists under the law to pass upon the question of trading by boards of trade or exchanges?

Mr. POPE. Oh, yes. Under the original Grain Futures Act, there is what is called the Grain Futures Commission, which consisted of three Cabinet officers—the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General. They have certain powers given to them to regulate grain exchanges, to recognize them, and to permit them to act as contract markets under the law. All those powers were given to the Commission by the original act.

Mr. LEWIS. The Senator has referred to the case of Mr. Cutten, taking it, as I gathered, from history. Do I understand the Senator from Idaho now to say that there is really before this body a bill which revives acts of past conduct, and designates them retroactively as criminal, making criminal conduct that is long since past and gone?

Mr. POPE. The same provision is put into this bill relating to the individual violator of its provisions as now exist, as to the grain exchanges themselves. The Senator will remember that certain language is used with reference to the conduct of the grain exchanges themselves which is not limited to the identical moment when the complaint is filed. Different language was used in the original act as it applied to a member of the exchange, to an individual, for instance; so if this bill shall be enacted, the same language will be used with reference to the individual violator of the act as it was used in the original act with reference to the exchange itself when it violated the law. That does not mean that the Commission will go back an indefinite period of time to find facts upon which to base a complaint, but if the acts have been committed with some reasonable reference to the time when the complaint is filed, the present provision will apply.

Mr. LEWIS. Then under this provision we would enact an ex-post-facto law, would we, contrary to the Constitution of the United States protecting the rights of the citizen? Does the Senator understand that the bill would so operate?

Mr. POPE. I do not so understand it, if the Senator please. As I understand, if acts have been committed after the passage of the law which are a violation of it, a complaint may be filed based upon the commission of such acts. That does not mean that complaints may be based upon acts occurring before the time when the act was passed; but, just as in the case of any criminal statute, after the statute is passed, if an individual violates it by performing an act prohibited by the statute, he then may be complained against, and the complaint would not be limited to an act committed at an identical moment the complaint is filed.

Mr. LEWIS. And yet the bill would make criminal an act that was done at a time when there was no law prohibiting it?

Mr. POPE. Not at all. That is just the distinction. The Commission could not go back beyond the time when the law was enacted; but a complaint could be based upon acts

committed at any time after the law was enacted, up to the time when the complaint was filed.

Mr. MURRAY. Mr. President—

Mr. POPE. I yield to the Senator from Montana, who desires to enter into this colloquy.

Mr. MURRAY. The Senator is under a misapprehension. This bill is not intended to go back and affect any acts that may have been committed prior to its enactment, so that a case like that of Mr. Cutten would not be affected as the result of the passage of this bill. It has reference only to acts that may occur in the future. It merely provides that it is not necessary to catch the person in the act of violating the law; but if at any time it is discovered that the law is being violated or has been violated, the law becomes operative and the offender may be punished.

Mr. POPE. I think that is a very clear statement of the matter. For instance, under the original Grain Futures Act the Commission attempted to file a complaint against Mr. Cutten for acts committed after the law was passed, but before the complaint was filed; and because the language of the act was limited to the present tense, the Supreme Court has now held that the defendant had not violated the act. This bill is to correct such a situation as that.

On pages 5 and 6 of the bill there is a provision which is rather important, which defines bona-fide hedging. I attempted to cover that in my address to the Senate some-time ago.

Bona-fide hedging is defined to be the sale of futures when actual grain has been purchased, to the extent of the amount of the actual grain purchased, or, in the sale of grain, futures may be purchased in that amount. Bona-fide hedging is, therefore, limited to the amount of grain which may be purchased or sold, and that, according to the Grain Futures Administration, and according to the traders generally, is a very fair provision. In other words, no limits could be placed upon bona-fide hedging by the Commodities Exchange Commission, as can be done in the case of future dealing without reference to the existence of any actual grain. That provision is found on page 6.

It is interesting to note that not only actual grain bought or sold may be hedged against, but grain to be grown within 12 months by one who owns land or who has a lease upon it, and products and byproducts of grain may be hedged against. Hedges may be bought or sold as against the products or byproducts.

In connection with that an interesting amendment will be presented by the Senator from Iowa, who proposes that an amendment be made enlarging the scope of the definition of hedging where certain interests handle package goods, like Quaker Oats. The Senator will explain the amendment when it is presented; but it does at this point in the bill present an interesting enlargement of the definition.

On page 7 of the bill there is a provision that this limitation as to hedging shall apply to commission merchants and to brokers, but that it does not apply to the United States Government.

On page 7, section 4 (b), and continuing over onto page 8, there is a general provision prohibiting cheating, making false reports, or deceiving by any means, and also a provision prohibiting bucketing orders.

On page 9, section 4 (c), of the bill there is a provision prohibiting certain practices which have grown up in trading on the exchanges. For instance, wash sales, cross trades, accommodation trades, dealing in privileges and indemnities, are all thought to be undesirable in the administration of the law, and they are prohibited.

In my address 2 or 3 weeks ago I attempted to explain the technical meaning of all these terms, but, as I then said, they are practices which are pure gambling. For instance, in the matter of dealing in indemnities, an option is given for the purchase or the sale of grain on the market depending upon whether the market price of the particular grain increases or decreases on the following day or during the following week. I think those practices are just as much

speculating as bucketing orders, and, as I think all here know, when orders are bucketed, nobody is represented at all except the individual who receives the orders and attempts to fill the orders, when he has no grain and represents nobody. He is simply speculating, and these practices are simply speculative practices.

At the top of page 10 of the bill there is a provision that nothing in the law shall impair any State law regulating the exchanges, and in section 4 (d) there is a provision that future commission merchants must register. In the original act there was no provision for registration of commission merchants or floor brokers. Therefore it was difficult for the Department to obtain information and to check the activities of these commission merchants and floor brokers on the exchanges. This section provides for annual registration. It is, however, a formal matter. Unless the registration certificate of the commission merchant or floor broker has been revoked or suspended, after full hearing, with an opportunity for judicial review, then the commission merchant or the floor broker may not be refused registration on application.

Mr. VANDENBERG. Mr. President—

The PRESIDING OFFICER (Mr. BURKE in the chair). Does the Senator from Idaho yield to the Senator from Michigan?

Mr. POPE. I yield.

Mr. VANDENBERG. I am sorry I have not been able to study the pending bill in the detail it deserves. I should like to ask the Senator whether the bill would have any effect, for example, upon the miller who, of necessity, and in a thoroughly legitimate fashion, is forced to hedge against his purchases of grain.

Mr. POPE. It would not. As I explained a few moments ago, the definition of bona fide hedging, in the opinion of those who have administered the present act, and in the opinion of the traders with whom I have talked, is broad enough fully to protect the rights of the millers. Millers appeared at the hearing and testified, and I heard no complaint as to this definition of hedging being broad enough to cover their business.

Mr. VANDENBERG. Does the interpretation of legitimate hedging rest upon the language in the bill, or is it referred to some regulatory body?

Mr. POPE. It is very definitely defined in the bill.

Mr. BORAH. Mr. President, will my colleague yield?

Mr. POPE. I yield.

Mr. BORAH. On page 26, subdivision (5) provides that the Secretary of Agriculture is authorized "to make and promulgate such rules and regulations as, in the judgment of the Secretary of Agriculture, are reasonably necessary to effectuate any of the provisions or to accomplish any of the purposes of this act."

Did the committee give any particular study to that provision with reference to the power there granted?

Mr. POPE. In the course of the hearing there was considerable testimony on that point. It was the contention of the representatives of the Chicago Board of Trade that this provision is invalid, or unconstitutional, for the reason that it would delegate powers to the Secretary which would not come under the recent decision of our Supreme Court. But there were those who appeared on the other side, who took a different view. For instance, in the Packers and Stockyards Act there was almost identical language which has been upheld by the Supreme Court of the United States. I think there are one or two other laws containing similar language which have been upheld. At any rate, the committee, after such consideration as was given to the matter, thought the provision did not go beyond the provisions of law which have been upheld by the Supreme Court, particularly that in the Stockyards Act.

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

Mr. POPE. I yield.

Mr. VANDENBERG. Referring to the question which I asked the Senator a moment ago in regard to the definition of legitimate hedging, would the provision on page 26 to

which the senior Senator from Idaho just referred confer any authority on the Secretary of Agriculture to specify or circumscribe what we may deem to be legitimate hedging under the prior terms of the bill?

Mr. POPE. I do not think so, for the reason that the definition of bona-fide hedging, which appears in the first part of the bill, is so specific that no regulation could be made by the Secretary of Agriculture contrary to it or extending the definition.

I think the definition of hedging is very specific, and is limited strictly to the amount of cash grain either bought or sold, plus the amount of grain that may be raised for a period of 1 year by one who owns or has rented land or the products and byproducts of the commodity. That is so specific and is so definite that, in my opinion, and in the opinion of others who appeared before the committee, there would be no reason to say that the Secretary could go beyond that definition or extend the definition of hedging.

Mr. LEWIS. Mr. President, if I am not interrupting the Senator from Michigan. I should like to ask the Senator from Idaho, if I correctly understood the Senator to say that the provisions as to hedging apply to different persons and institutions but not to the Government? Is there an exception made as to the Government? Does the able Senator think the Government is assuming to put itself in the position where it may take the number of bales of cotton it now holds outright or which, because of an advance of money, it now controls; would it indicate that the Government would hedge, as the Senator calls it, and commit what would be made an offense when done by an individual, and yet the Government under that act would be exempt?

Mr. POPE. All I can say to the Senator from Illinois is that the act provides that it shall not apply to the United States Government. Of course, I may say to the Senator that in the testimony it appears that the Government is now closing out its cotton pool, and while in the past it has dealt in futures and has, of course, dealt in hedging, the pool is now being closed out and there may be a practical matter to consider. I have no further answer, however, to make to the Senator with reference to the United States Government being permitted to engage in unlimited fashion in dealing in futures.

Mr. LEWIS. I thank the Senator. It is a little strange to think of the Government taking to itself the right to do that which is an offense when done by an individual. However, I thank the Senator for the information.

Mr. POPE. I call attention of the Senate to the provision at the bottom of page 7 which corrects the abuses which appeared in the recent Cutten case. It is provided in that section that past offenses, committed, of course, following the passage of the act, would be a basis for complaint.

On page 12 there are certain general provisions requiring commission merchants and floor brokers to give information to the Commission and to the Secretary of Agriculture. The commission merchants are required to post their certificates in prominent places. On page 13, section 4 (g), there is a penalty for violation of the law by revocation of registration.

On page 14 there are certain other provisions with reference to false reports and the failure to make reports regularly to the Secretary of Agriculture.

On page 15 there is a requirement that certain books be kept by the various contract markets, commission merchants, and brokers.

On page 16 there is a rather interesting provision that gives to the Secretary of Agriculture power to extend the time within which delivery may be made at the end of a month. The obvious purpose of that is to prevent squeezes which have often occurred at these exchanges. There is also a provision at the bottom of page 16 which gives a certain time for notice when delivery may be expected under a futures contract. There are some general provisions as to the inspection of books and papers which follow very generally, as I understand, the Packers and Stockyards Act.

There is an important provision which occurs on pages 19, 20, and 21, which gives to the Secretary of Agriculture power to deal with individual violators of this act. The power to



deal with contract markets is still left to the Commission, but because of the number of such small violations it is proposed to give the Secretary of Agriculture power to deal with them. That appears, as I said, on pages 19 and 20 and extends on over to page 21.

There is an important provision at the top of page 22 dealing with cooperatives. Heretofore when a complaint was lodged against a cooperative organization the cooperative was immediately deprived of the right to operate on the market. However trivial the complaint might be that was filed, it would have to refrain from operating. Now it is provided that until final hearing the cooperative association may continue to operate on the market. That appears on page 22 and the top of page 23.

Mr. DAVIS. Mr. President, do I understand that cooperatives are exempt from the provisions of the bill?

Mr. POPE. No, Mr. President; cooperatives are not exempt from the provisions of the bill. They are permitted to trade on the market in the same way as any other individual or corporation, but heretofore the law has been construed to relieve a cooperative of the right to operate on the market immediately the complaint was filed. This bill provides that while the complaint is pending, until it is determined, he may continue to operate on the market.

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

Mr. POPE. I yield.

Mr. VANDENBERG. The Senator will forgive me for returning once more to my question of bona fide hedging. I assume that in event of an argument whether a transaction is bona fide within the language on page 6 the decision would rest with the Commodity Exchange Commission; is that correct?

Mr. POPE. Perhaps in the first instance, with a right of appeal to the court.

Mr. VANDENBERG. That is what I want to ask the Senator. Is there a court appeal permitted?

Mr. POPE. Yes. There is a general provision, I will say to the Senator, authorizing an appeal to the courts from any order that has been made. I cannot refer to it by page just now, but as I recall there is such a provision.

Mr. VANDENBERG. There is no doubt in the Senator's mind that a right of court appeal exists?

Mr. POPE. No; there is no doubt in my mind about that at all.

Mr. DAVIS. Mr. President, the exchanges themselves have committees to pass upon such questions?

Mr. POPE. Oh, yes. The exchanges do have committees that deal with this matter of infractions of the rules of the exchanges, and exchanges have certain penalties they impose upon their members for violation of the rules of the exchanges. The rules are broad. They cover most of the offenses, or many of these offenses, to which we have referred. The difficulty is that in the past, in the Cutten case, for instance, or in the Howell case, the action of the exchange has not been effective.

Mr. DAVIS. They cannot enforce their rules against what they call some of their powerful members?

Mr. POPE. They cannot or they have not. They have not enforced them, so the offenses by Cutten, by Howell, by others, have gone on and have had a very serious effect upon the price of grain upon the markets. I may say to the Senator that one of the contentions of representatives of the board of trade is that they would clean house, they would take care of these matters themselves, but since the passage of the original act, although they have had regulations of the exchanges requiring them to do it, they have failed to do so.

On page 23 there is a provision which is one of the important provisions of the bill, which authorizes cooperative associations to remunerate their regionals for services rendered. However, the regionals in this provision of the bill are prohibited from granting a rebate to their members from whom they purchase grain. I think that is a very wise and desirable provision in both respects. I think it is desirable that the federated cooperatives may retain the support of their regionals, retain their organization, and may remunerate them

for the services that the regionals perform for the national cooperatives, but it is also important that they not be permitted under the guise of dividends, or any other way, to give a rebate to those from whom they purchase grain.

Mr. LEWIS. Mr. President—

Mr. POPE. I yield to the Senator from Illinois.

Mr. LEWIS. It was asserted in letters received by Senators and by expressions in certain publications that the cooperative societies or similar organizations, under this bill, are allowed privileges to do things that are made criminal offenses if done in the same manner by exchanges, such as the exchanges to which the Senator has alluded, for instance, the one at Chicago and others elsewhere known as stock exchanges.

Mr. POPE. I will say to the Senator that in my study of this bill I have found that to be entirely untrue. What was sought by this bill was to place the cooperatives on the same basis as any other trader on the exchanges, with no more and no less rights. The only possible basis for such a suggestion would be the provision to which I have referred, under which a national cooperative may compensate regional cooperatives for services they might perform.

Mr. LEWIS. May I ask the Senator if the compensation to which the Senator alludes, from a general association to a regional one, is not but a mere matter of adjustment to equalize the return or offset losses?

Mr. POPE. Perhaps so.

Mr. LEWIS. And seemingly a very fair thing?

Mr. POPE. I think the Senator has expressed the thought admirably. Throughout the bill, however, I will say to the Senator, the cooperatives have not been granted any special privileges or special consideration; but we have sought to prevent the cooperatives from being discriminated against, our thought being that the cooperative, as an association, should be treated like any other individual or corporation that deals on the exchanges.

On page 24 of the bill there is a rather interesting and important provision. Now, when under the law a contract market is authorized to exist by the Commission it may continue to operate until a complaint is filed against it. When complaint is filed it is required to cease its operations. The amendment provides that it may continue its operations, but that the Commission may issue a cease-and-desist order, requiring the exchange to desist from the practice for which complaint has been made.

This simply means that the benefits of the exchange may be continued notwithstanding a complaint has been filed; but the exchanges are required to desist from any practice complained of until hearing and a final determination of the matter.

On page 25 of the bill will be found the general powers given to the Secretary of Agriculture. It is under that provision that the questions raised a few minutes ago by my colleague the senior Senator from Idaho and the Senator from Michigan arise. However, according to my view of the matter, comparing the language of this proposed legislation with the language of other statutes which have been upheld by the courts, the powers of the Secretary are well within the constitutional limits, as I indicated in answer to the questions of the Senators a few moments ago.

There are certain other provisions requiring information to be given by the exchanges as to the practices that may be followed by the exchanges.

There is also a provision to the effect that if any provision of this measure shall be held to be unconstitutional the original Grain Futures Act, which has already been held to be constitutional, shall apply.

The final section of the bill provides that it shall take effect 90 days after its passage. That is to give time for any adjustments which may be necessary in anticipation of the act going into effect.

Then follow the so-called cotton amendments which have been referred to today.

I have attempted to give to the Senate in some detail the provisions of this bill. There are only two or three important

provisions, but they are exceedingly important. If this bill should not do anything else than prevent a recurrence of the Cutten incident on the board of trade it should be passed. However, there are other provisions that I have indicated which are important.

In discussing the bill I forgot to mention that there is a provision with reference to margin deposits. In the past margins have been received by commission merchants from both the buyer and the seller of future contracts. Such deposits have been intermingled with the money of the commission merchant, and he has used that money for his own business operations. In some instances the commission merchants have failed, leaving the depositors without any legal redress. It is provided in this bill that the margin deposits must be kept separate from the individual funds of the commission merchant. In other words, the funds of traders deposited for margins still belong to the traders and not to the commission merchants. That is a rather important feature, because a considerable amount of money has been lost by innocent traders on the grain exchanges, as the commission merchants have intermingled the funds, have used them for their own purposes, and when they have failed an injury has resulted in many instances to the traders on the market. That also is included in this bill and is an important provision.

Mr. WALSH. Mr. President—

Mr. POPE. I yield to the Senator from Massachusetts.

Mr. WALSH. The Senator does not intend, does he, to discuss the proposed amendments to the United States Cotton Futures Act?

Mr. POPE. No.

Mr. WALSH. The Senator is confining himself entirely to the amendments to the Grain Futures Marketing Act?

Mr. POPE. Yes. This morning the Senator from Arkansas and other Senators suggested that a rather careful explanation be made of the pending bill and how the committee proposes to change the original act. I have done so with reference to the grain provisions.

Mr. WALSH. May I be permitted to say that the Senator has done so ably and well? I wanted to ask him some questions about the proposed amendments to the Cotton Futures Act if he intended to discuss them, but I understand he is not going to do that.

Mr. POPE. No.

I may say in conclusion that, as I understand, the Senator from Iowa will present amendments to the grain-futures portion of this bill. I have already indicated that some of those amendments, in my opinion, are good amendments. Some of them are merely technical, for the purpose of clarifying the language. There are one or two other rather important amendments that will be presented by him as to the grain-futures portion of the bill.

Mr. WALSH. The operation of the present law has been quite satisfactory, I am informed.

Mr. POPE. Yes; I will say to the Senator that it has been very satisfactory, but in the administration of the law certain very definite defects in the original Grain Futures Act have been disclosed, and it is to correct those defects that this bill is offered.

Mr. WALSH. It is somewhat similar in character to the bill the Senate had under consideration a few days ago changing, modifying, and strengthening the Federal Trade Commission law in cases where the administration of the law disclosed certain defects and certain limitations, and the department administering the law made recommendations. I assume that this is, in a general way, the same kind of a bill.

Mr. POPE. Yes; and I may say that every Secretary of Agriculture for several years has recommended that such a bill as this be passed in order to remove the defects which have been disclosed.

Mr. WALSH. Just as in the case of the amendment to the Federal Trade Commission Act which the Senate passed a few days ago.

Mr. POPE. Exactly. Secretary Wallace recommended it; Secretary Hyde, before him, and I believe some other Secretaries of Agriculture recommended that the holes which

appeared in the original act be stopped in this way. I may say also to the Senator that the various farm organizations throughout the country—the National Grange, the Farm Bureau Federation, the Farmers Union, and, so far as I know, all the other great farm organizations—are very strongly supporting this measure; and that the Grain Futures Administration, the body which has been actively engaged in administering the present law, is very strongly supporting this proposed legislation. For several years in the reports which have been made by the Grain Futures Administration they have pointed out the defects and have recommended such legislation as this. So it is not a new thing.

This bill has been before the Congress since early in 1935. It passed the other House in 1935, and has been before the Senate during the present session, but, as we all know, has been delayed by reason of the cotton amendments which have been offered to the bill.

Mr. WALSH. It is the portion of the bill relating to that feature in which I am interested and in which a good many of my constituents are interested.

Mr. POPE. I think that question will be discussed later. Those representing the grain interests in the Senate have taken the attitude that while we do what is best for the country with reference to the cotton amendments, still we feel that the cotton representatives in the Senate know better what amendments they want than we know.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. RANDOLPH PERKINS, late a Representative from the State of New Jersey, and transmitted the resolutions of the House thereon.

#### ENROLLED BILLS AND JOINT RESOLUTION SIGNED

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

S. 925. An act to carry into effect the findings of the Court of Claims in the case of William W. Danenhower;

S. 1360. An act for the relief of the estate of Teresa de Prevost;

H. R. 8069. An act for the relief of Mr. and Mrs. A. S. Mull;

H. R. 8599. An act to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat-inspection laws, and for other purposes;

H. R. 8766. An act to authorize municipal corporations in the Territory of Alaska to incur bonded indebtedness, and for other purposes;

H. R. 11747. An act extending the time for making the report of the commission to study the subject of Hernando De Soto's Expedition; and

H. J. Res. 439. Joint resolution authorizing the erection in the Department of Labor Building of a memorial to the officers of the Immigration and Naturalization Service and Immigration Border Patrol, who, while on active duty, lost their lives under heroic or tragic circumstances.

#### CONTINUATION OF TRADING IN UNLISTED SECURITIES

The PRESIDING OFFICER (Mr. TRUMAN in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 4023) to provide for the continuation of trading in unlisted securities upon national securities exchanges, for the registration of over-the-counter brokers and dealers, for the filing of current information and periodic reports by issuers, and for other purposes, which were: On page 4, to strike out line 25 and insert "been"; on page 7, line 6, after "to" where it appears the second time, to insert "clause (1) of"; on page 9, line 14, after "dealer", to insert "whether prior or subsequent to becoming such"; and on page 11, to strike out lines 11 to 23, inclusive, and insert:

(c) No broker or dealer shall make use of the mails or of any means or instrumentality of interstate commerce to effect any

transaction in, or to induce the purchase or sale of, any security (other than commercial paper, banker's acceptances, or commercial bills) otherwise than on a national securities exchange, by means of any manipulative, deceptive, or other fraudulent device or contrivance. The Commission shall, for the purposes of this subsection, by rules and regulations define such devices or contrivances as are manipulative, deceptive, or otherwise fraudulent.

Mr. FLETCHER. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

#### MISSISSIPPI RIVER FLOOD CONTROL

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3531) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928.

Mr. COPELAND. I move that the Senate disagree to the amendments of the House and ask for a conference thereon, and that the Chair appoint the conferees on the part of the Senate. Furthermore, I assume that the bill will be printed showing the amendments of the House. May I ask whether that is correct?

The PRESIDING OFFICER. Yes; the bill will be printed with the amendments. The question is on the motion of the Senator from New York.

The motion was agreed to; and the Presiding Officer appointed Mr. COPELAND, Mr. FLETCHER, Mr. SHEPPARD, Mr. OVERTON, Mr. McNARY, Mr. JOHNSON, and Mr. VANDENBERG conferees on the part of the Senate.

Mr. CLARK subsequently said: Mr. President, I have been absent from the Chamber attending a meeting of the Finance Committee. I find that during my absence the Senate took action on the bill (S. 3531) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928. The Senate disagreed to the amendments of the House and asked for a conference. I desire to enter a motion to reconsider the vote by which the House amendments were disagreed to and a conference asked, for the purpose, if I have an opportunity and my present motion should prevail, of moving that the Senate concur in the amendments of the House.

The PRESIDING OFFICER. The motion will be entered.

#### REGULATION OF COMMODITY EXCHANGES

The Senate resumed the consideration of the bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity future exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes.

Mr. MURRAY. Mr. President, in accordance with the suggestions of the Senator from Nebraska [Mr. NORRIS] and other Senators, I wish to make an argument in general support of the measure now before the Senate.

I am one of those who firmly believe that the reestablishment of prosperous and happy conditions in this country depends absolutely upon the rehabilitation of agriculture, the main source of all our wealth. In harmony with that conviction I have, since becoming a Member of this body, supported and voted for every important piece of sound agricultural legislation advocated by organized agriculture and designed to relieve the distress, protect the interests, and promote the welfare of our farming population.

For many years organized agriculture has sought legislation to curb the excessive speculation on the grain exchanges in the well-founded belief that the grain producer's income will be materially increased if the wild orgies in grain speculation can be controlled. In support of the farmers' contention we have before us the annual reports of the Grain Futures Administration, repeatedly pointing out the ill effects on American grain producers resulting from price manipulations caused by the speculative rise on the grain exchanges by relentless grain gamblers.

We have before us now the bill (H. R. 6772) to amend the Grain Futures Act to remove obstructions and prevent burdens being placed upon the interstate commerce in grains

and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes. The essential features of this bill were passed by the House during the Seventy-third Congress after having given the subject the most thorough consideration. Hearings were again had on a similar bill before the House Committee on Agriculture early in the first session of the Seventy-fourth Congress. The House bill was favorably reported and passed the House, and came to the Senate Committee on Agriculture and Forestry, and was reported shortly before adjournment last summer. It has been on the Senate calendar ever since. It is imperative in the interest of the farmers of this country that the bill be now passed.

A short time ago the Senator from Idaho [Mr. POPE] addressed the Senate in support of the measure, explaining in detail the purposes of the bill and the necessity for its enactment into law at this session. It was a clear, logical, and convincing presentation of what is intended to be accomplished by the enactment of this proposed legislation. Along with his fine analysis of the bill he presented in factual detail the sordid history of the malpractices daily occurring on our American grain exchanges and principally upon the Chicago Board of Trade, which is the outstanding grain-trading center of the world. He demonstrated beyond any fear of successful contradiction the serious effects of these speculative orgies upon the incomes of the grain producers of this country. He also showed the utter disregard or failure of the officials of the Chicago Board of Trade to take any action looking to a correction of the evils complained of.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Illinois?

Mr. MURRAY. I yield.

Mr. LEWIS. Will the able Senator from Montana permit me to ask him the source from which he obtained the information to which he referred in speaking of someone criticizing and publicly condemning some actions of the Chicago Board of Trade? What was the source of the information referred to by the able Senator from Montana or what was it from which he read quoting someone in criticism of or calling attention to certain actions of the Chicago Board of Trade?

Mr. MURRAY. My source of information was the hearings before the Committee on Agriculture and Forestry.

Mr. LEWIS. In the House?

Mr. MURRAY. In the House and in the Senate.

Mr. LEWIS. I thank the Senator.

Mr. MURRAY. Mr. President, my State, Montana, produces millions of bushels of grain annually. Grain is our main agricultural crop upon which our level of prosperity largely rests. My State produces the highest quality of high-protein hard wheat. This wheat produced in Montana is commonly referred to as "gold nuggets", indicative of its great value in making the finest white flour manufactured in all the world. Montana grain producers, therefore, rightfully demand that they be permitted to receive cost of production for producing this vital commodity so greatly desired by the consuming public. They perform a most important function in our economic life and are justly entitled to protection from any dishonest manipulations effecting their incomes.

I, therefore, respectfully submit that it is the responsibility of this body to enact appropriate legislation to protect these grain producers of my State and other States similarly situated in order that they may be permitted to continue the needed supply of grain each year. I contend that it is the duty of our Government to furnish these farmers with protective laws designed to assist them in receiving a just return for their economic efforts.

I am sure that before this problem was called to the attention of this body few Members realized that the price American farmers receive for their grain is dominated and controlled by the gambling price manipulations on the Chicago Board of Trade. The farmers' price starts with the speculative price determined by these gamblers at Chicago.

From this fictitious price the service charges, transportation costs, profits to handlers, and so forth, are all deducted in order to reflect a net price to the farmers of the Nation. The only modification to this statement is the premium or discount which is determined by the inspection of each wagonload of grain brought to an interior warehouse.

Therefore, since the gambling prices fixed at Chicago control the price received by the farmer, as a representative of my State, I am interested to see that these gambling markets are properly supervised and policed by some independent and unbiased agency of the people, such as the Department of Agriculture, acting through its Grain Futures Administration. The history of these operations shows that the grain exchanges themselves, interested in the great volume of gambling and the service charges and profits accruing therefrom to the members of the exchanges, have a profit interest inimical to the welfare of the grain producers. I desire to briefly discuss the bill in this light and point out what it seeks to accomplish.

First. The measure is intended to correct a defect in the present Grain Futures Act of 1922 disclosed by a decision of the United States Circuit Court of Appeals, and recently affirmed by the Supreme Court of the United States. I refer to the case of Arthur W. Cutten against Henry A. Wallace, Secretary of Agriculture, and others.

Under the ruling in the Cutten case it has been pointed out the act may be flagrantly violated so long as the wrongdoer is not caught in the act. In other words, a speculator may violate all the rules and regulations established for the protection of the public. He may manipulate the trading; he may make false reports; in fact, commit any act that is prohibitive provided he concludes his unlawful activities before being detected. This act seeks to correct this situation.

I shall not undertake to discuss this point further. It was discussed in detail by the Senator from Idaho [Mr. POPE], and repetition of that argument is unnecessary. There can be no legitimate objection to this correction or amendment of the Grain Futures Act. The necessity for the amendment is obvious.

Second. The bill is designed also to prohibit excessive speculation. I have before me a chart prepared by the Grain Futures Administration which shows the startling range in the price of wheat at Chicago during the last 13 or 14 years. This chart, which I shall ask to have incorporated in the RECORD in connection with my remarks, shows that in 1922 the Chicago May wheat gambling price had a range of 46 $\frac{5}{8}$  cents, and the years following the annual price ranges were as follows: 22 $\frac{3}{4}$  cents, 14 $\frac{3}{8}$  cents, 86 $\frac{1}{4}$  cents, 50 $\frac{7}{8}$  cents, 26 cents, 44 $\frac{3}{4}$  cents, 40 $\frac{3}{8}$  cents, 64 cents, 41 cents, 24 $\frac{1}{4}$  cents, 31 $\frac{1}{4}$  cents, 56 $\frac{5}{8}$  cents, 34 $\frac{1}{2}$  cents, and 18 $\frac{1}{2}$  cents. The average during these years in this price range was over 42 cents per bushel.

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

Mr. MURRAY. I yield.

Mr. NORRIS. I should like to have the Senate get the picture which the Senator has just painted. It is all shown in the hearings; and I wish the Senator would be just a little more explicit, and give the time when these transactions took place.

Mr. MURRAY. I have a chart with me, which I desire to call to the attention of the Senate, giving the average fluctuation during the year.

Mr. NORRIS. If the Senator intends to cover the point later on in his address, I shall not ask him to do so now.

Mr. MURRAY. I shall incorporate the figures in the RECORD for each year; but I stated that it started in 1922, and that the annual price ranges subsequent to that time were as follows, which would mean 1923, 1924, and so on, right up to the present time, showing that each year these remarkable fluctuations occur in the price of wheat, brought about entirely by these fictitious sales in Chicago.

The annual production of wheat in the world, excluding Russia and China, runs around three and one-half billion bushels, with a variation from year to year of ordinarily two to three hundred million bushels. The demand for wheat is constant; the supply does not vary over 10 percent

from year to year on the average; yet, as I have pointed out, prices vary as much as 50 percent within a year.

Mr. NORRIS. Oh, yes; I think the record shows that they have varied as high as 80 cents. They go above 50 cents, and they are often just below 50 cents—46 cents, 47 cents, and so forth.

Mr. MURRAY. The Senator is entirely correct.

During the period which I have mentioned the high price for wheat was \$2.05 $\frac{7}{8}$  and the low was 43 $\frac{1}{4}$  cents. These prices are all for Chicago May wheat. These are the prices which determine what may be paid to our wheat producers for their grain. No one with any pretension to sanity or honesty would attempt to justify such a range of prices as resulting from the free operation of the principle of supply and demand. Obviously conditions which produce such disastrous results must be remedied.

Third. The bill also seeks to register commission merchants handling funds of the public and floor brokers executing the orders. This procedure is necessary to secure control of these activities. The registration would be subject to suspension for revocation for cause. The only purpose of this provision is effectively to bring the commission merchants and floor brokers of the grain exchanges within the enforcement of the rules and regulations adopted by the grain exchanges themselves. These operators and merchants can find no reasonable objection to being supervised and policed in order to carry out their own rules and regulations and whatever additional regulations the Federal Government may provide in the interest of protecting the producers. History shows that they do not through an effective system of self-policing enforce their own rules and regulations against the big wheat gamblers. There can be no legitimate objection to this provision. It is in the interest of common honesty and fairness.

Fourth. The bill, through section 4d, page 10, seeks to safeguard margins deposited by the public, declaring it to be unlawful for commission merchants to use such funds for their own private operations, or to extend credit to others. This section merely provides that the public's money put up for margins shall be in fact treated as belonging to the customer, and held in trust. Who can object to this?

The Grain Futures Administration has found the common practice to be that commission merchants receiving margin moneys in excess of the amounts required by the exchanges to be deposited use these excess margin deposits as their own capital, and for any purpose they choose. It is a common practice by the commission merchants to use the excess margins deposited by the herd of small speculators. Frequently they utilize these margins by extending credits to large preferred speculators who are often in the market on the opposite side of the trading. To this extent the small traders furnish the capital for margin requirements not only for themselves but oftentimes for the very operators who take the opposite side in order to fleece them as lambs.

If there is to be any confidence maintained in grain exchanges, and if the public is to continue to trade on the grain exchanges, the best interests of all will be served by putting the exchanges and all their operations in a figurative goldfish bowl, where everyone may see what is going on.

The recent failure of a large commission firm in Chicago finds the public "holding the sack" for almost a million dollars in margin moneys as the result of these absurd practices. These depositors of margins rank only as general creditors. Surely they thought their margins were regarded as trust funds and would be handled with a reasonable degree of integrity. It would seem that this mere statement of the provision under consideration would be sufficient to justify its acceptance.

Fifth. The bill seeks to minimize cheating or fraudulent practices by outlawing so-called trading in privileges (puts and calls), wash sales, cross trades, accommodation trades, and other fictitious transactions. There hardly is need for any comments on these provisions. The Senator from Idaho [Mr. POPE] has already clearly explained what is meant by the terminology used to express these different kinds of trades. The subject was covered in general detail by the distinguished Senator from Idaho in his able discussion of the

bill on April 27. Similar irregular practices in the securities exchanges of the country have been ruled out by the provisions of the Securities Exchange Act. There is much greater reason for ruling out these underhanded practices in the commodities exchanges.

Sixth. The bill seeks to prohibit commission merchants and floor brokers from taking customers' orders into their own account. This merely means that merchants and floor brokers may not be both agent and principal in the same transaction. It is a fundamental principle that no man can serve two masters. The application of this principle in the present bill cannot be challenged.

Seventh. The bill provides protection to cooperative associations or producers. The present law requires the admission to contract markets of cooperative associations complying with certain statutory provisions. Needed protection to such cooperatives is provided which would prevent the arbitrary suspension or expulsion from membership of such cooperatives by commodity exchanges, as it would not be possible to deprive cooperatives of the rights and privileges of contract membership, meanwhile forcing them to await the result of litigation arising from the appeal to the courts by a commodity exchange from an order of the Grain Futures Commission.

The bill proposes to amend the present act so that the rights of cooperative associations on exchanges would be expressly preserved pending such appeal. The hearings on this bill constitute complete proof of the unfairness dealt to the cooperatives by grain exchanges. The cooperatives, of course, constitute a direct threat to the business of the private grain trade, and therefore the private grain trade disadvantages the cooperatives in every way possible in the hope that they will fail and leave the market to the private operators. In such circumstances cooperatives cannot cope with the grain exchanges and hold membership thereon, where the rules and regulations of the exchanges are interpreted in all instances against the activities and conduct of cooperatives. The cooperatives have been denied membership; they have been suspended, fined, and punished in every conceivable way, at a great cost to the producers' cooperative associations. All of these punishments and fines, and so forth, have been well publicized through the press in an effort to destroy the good will of the country and to weaken the morale of the producer-members of the cooperative associations. Surely the producer-cooperatives should not rest in a position where their natural enemy judges them, tries them, and punishes them. It is a species of kangaroo court which deals everything but justice.

Eighth. Under the present act, the penalty for violation of the act by a commodity exchange is the suspension or revocation of contract market designation of such exchange by the Commission. It will be seen at a glance that the imposition of such penalty would penalize innocent producers through the closing of their market. It would be visiting punishment on the innocent producers rather than on the wrongdoers. This situation would be remedied by the present bill, which provides that in lieu of revoking the designation of a contract market the Commission may direct the market to cease and desist from its violation of the act, failure of the market to comply with such cease-and-desist order subjecting it to a fine of not more than \$10,000, or its officers to imprisonment for not more than 1 year, or both such fine and imprisonment. This provision hardly needs discussion, since it merely attempts to provide a method by which the degree of punishment may be measured against the degree of violation. It protects the interests of the producers and traders, while at the same time it provides an adequate penalty for violations of the act.

Ninth. Under the provisions of section 6 (b) of the present act, trading privileges on contract markets may be denied violators of the act only by order of the Commission created by the act. In order to enforce this provision of the existing act it would be necessary to convoke the Commission by assembling the three members of the President's Cabinet before violators could be dealt with. Such a cumbersome procedure is, of course, wholly unnecessary. By the provision

contained in this bill (sec. 8 (a), p. 25), the defect in the existing law is corrected by placing in the control of the Secretary of Agriculture the power of applying the penalties. The proposed provision in this bill will facilitate the carrying out of the regulations at a minimum of trouble and expense, and will deprive the accused of none of his rights or privileges.

I now wish to speak of an amendment urged by the Secretary of Agriculture which is incorporated in his letter to the chairman of the Senate Committee on Agriculture and Forestry dated June 27, 1935. On page 3 of the Secretary's letter the following amendment is proposed:

Page 19, following subparagraph 6 of section 5a add another subparagraph as follows:

"(7) Require that receipts issued under the United States Warehouse Act (U. S. C., title 7, secs. 241-273) shall be accepted in satisfaction of any futures contract made on or subject to the rules of such contract market, without discrimination and notwithstanding that the warehouseman issuing such receipts is not also licensed as a warehouseman under the laws of any State or enjoys other or different privileges than under State law: *Provided, however,* That such receipts shall be for the kind, quality, and quantity of commodity specified in such contract and that the warehouse in which the commodity is stored meets such reasonable requirements as may be imposed by such contract market on other warehouses as to location, accessibility, and suitability for warehousing and delivery purposes."

The purpose of this amendment proposed by the Secretary is to break and stop the monopoly of a certain clique of public elevators at Chicago, Ill. The satisfaction of a futures contract purchased in Chicago for any delivery month may be completed upon the delivery of the quantity and grade of grain called for by the contract—which is a no. 2 grade of wheat—or a warehouse receipt covering the quantity and grade of grain issued by a regular warehouseman. A regular warehouse is one licensed by the State of Illinois and approved by the Chicago Board of Trade. The State and the Chicago Board of Trade have preempted the field for licensing and designating a grain warehouse as "regular." The Chicago Board of Trade and the State of Illinois refuse to designate as "regular" a warehouse licensed under the Federal Warehouse Act.

The proposed amendment sought by the Secretary in effect denies the State of Illinois the right to preempt the field exclusively to the State.

The Supreme Court in many decisions has certainly settled that the Federal authority is supreme in dealing with this matter. This particular phase has never been specifically settled by the Supreme Court of the United States. No cooperative association has undertaken to devote the time and the great expense necessary to battle the Chicago Board of Trade and the State of Illinois to overthrow their control in this matter. The inclusion of the provision sought by the Secretary of Agriculture will bring the matter up for immediate determination. It is proper that this be done, as I shall attempt to explain.

I have previously stated that the Chicago speculative price, which is the futures contract price, determines the farmers' price. I have also stated that the only warehouse receipt which may be used in satisfaction of a futures contract is one issued by a regular house and which, in turn, is only regular at the pleasure of the Chicago Board of Trade and the State of Illinois.

This collusive arrangement at Chicago has meant a monopoly in the field. Whereas at Chicago the annual volume of futures trading is about 12,000,000,000 bushels of grain, the actual regular warehouse space averages around 13,000,000 bushels. There are about 1,000 bushels of speculative trading in grain futures to every bushel of regular warehouse space; it is 1,000 to 1. The incoming cash grain to the Chicago market and other warehouses there not regular is ineffectual to meet speculative corners in the market which occur too frequently. Bear in mind that a warehouse in Chicago which is not regular is put to the expense of loading grain out in cars on track at about 1½ cents per bushel, or about \$20 per car, in order to satisfy a futures contract. This is too great a penalty to the warehouseman who does not enjoy the favorable designation as "regular."

It must be obvious that the very foundation of trading in futures rests upon the actual grain in store, and the only grain in store which enjoys advantages is that which has already come to market and has been deposited in a regular warehouse. It must be to the interest of the public and the producer that the largest possible volume of regular space be maintained at all times in order to minimize the possibility of corners and squeezes. This may only be done by taking the privilege to designate out of the hands of those who are interested in maintaining a monopoly of the business. This needed correction is what is sought by the Secretary of Agriculture in his request for the amendment which provides that public warehouses under Federal license may be designated "regular."

Before closing I desire to offer a few observations. Congress has given prolonged and careful study to the public's interest in the operation of securities exchanges and has enacted legislation to minimize unfair exchange practices by its members. While commending Congress for its efforts in this regard, the producers of agricultural commodities quite properly inquire of the Senate, "Why do you fail to give similar attention to commodities exchanges?"

Speculation by the public in the capital stock of a corporation or in its bonds of debt seldom affects the management, operating account, or profit and loss account of the industry, but speculation in the price of a commodity such as wheat or butter vitally affects the producer's operating account, his profit and loss account—yes; it reaches his fireside and often dispossesses him of his home.

I desire to quote from the hearings before the Senate Committee on Agriculture and Forestry from a statement prepared by Mr. M. W. Thatcher, Washington representative of Farmers' National Grain Corporation and the Northwest Farmers' Union:

Picture the following: The President, the Congress, and an army of employees engaged in the program known as the A. A. A., to carry relief to the wheat farmers, amongst others. On July 9, 1933, the Secretary of Agriculture declared the imposition of a 30-cent rate of processing tax on each bushel of wheat processed. This tax yielded to the farmer about 28 cents per bushel on the wheat domestically consumed, which represented about 15 cents per bushel on the total historic production. On July 19, 1933 (10 days after the official declaration referred to), one group of speculators in Chicago wheat futures broke the market 28 cents per bushel. This occurred at the time the winter-wheat harvest was going to market. The farmers suffered loss of income in marketing all of their grain as the result of the repercussions from that price debacle.

We have properly approved legislation with the object of relieving the farmer of the serious distress under which he has been laboring. I refer to the legislation contained in the Agricultural Adjustment Act, the Farm Credit Act and amendments thereto, and the new Soil Conservation and Domestic Allotment Act. All these various measures may prove to be utterly futile in their purpose to increase the farmer's income if we permit the commodity exchanges to be operated as gambling institutions and permit them to continue their malpractices and orgies of speculation, which too frequently destroy commodity prices, upon which farm income is determined.

I call attention to the very large appropriation which is provided each year to sustain and maintain the Grain Futures Administration. I ask Senators to observe that year after year in its annual report the Grain Futures Administration has called attention to the bad practices of the grain exchanges, together with the ill effect upon the farmer's income; year after year the Grain Futures Administration has urged Congress to enact remedial legislation suggested in their reports; yet we do not follow or even carefully examine their suggestions. Surely, with this startling picture of the malpractices of commodity exchanges which has been brought to the attention of the Senate, it will no longer delay giving to the farmers of this country what they seek through this bill as additional help in assuring a reasonable stabilization of their price structure and protection against these violent manipulations of gamblers affecting the price of the producer's grain.

I am certain this body will not countenance the continuation of an impotent system of self-regulation by a group of grain operators whose real interest lies primarily in encouraging the volume of trading so that they may have increased earnings therefrom. Their interest is not in the consumer; their interest is not in the producer of the grain; their interest is in volume and profits therefrom. They naturally shrink from punishing or driving from the market places the big operators who, by spectacular operations and headline stories in the metropolitan newspapers with reference to these great price changes, stir up the speculative fever and provide the stimulation in trading which allows these grain gamblers to make money.

In conclusion I wish to say with all the emphasis possible that the farmer's interest, the consumer's interest, and the Nation's interest are bound up in the purposes sought by the pending bill, and I respectfully submit that it must be favorably acted upon now if we are to do justice to this most serious national problem.

Mr. COPELAND. Mr. President, I ask that there be printed in the RECORD certain telegrams which I have received in opposition to the pending bill.

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

NEW YORK, N. Y., May 22, 1936.

HON. ROYAL S. COPELAND,

Senate Office Building:

The Smith amendments to the commodity bill is expected on the floor Monday. While these amendments are not as drastic as they were, still they are absolutely unfair, and I shall consider it a personal favor your not only opposing it but getting as many of your associates to do the same. Regards.

WILLIAM W. COHEN.

FERRY, N. Y., May 22, 1936.

HON. ROYAL S. COPELAND,

United States Senate:

We respectfully request that you strongly oppose limitation amendment to the commodities-exchange bill.

THE PERRY KNITTING Co.,

GEORGE M. TRABER, Jr., President.

NEW YORK, N. Y., May 22, 1936.

HON. ROYAL S. COPELAND,

United States Senate, Washington, D. C.:

Understand Senator SMITH's amendments are due to come before Senate Monday. We oppose limitation of legitimate hedges, as it will work to disadvantage of farmer, mill, and consumer, and drive business to foreign merchants.

MINOT, HOOPER & Co.

NEW YORK, N. Y., May 22, 1936.

HON. ROYAL S. COPELAND,

United States Senate, Washington, D. C.:

I earnestly request you to strenuously oppose the Smith amendments, particularly limitation which will be discussed in the Senate on Monday, as it will be most detrimental not only to the welfare of the cotton farmers but to the cotton trade as a whole.

JOHN H. MCFADDEN, Jr.

NEW YORK, N. Y., May 22, 1936.

HON. ROYAL S. COPELAND,

Senate Office Building, Washington, D. C.:

As an individual interested primarily in the cotton trade, I would like to call your attention to proposed amendment to commodity bill (H. R. 6772), and go on record as being strongly opposed to said limitation amendment for the following reasons: First, highly discriminatory in nature; and, secondly, volume purchases spot cotton by larger interests serve useful and constructive purpose in yearly distribution American crop.

FRANK S. BROWN, Jr.

NEW YORK, N. Y., May 23, 1936.

Senator ROYAL S. COPELAND:

Believing so-called Smith amendments to commodity bill harmful to cotton trade, would appreciate your continued opposition to them when again presented.

R. R. ROTHENBERG.

NEW YORK, N. Y., May 23, 1936.

Senator ROYAL S. COPELAND:

Understand so-called Smith amendments to commodity bill will again be offered for consideration Monday. Believing that they are harmful to the general cotton trade, would appreciate your continued opposition thereto.

FRANK J. KNELL,  
Manhasset, N. Y.

NEW YORK, N. Y., May 23, 1936.

HON. ROYAL S. COPELAND,  
*United States Senate:*

Earnestly hope that you will strenuously oppose H. R. 6772 (Smith amendments) to be discussed Monday, it would be most detrimental to entire cotton trade and the farmers.

PHILIP B. WELD.

NEW YORK, N. Y., May 23, 1936.

HON. ROYAL S. COPELAND,  
*United States Senate:*

I am not in favor of Smith amendments as they are detrimental to welfare of cotton exchange and cotton trade in general, as well as cotton farmers. Urge you strenuously oppose them.

G. I. TOLSON.

NEW YORK, N. Y., May 22, 1936.

Senator ROYAL S. COPELAND,  
*United States Senate:*

I consider the proposed limitation of hedging transactions by cotton merchants extremely unwise and an undue restriction of legitimate business. Hope you will oppose this proposal in the Smith amendment.

WALTER L. JOHNSON.

UTICA, N. Y., May 22, 1936.

HON. ROYAL S. COPELAND,  
*United States Senate:*

We respectfully request that you oppose most strenuously the limitations amendment to the commodities-exchange bill.

RICHARD K. CONBOY.  
HERBERT A. T. SMITH.  
I. M. TOWNSEND.

UTICA, N. Y., May 22, 1936.

HON. ROYAL S. COPELAND,  
*United States Senate:*

We respectfully request that you strongly oppose limitation amendment to commodities-exchange bill.

UTICA KNITTING CO.

NEW YORK, N. Y., May 22, 1936.

NEW YORK, N. Y., May 22, 1936.

HON. ROYAL S. COPELAND:

Strongly oppose limitation of trading in cotton futures market. Believe broad flexible market will render best service to all branches of the trade.

WILLIAM J. WALSH.

UTICA, N. Y., May 22, 1936.

NEW YORK, N. Y., May 23, 1936.

Senator ROYAL S. COPELAND:

Respectfully request you oppose the cotton amendment to the commodity-exchange bill.

ONEITA KNTG. MILLS,  
F. R. DEVERUX.

NEW YORK, N. Y., May 22, 1936.

HON. ROYAL S. COPELAND:

I strenuously object to Senator SMITH's proposal to amend H. R. 6772, commodity-exchange bill, especially insofar as such amendments, if adopted, will limit the quantity of hedges dealt in on our cotton exchanges which any spot-cotton merchant may legitimately wish to make. Limitation of this sort will have a tendency to further restrict the already gradually lessened volume of business currently being transacted on the American cotton exchanges.

CLARENCE A. MILLNER,  
New Rochelle.

NEW YORK, N. Y., May 22, 1936.

HON. ROYAL S. COPELAND,  
*United States Senate Building, Washington, D. C.:*

Understand Senator SMITH, South Carolina, will introduce Monday amendment H. R. 6772, limiting volume cotton hedges permitted any one firm. As largest American firm, handles under 14 percent total crop. There is certainly no monopoly, and that firm must buy right or would not get the cotton. Such limitation unfair, both farmers and consumers, because will widen distribution costs by eliminating most efficient units in business. Moreover, will make gift of business now done by large American firms to foreign firms who can hedge unhampered in foreign markets. Earnestly request you vigorously oppose this amendment.

T. C. FIGGATT.

NEW YORK, N. Y., May 22, 1936.

HON. Senator ROYAL S. COPELAND,  
*Senate Office Building, Washington, D. C.:*

Understand Senator SMITH intends introduce his amendments to H. R. 6772 Monday, which will limit legitimate hedging transactions in cotton. This legislation is so drastic that it would have very adverse effect on general cotton business. The bill covers 13 commodities, and while it places restrictions on speculative transactions in same does not prohibit bona-fide hedging transactions; therefore cannot see why cotton hedges should be limited, as Congress cannot control transactions of foreign merchants. They

could easily trade here in different names and evade the limitation law and return to the Liverpool market the domination of American cotton which it had before the war. As a member of New York Cotton Exchange, I earnestly request you to oppose any legislation of this nature.

WILLIAM J. JUNG,  
Greatneck, N. Y.

NEW YORK, N. Y., May 20, 1936.

Senator ROYAL S. COPELAND,  
*Care United States Senate:*

From the study I have made of the Smith amendments to the commodities exchange control bill, it does not seem that the interests of the producer and consumer have been kept in mind. The important thing is for cotton to move easily and freely, and the southern delivery arrangement helps a great deal to accomplish this. Furthermore, the restrictions regarding hedges in any one month would, in my opinion, interfere with normal business operations, and the prohibition against delivery of high-density bales against contracts at Houston, Galveston, and New Orleans seems uncalled for and would create a serious condition for the interior presses. I hope, therefore, that you will vote against all of the Smith amendments.

J. L. CLEVELAND, JR.

Mr. SMITH. Mr. President, I wish to make a request which is not for the purpose of shutting off debate. It is very evident, however, that the consideration of the bill cannot be concluded today, and Senators do not have the bill and amendments in convenient form to study them. I ask that the Senate Committee on Agriculture and Forestry be instructed to have made a reprint of the original bill, containing the language proposed to be stricken out as well as the amendments. I ask that it be done for the use of the Senate in the morning.

The PRESIDING OFFICER (Mr. MCGILL in the chair). Is there objection to the request made by the Senator from South Carolina? The Chair hears none, and it is so ordered.

Mr. MURPHY. Mr. President, I should like now to proceed with the committee amendments to the bill.

The PRESIDING OFFICER. The first amendment will be stated.

The CHIEF CLERK. In section 3, page 2, line 9, after "wheat", it is proposed to strike out "cotton", so as to read:

SEC. 3. Section 2 of the Grain Futures Act (U. S. C., title 7, sec. 2) is amended by—

(a) striking out the third sentence of paragraph (a) and inserting in lieu thereof the following: "The word 'commodity' shall mean wheat, rice, corn, oats, barley, rye, flaxseed, grain sorghums, mill feeds, butter, and eggs"; and

Mr. MURPHY. Mr. President, I ask that the amendment on page 2, line 9, be rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 2.

Mr. AUSTIN. Mr. President, I have very little knowledge of the amendment and its effect, but I should like to inquire whether it is the amendment concerning which there has been some controversy in the Committee on Agriculture and Forestry.

Mr. MURPHY. I will state the situation.

The bill, as passed by the House, included cotton as a commodity subject to regulation by the Grain Futures Administration. The bill, as first reported to the Senate, strikes out cotton as one of those commodities. If the amendment now pending shall be rejected, cotton will be restored as one of the commodities which will be subject to regulation by the Grain Futures Administration.

Mr. AUSTIN. Can the Senator inform me whether the amendment is the same which is referred to in the telegram which I am about to read? It is from Russell T. Fisher, secretary of the National Association of Cotton Manufacturers, and was sent from Boston, Mass. The telegram is dated May 18, 1936, and is as follows:

Understand Senator SMITH proposes to offer amendments concerning cotton to commodities exchange control bill. These amendments already voted down in Senate Agricultural Committee. Believe such amendments detrimental to future interest of cotton industry, and urge that you use your efforts to defeat them.

I have another telegram to the same effect from Harold Amory, secretary of the New England Cotton Buyers' Association. I have not had the advantage of having been in the committee which heard the matter.

Mr. MURPHY. The reference in the telegram which the Senator has read is not to the amendment which I have asked the Senate to reject. I think the reference in the telegram which the Senator read is not to the cotton amendments which appear in House bill 6772, before us. The telegram probably refers to the amendments which the Senator from South Carolina reported favorably today and which he will presently offer as amendments to the bill. When we reach the cotton amendments which appear at the end of the bill, beginning on page 27, in order to restore the bill to the form in which it passed the House, the chairman of the Committee on Agriculture and Forestry will ask that those amendments be rejected; so for the present I think the amendment to which the Senator's correspondents have reference is not before the Senate and will not come before the Senate until the Senator from South Carolina shall have offered his amendment.

Mr. POPE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. POPE. I understand that the question arises on agreeing to the committee amendment and that a negative vote on the committee amendment will accomplish what the Senator from Iowa desires.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment. A vote "aye" will be in favor of retaining the amendment. A vote "nay" will be to reject it.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Clark	Holt	Overton
Ashurst	Connally	Johnson	Pittman
Austin	Coolidge	Keyes	Pope
Bachman	Copeland	King	Radcliffe
Bailey	Couzens	La Follette	Reynolds
Barkley	Davis	Lewis	Robinson
Benson	Dieterich	Lonergan	Russell
Bilbo	Donahay	Long	Schwollenbach
Black	Duffy	McAdoo	Sheppard
Bone	Fletcher	McGill	Shipstead
Borah	Frazier	McKellar	Smith
Brown	George	McNary	Steiwer
Bulkley	Gerry	Maloney	Thomas, Utah
Bulow	Gibson	Metcalf	Townsend
Burke	Glass	Minton	Truman
Byrd	Guffey	Murphy	Tydings
Byrnes	Hale	Murray	Vandenberg
Capper	Harrison	Neely	Van Nuys
Caraway	Hastings	Norris	Walsh
Carey	Hatch	Nye	Wheeler
Chavez	Hayden	O'Mahoney	White

The PRESIDING OFFICER. Eight-four Senators having answered to their names, a quorum is present.

The question is on the amendment reported by the committee to strike out "cotton" on page 2, line 9.

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The CHIEF CLERK. On page 27, after line 16, it is proposed to insert sections 14, 15, 16, and 17, as follows:

SEC. 14. That section 1 of the act of August 11, 1916, known as the United States Cotton Futures Act, as amended, is amended by inserting after the words "United States Cotton Futures Act", the following new paragraphs:

"For the reasons hereinafter enumerated, transactions in cotton involving the sale thereof for future delivery as commonly conducted on cotton-futures exchanges and known as futures and the other transactions hereinafter described are affected with a national public interest which makes it necessary to provide for regulation and control of such transactions and of practices and matters related thereto in order to protect and effectively regulate interstate and foreign commerce:

"(1) Such transactions are carried on in large volume by the public generally and by persons engaged in the business of buying and selling cotton in interstate and foreign commerce; (2) the prices involved in such transactions are generally quoted and disseminated throughout the United States and in foreign countries as a basis for determining the prices to the producer and the consumer of cotton and to facilitate the movements hereof in interstate and foreign commerce; (3) such transactions are utilized by shippers, dealers, manufacturers, and others engaged in handling cotton in interstate and foreign commerce as a means of

hedging themselves against possible loss through fluctuations in price; (4) the transactions and prices of cotton on such cotton-futures exchanges are susceptible to speculation, manipulation, and control, and sudden or unreasonable fluctuations in the prices thereof frequently occur, as a result of such speculation, manipulation, or control, which are detrimental to the producer or the consumer and the persons handling cotton in interstate and foreign commerce; (5) such speculation, manipulation, or control is frequently effectuated, and such sudden or unreasonable fluctuations of prices are at times brought about by purchases or sales of future contracts in large quantities by some person acting alone or in association with other persons or affiliations; (6) that owing to conditions naturally incident to the growing and marketing of the cotton crop and the uncertainty as to its grades and qualities, such speculation, manipulation, or control, and such sudden or unreasonable fluctuations of prices, cannot be prevented unless only standard forms of future contracts are made and dealt in upon such cotton-futures exchanges and matters relating thereto necessary to insure fulfillment of such contracts are regulated; (7) and that such speculation, manipulation, and control, and such fluctuations in prices are an obstruction to and a burden upon interstate and foreign commerce in cotton and render regulation of such cotton-futures exchanges, and the dealing thereon, imperative for the protection of such commerce and the national public interest therein."

SEC. 15. Section 5 of such act of August 11, 1916, as amended, is amended by striking out paragraph "Sixth" and substituting therefor the following:

"Sixth. Provide that any cotton tendered under such contract shall contain not more than three grades, which shall be contiguous, in each 100 bales; that such tender shall be the full number of bales involved in such contract, except that such variations of the number of bales may be permitted as is necessary to bring the total weight of the cotton tendered within the provisions of the contract as to weight; that on the seventh business day prior to delivery and not later than the eighteenth calendar day of the delivery month the person making the tender shall give to the person receiving the same written notice of the date of delivery; and that on or prior to the date so fixed for delivery, and in advance of final settlement of the contract, the person making the tender shall furnish to the person receiving the same a written notice or certificate stating the grade of each individual bale to be delivered and, by means of marks or numbers, identifying each bale with its grade; that delivery shall be made only on one of 4 days in each delivery month, which shall be fixed in regulations prescribed by the Secretary of Agriculture as delivery days; and that the delivery of cotton on such contract shall be made at a place where a cotton-futures exchange is located."

SEC. 16. Section 6 of such act of August 11, 1916, as amended, is amended by striking out the words "sixth business day" and inserting in lieu thereof "eighth business day."

SEC. 17. Such act of August 11, 1916, as amended, is amended by inserting after section 22 the following new section:

"SEC. 23. (a) No person who is a member of a clearing house or clearing association of any cotton-futures exchange, or a member of any organization performing the functions of a clearing house for any cotton-futures exchange, shall, directly or indirectly, be engaged in the business of a spot-cotton merchant or have any financial or other interest in, or lend any financial aid to, any such business; and no person engaged in the business of a spot-cotton merchant shall, directly or indirectly, have any financial or other interest in, or lend any financial aid to, any such member.

"(b) The tender upon futures contracts more than once by the same person in the same calendar month of notices of delivery of the same cotton is hereby prohibited.

"(c) Each member of a cotton-futures exchange engaged in the execution for others of orders for the purchase and sale of cotton for future delivery shall demand and receive from both members and nonmembers of such exchange for whom he executes such orders, and shall require to be maintained at all times subject to reasonable provisions for call and notice, minimum margins on their net open interests, with respect to such orders, in purchases and sales of cotton for future delivery. Such margins for members of the cotton trade or textile manufacturers shall be not less than 5 percent and for other persons not less than 10 percent of the current market price of the cotton involved.

"(d) Any person who shall sell any cotton for shipment from one State to another, or export to a foreign country, on credit terms shall, upon the fixing of the price of the cotton involved, demand and receive from the buyer or his agent a margin of not less than 10 percent of the market price of such cotton; and in no case shall any such seller ship or deliver for shipment from one State to another or to a foreign country any cotton involved in any such sale on which the price shall not have been fixed.

"(e) Any person who violates any of the provisions of this section shall, upon conviction thereof, be fined not more than \$1,000, or be imprisoned not more than 6 months, or both, for each such violation."

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

The amendment was rejected.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment.



Mr. SMITH. Mr. President, it is evident that the Senate in nowise understands this bill and these amendments. I have certain amendments which were agreed to by the committee. The Senator from Iowa has certain amendments which he intends to offer. I have made the suggestion, and it has been agreed to, that the committee be authorized, without action being taken on the bill, to have a reprint of this bill with the amendments in their proper place, indicating what it is proposed to change. I insist if there is no other explanation to be given that we ought now to allow the committee to have a reprint of the bill showing the amendments, so that they may be thoroughly understood and voted on intelligently.

If this bill is to become a law, I know we have got to take advantage of the time when other bills, such as the tax bill and measures necessary for the running of the Government, are not before us, but I insist here and now that the Senate proceed on this bill decently and in order. I do not want the confusion that may be incident to the somewhat irregular manner in which these amendments have come before the Senate to operate against a thorough understanding of each and every one of them.

I am entitled, as are those whom I represent, to have a fair understanding of the amendments I have proposed. One Senator has risen in his place and read telegrams opposing amendments that nobody knew anything about, in a way, until this morning. I think that is unfortunate, but I am here to say that every word that has been said in behalf of regulating grain exchanges applies to cotton exchanges. I do not want to adopt a dog-in-the-manger policy, but I am here battling for the recognition of the interest of those whom I represent, and the Senate is going to have an opportunity to hear the amendments explained before it votes on this bill, if I am accorded the recognition that every Senator has a right to ask.

I am aware of the propoganda that has gone out; I know that it is an easy matter to use the influence of money and organizations. I have been battling here for 28 years. I have not made any very great progress, and I do not think the agricultural interests have had any very signal success. We have all attempted to bring about certain legislation that would enable the agricultural producers to have some trade resistance, but we have not accomplished it. Certain evils have grown up in our exchanges which are amenable to regulation. I am asking that the Senate shall consider these questions as they appear in the amendments which I propose and which have met the approval of hundreds of men who actually produce the commodity, whose response, without my solicitation, shall be placed before the Senate.

Mr. President, it is impossible to know where these amendments occur and what portions of the bill they propose to amend in the form in which they presently appear; but I am asking at this stage, now that there has been given a very extensive, clear, and lucid explanation of the intent and purpose of the bill, that there shall be a reprint made showing where the amendments will come in with reference to the particular text proposed to be amended, and that the part to be stricken out be indicated. I think it will expedite matters if we will take that course. No time will be lost. I shall content myself with explaining from the text the amendments that I have had the honor to propose and which have been endorsed by hundreds and hundreds of those who have taken the time to read and understand them.

Mr. President, I think the whole matter can be expedited if that course shall be pursued.

Mr. CAPPER. Mr. President, it would be most regrettable if this Congress should fail to pass the pending bill, H. R. 6772, amending the Grain Futures Act.

For years every wheat grower in the United States has been regularly victimized and our great milling industry upset by "bear raids", by "May squeezes", by vicious short selling on a huge scale at the hands of big manipulators who virtually have been in control of the board of trade and have used it unscrupulously to accomplish their ends. I fre-

quently hear the statement made by western farmers that the board of trade has become one of the world's greatest gambling places. They believe it fixes the price for the benefit of the speculator and against the producer and consumer.

We have had too many men like Cutten depressing the farmer's market by their fictitious operations in "ghost" wheat, or "paper" grain. Option sales in wheat on the Chicago Board of Trade for the month of July last year amounted to more than the entire estimated crop, including the carry-over for the entire United States.

In 1 month this country's visible supply of grain was sold 31 times.

The stocks of wheat on track and in elevators in Chicago were sold 376 times. And this country's total primary receipts were sold 26 times.

Mr. President, it is time that the Federal Government should step in and at least limit the amount of gambling in foodstuffs. These grain gamblers buy and sell wheat that never was planted, wheat that never was harvested, wheat that never came to market, wheat that never will be ground into flour, wheat that never will be baked into bread. Through manipulating prices these gamblers run the prices down while the farmer is marketing his grain, then run the prices up on the consumer.

Gambling in the necessities of life costs the farmers millions and millions of dollars in the prices the farmer gets for grain. Such gambling also costs the consumers millions and millions of extra dollars for the food which they buy and eat. It is time the gambling on the grain exchanges is limited as much as possible.

Mr. POPE. Mr. President, referring to the suggestion of the chairman of the committee [Mr. SMITH] made a few minutes ago, I call attention to the fact that the amendments of the Senator from Iowa [Mr. MURPHY] are printed and on the desks of Senators. If not, they can be placed there in a few moments by a clerk. I suggest that the Senate proceed to the consideration of those amendments and act upon them. I believe that the printed amendments of the Senator from Iowa, which are before Senators, will give them the necessary information so that they may vote intelligently upon them, as each amendment refers to the line and page of the pending bill which is proposed to be amended.

Mr. McNARY. Mr. President—

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

Mr. POPE. I yield.

Mr. McNARY. I am not sure that I am conversant with the proposal made by the Senator from Idaho [Mr. POPE]. Early in the day I objected to the consideration en bloc of the amendments offered by the Senator from Iowa [Mr. MURPHY] because such a procedure is unusual, and I thought, if followed in this instance, would lead to confusion and possibly to bad legislation. However, upon investigation, I determined that they were purely clerical, referring to the year 1934, and it was my intention then to withdraw my objection, which now I do for the purposes of the RECORD.

Mr. POPE. Mr. President, I may say that the original amendments recommended by the Committee on Agriculture and Forestry have been acted upon, so that now amendments are being offered from the floor. In that category come the amendments offered by the Senator from Iowa [Mr. MURPHY]. They have already been printed and they are now before Senators, just as in the case of any other amendments which have been printed and are offered from the floor. I see no reason why we cannot proceed with them.

Mr. NORRIS. Mr. President—

Mr. POPE. I yield to the Senator from Nebraska.

Mr. NORRIS. Then let us have those amendments agreed to. There was only one objection, and the Senator from Oregon [Mr. McNARY] has now withdrawn the objection. Why can we not dispose of them right now?

Mr. POPE. I rose—

Mr. SMITH and Mr. MURPHY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Idaho yield, and, if so, to whom?

Mr. POPE. I desire first to make a statement. I rose to meet the suggestion made by the Senator from South Carolina that the Senate suspend consideration of this bill until a reprint could be made of the measure, including the amendments. I think we can proceed with the consideration of the amendments to the bill and make use of the time now at our disposal.

Mr. SMITH obtained the floor.

Mr. MURPHY. Mr. President, will the Senator from South Carolina yield long enough to permit us to have a vote on the amendments?

Mr. SMITH. No; I prefer to make my statement now.

Mr. President, I clearly see the strategy is to get the grain amendments all agreed to, and then the cotton amendments can take their chance. I maintain that they amend the text of the Grain Futures Act in different places. They are not addenda to the act. They are part and parcel of it.

Mr. NORRIS. Mr. President, will the Senator from South Carolina yield?

Mr. SMITH. I yield.

Mr. NORRIS. If it be true, and I think it is, that there is practically no objection except to one or two quite unimportant amendments, why not have them agreed to? That will leave the cotton amendment for consideration and disposition. After the other amendments are agreed to, if the Senator wants to have the bill reprinted, I see no objection to that course.

The Senator ought not to put anyone in the wrong attitude by suggesting that it is the strategy of those who want to defeat the cotton amendment to pursue this course. I am sure I do not want to defeat the Senator's cotton amendment. Here are some amendments pertaining to grain exchanges, to which, if we are correct in our understanding—as I think we are—there is practically no objection; but the cotton amendments are going to be the subject of some discussion. Why not dispose of the other amendments to which there is no objection and then take up the cotton amendments in the regular way?

Mr. SMITH. Mr. President, I know how the Senator feels, but, so far as I am concerned, the amendments which I have proposed and which the Committee on Agriculture and Forestry in good faith voted to report will be taken up along with the other amendments because they are amendatory of the text of the Grain Futures Act just as the other amendments are.

All I am asking is a fair and square discussion of and action upon the cotton amendments. I am going to fight for them just so long as it is possible for me to stay on my feet. I know the propaganda that is abroad. I could bring here telegrams and affidavits by the score.

It is to the everlasting disgrace of those of us who represent this great industry that while we were conducting hearings and an investigation extending over some 90 days, involving the very life of nearly one-third of this Nation, only three or four Senators representing the cotton States put in their appearance. When we came to the question of grain, the committee room was filled. Those who produce the commodity which I stand here representing, both as a producer and as a Senator, do not propose without being heard to have organized capital propaganda and far-flung organization throttle the cotton amendment. It may be a weak voice, but I propose to outline the situation de novo.

This is one time when, in the interest of the producer, we are attempting to regulate the market places. The Senate is going to regulate them for my commodity as well as the others; or, if I can prevent it, we are not going to make fish of one and fowl of the other. I know the disposition here. I know the propaganda that has gone forth. I know the sources from which it comes. The Senator from Nebraska heard part of it for he was present during the committee hearings. He knows the tremendous power behind that propaganda. I shall take the time of the Senate to

read telegrams from practically every cotton State in the Union protesting about the matter.

Mr. NORRIS. Mr. President—

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

Mr. SMITH. Certainly.

Mr. NORRIS. I am not finding fault with what the Senator advocates. It seems to me, however, he ought to be willing that amendments to which there is no objection should be disposed of. I am not trying to prevent the Senator from doing all he says he wants to do, but he is holding up something to which he himself has no objection in order to do the other thing. I am not finding fault with the Senator if he insists upon pursuing that course, but the effect of it is that we are going to waste all our time and not pass the bill. I am afraid that is what will happen.

Mr. SMITH. Mr. President, with the condition in which the market finds itself, which was explained under oath before the committee—and the Senator from Nebraska heard it—I cannot describe how I feel when I realize, standing here representing a commodity which is of as much importance to America perhaps as any other, that not a voice but mine seems to be raised in behalf of those who are suffering more today than are the grain producers. Every commodity has risen to 70 or 80 percent of parity except cotton, and that is down to 40 percent of parity.

What help have I? Who from the cotton-growing States has opened his mouth here except in derogation of what I am attempting to do? Now, I am asked to sit down quietly and have those who properly represent grain put through their amendments. Then the battery of opposition from organized millions would be turned upon the cotton amendments. The Senator from Nebraska heard one witness testify under oath that he had 2,500,000 bales of cotton and in 6 years had made a net profit of \$13,000,000. That is in the record. The Cotton Shippers Association are opposed to the bill. Why? Because they are organized to see that the markets of the country are controlled by organization and capital.

Mr. President, I voted to report from the committee, amendments proposed to the Grain Futures Act. If there is to be no reprint of the text so that Senators may understand it, then as soon as those amendments are agreed to I am going to take up the other amendments and read them as they would appear in their proper place in the text, and ask to have them voted on. The proper order would have been that these amendments should have appeared in the bill along with the others. I am determined that those whom I represent shall get some relief from the intolerable condition which exists.

Let me call the attention of the Senate to a significant fact: In May 1934, with the domestic consumption of cotton at its lowest ebb, with export of cotton to foreign countries at its lowest ebb, with the carry-over—that is, the old stock the Government and others had accumulated, aggregating something like 12,000,000 bales—cotton went to 14 cents a pound. Now, with organization getting in its work, with domestic consumption up to nearly 6,000,000 bales, with foreign exports greater than they have been for years, with a crop of hardly more than nine and three-quarter million bales, and the carry-over reduced to something like 8,000,000 bales, the price of cotton is from fifteen to \$20 a bale less than it was in 1934; and who gives a snap about it?

Here we are, with the Senate deluged with letters and telegrams protesting against any interference with the beautiful game of the farmers producing cotton, and three concerns, or four at the most, distributing it at their sweet will!—the very condition which existed, or was alleged to exist, in the grain market—and here I stand, with the threat that "grain is all right, but cotton will be controversial"—why? The South is solid. It is not necessary to get any votes in the Senate from the South. The Civil War froze us into one party. Therefore, why extend the South any kind of political courtesy? But where it is doubtful, "For God's sake, let us get out and do something!"

I am tired of being made the victim of this situation. Senators should be big enough to view the matter on its merits and not sit down complacently and listen to propaganda. What do we get down there? Nothing. "They are hitched, anyhow." When the Republicans are in power, they say, "There is nothing there for us." When the Democrats are in power, they say, "What is the use of fooling with them? We have them, anyhow"; and it is like the old doctrine of predestination:

I can and I can't;  
I will and I won't.  
I'll be damned if I do.  
And damned if I don't.

[Laughter.]

There you are. It is the most frightful situation in the world.

I will guarantee that what I am saying would not fall on deaf ears if there were more political hope than now exists. I hate to say that, but 28 years of bitter fighting has led me to know that this is true, horribly true. It is a matter of the greatest humiliation in the world to me that a product which means life or death, financially speaking, to my section of the country, shall be treated with indifference, if not with actual opposition.

I was gratified this morning when the committee acted upon these amendments just as they acted upon the other amendments. I am just as anxious to see grain relieved as I am anxious to see cotton relieved; and unless my health and strength fail me, I think they will go together, Mr. President. Yes; I think so. I think so. There is not a member of the committee but who knows that the discussion of these amendments appealed to their judgment. I will ask the Senator from Nebraska if that is not so.

Mr. NORRIS. Mr. President, I have tried time and time again to say that to the Senator; but, because I have agreed with the Senator on cotton, it seems to me it does not follow that amendments that have no objection to them, but are vital, should not now be disposed of. Then the Senator may discuss at his own sweet will the disputed items on cotton.

I am not complaining that the cotton Senators have not agreed. I am willing, when they get through debating the matter, to vote according to my best judgment. I think the Senator from South Carolina is willing, and, whether the amendments are voted up or whether they are voted down, I am willing to take the result and take my medicine.

The Senator from South Carolina ought to do that. He ought to let other cotton Senators who do not agree with him debate the matter; and when we get through, the Senate, like a jury, will pass on it.

Nobody is trying to prevent the Senator from having his say and doing what he thinks is right. There are many Senators here who are now following him. He will drive them away from him if he continues in this kind of a course, and says that unless he gets what he wants in cotton we shall have no legislation for grain or anything else.

Mr. SMITH. Mr. President, I know how the Senator from Nebraska feels, and I know how the Senator from South Carolina feels. Sometimes I have felt that I have been engaged in an absolutely hopeless task.

Mr. NORRIS. Mr. President—

Mr. SMITH. Let me finish what I have to say. That has not been because I have not had the support of the Senator from Nebraska. I have the support of some Senators who perhaps never saw a cotton field; and yet here we are, with this propaganda going from one end of the country to the other, and the amendments that I propose exactly in accord in their regulatory features with those that are proposed for grain; and yet—

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

Mr. SMITH. Yes.

Mr. NORRIS. I desire to make a suggestion to the Senator with the idea of getting somewhere with this proposed legislation. I suggest to him that he offer his cotton amendments now, and let the grain amendments follow. Let us take

up the cotton amendments right now, debate them as long as anybody wishes to debate them, and then vote. Then let us take up the other amendments afterward.

If the Senator would like to have his cotton amendments considered first, let us take them up first. He may offer them at this moment, and they will be before the Senate for debate. The Senator from South Carolina may be heard, and those who oppose his amendments may be heard.

Mr. SMITH. Mr. President, I think that is a pretty good suggestion. I ask to have the clerk read the amendment on page 8, after line 26.

The PRESIDING OFFICER. The Senator from South Carolina offers an amendment, which will be stated.

The CHIEF CLERK. On page 8, after line 6, it is proposed to insert the following new paragraph:

Nothing in this section or in any other section of this act shall be construed to prevent a futures commission merchant or floor broker who shall have in hand, simultaneously, buying and selling orders at the market for different principals for a like quantity of cotton for future delivery in the same month, from crossing and executing such buying and selling orders at the then fair market price: *Provided*, That any such crossing and execution shall take place on the floor of the exchange where such orders are to be executed and shall be duly reported, recorded, and cleared in the same manner as other orders executed on such exchange.

Mr. SMITH. Mr. President, let me explain that amendment.

A man is a broker on the cotton exchange. He gets an order to sell a thousand bales, and simultaneously he gets an order to buy a thousand bales. The orders are from different individuals, in different parts of the country. He has an order to sell which would tend to put the market down, and an order to buy which would tend to put it up. It is alleged in the hearings that such orders have been received, and that the broker wishing to have the market go up would execute the buying order, and reserve the selling order until the buying order had its effect, and then put in the selling order.

Under this amendment, if a broker gets two such orders, he must offer them simultaneously on the floor, at the market, so that the effect of one will not be felt before the effect of the other is felt. That is all there is to the amendment; and it provides that this shall be done openly, instead of having the selling order executed and the other order transferred to someone else to execute for the broker at a different time.

That is all the amendment provides for. This is what is known in the Grain Act as cross selling. The amendment provides that if a broker gets two such orders under these circumstances, he shall execute them simultaneously at the market, so that the effect of one will not be offset by the precedence of the other.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

Mr. CONNALLY. Mr. President, I desire to ask the Senator from South Carolina why the necessity for making that provision over the present law?

Mr. SMITH. Because it was testified before the committee that orders coming in would be segregated, and that the broker would execute his selling orders and affect the market, and then later put in his buying orders.

Mr. CONNALLY. I thank the Senator.

Mr. President, that does not seem to me to be a sufficient reason for adopting the amendment, because just a little while ago the Senator from South Carolina said that the depressing effect on the market of the sale was offset by the uplifting effect of the purchase. Of course, I understand now that he means that a sale might be made at 2 o'clock and force the price down a little, and a purchase might be made at 4 o'clock and bring it back.

Mr. SMITH. Yes.

Mr. CONNALLY. The Secretary of Agriculture, however, is not in agreement with the Senator from South Carolina as to the wisdom of this provision.

Mr. SMITH. All right; let us hear what he has to say about it.

Mr. CONNALLY. I desire to say that I regret very much the necessity of differing with the Senator from South Carolina on the subject of cotton. I realize that the Senator has spent many years in studying cotton from the legislative and market standpoints, and I congratulate him, and I am very sorry that I cannot follow his banner. I do not think the Senator, however, ought to manifest what seems to be some feeling on his part because everybody from the cotton States does not fall in line and shoulder arms and march right along behind the Senator from South Carolina.

Mr. SMITH. Just one moment. I do not want to have any of my colleagues shoulder arms and march along. I want them to shoulder arms and study the proposition as it is entitled to be studied.

Mr. CONNALLY. Mr. President, I have a very high regard and affection for the Senator from South Carolina, but, when it comes to a choice between the interests of our constituents and those of a Senator from another State we have to side with our constituents.

Mr. McKELLAR. Mr. President, may I ask either one of the Senators which amendment we are now considering?

Mr. CONNALLY. The first cotton amendment.

Mr. McKELLAR. The one on page 8, after line 26?

Mr. CONNALLY. That is it. The effect of the amendment would be, as I understand, that the broker could handle the whole transaction himself. It is as if there were a broker sitting up in New York, who would get a call from Florence, S. C., to sell a thousand bales of cotton, and also get a telegram from Texas to buy a thousand bales.

Mr. SMITH. That is correct.

Mr. CONNALLY. Without anybody's intervention at all, this broker takes a thousand bales out of one pocket and puts a thousand bales in the other pocket. It does not need to go through the exchange at all. Is that correct?

Mr. SMITH. Yes; the bill provides that. But in order to execute the order for his clients, he shall sell and buy at the market, offer this commodity for sale and seek that commodity for purchase at the market, in the open market. That was discussed before the committee.

Mr. NORRIS. Mr. President, will the Senator from Texas permit an interruption?

Mr. CONNALLY. I yield.

Mr. NORRIS. I have no object except to vote on the cotton amendments according to my conviction as to what is right. I do not understand that there could possibly be any harm in this amendment, and great good might result from it.

If the Senator were a commission man, and he received an order from me to buy a hundred bales of cotton, and at the same time he received an order from another man to sell a hundred bales of cotton, it would be within his power, as a commission man, as I understand, to injure either one of the customers, because he would have to go on the market, and if he went on the market and bought a hundred bales of cotton, it would have one effect, and if he went on the market and sold a hundred bales of cotton, that would have the opposite effect.

Suppose the Senator should go into the market and say, "I want to buy a hundred bales of cotton and I want to sell a hundred bales of cotton." That would give everybody a fair show. That would be open and aboveboard, and the effect on one side would just equal the effect on the other side. It would not cheat either one of the clients. Each one of them would get a square deal, as I see it. If that would not be the effect, I should like to be informed as to what the effect would be. Who would be hurt by that transaction?

Mr. CONNALLY. Mr. President, I wish to say to the Senator from Nebraska that it seems to me the case he puts presupposes absolute fairness and equitable dealing by the broker. Of course, in any case where that occurs, things will be all right. But the mere power which the Senator suggests the broker would have to control the market by balancing it would give the broker the power to do something else if he wished to do so.

Listen to what the Secretary of Agriculture said about it. This comment is with relation to another amendment of the Senator from South Carolina, at some other time, but it is the same proposition. In a letter, under date of May 18, to the chairman of the Committee on Agriculture and Forestry, the Senator from South Carolina [Mr. SMITH], the Secretary said:

However, paragraph (c) of such section authorizes the offsetting or matching of purchase orders against selling orders received simultaneously without actual execution of the orders in the exchange ring or pit provided for such trading.

The Secretary further said:

There may be times when better executions can be effected by commission merchants by the simple process of offsetting or matching orders but it seems to us to be a practice fraught with temptation, and the experience of the Grain Futures Administration has suggested the desirability of prohibiting such practice by law.

Mr. SMITH. Mr. President, that is exactly the point I am making, and that is exactly what is provided in the Grain Futures Act, that they cannot have these cross sales to the detriment of either one of the clients. That is exactly what the Secretary says, and what is in the Grain Futures Act, that it must be a simultaneous transaction, and not prejudice the market by executing one order at this hour and later on getting the benefit of the effect of that and executing the other order.

Mr. FLETCHER. That is in the amendment.

Mr. CONNALLY. Mr. President, let me ask the Senator from South Carolina a question. In section 10 of the old amendments, page 44, it was provided that all purchases and sales of cotton for future delivery should be made by public outcry. Is that in the amendments we are considering?

Mr. SMITH. Yes.

Mr. CONNALLY. Paragraph (c) in the former amendments, to which I am now addressing myself, was a subsection of that clause which provided that the transactions must be by public outcry, and this paragraph (c) is a weakening of the effect of that provision.

Mr. SMITH. Oh, no. It is nothing in the world but a restatement of it. There is too great a temptation, as the Secretary says, unless we prohibit it by requiring that the two transactions shall be simultaneous. The letter of the Secretary is exactly in accord with what I have put into the amendments, and what occurs in the Grain Futures Act.

Mr. CONNALLY. I beg the Senator's pardon, but I do not understand it in that way. I will confess that I am not familiar with the technical manipulations and operations of cotton exchanges, but I am trying to become familiar with them—I am studying them. I am going by what the Secretary of Agriculture says as to the operation of the Grain Futures Act.

Mr. SMITH. The Secretary refers to precisely what we are attempting to correct in the Grain Futures Act and also in this amendment.

Mr. POPE. Mr. President, will the Senator from Texas yield to me?

Mr. CONNALLY. I yield.

Mr. POPE. Let me ask the Senator from South Carolina whether there is anything in the original act—that is, the Grain Futures Act, without this amendment—which would prevent a broker from representing two different traders in just exactly the same way that is described here?

Mr. SMITH. No.

Mr. POPE. In other words, the Senator's statement here is as to the sort of thing that would occur if the bill were enacted as it now stands, without this amendment?

Mr. CONNALLY. That is it exactly.

Mr. SMITH. No.

Mr. POPE. What does the amendment accomplish, then?

Mr. SMITH. The amendment simply prohibits the practice of making cross sales.

Mr. POPE. Let me ask the Senator this question. Since cotton is in the bill now, would not the whole section relating to wash sales, cross trades, accommodation trades, and

all such pernicious practices, apply to cotton and the cotton exchange so as to amply protect traders on the exchange from those very practices?

Mr. SMITH. No, Mr. President; the point I am making is that the nature of the cotton business is different from other businesses. When one brings forward a load of grain and it is graded he cannot follow its identity to save his life. That ends it. It is put in an elevator, and he has a receipt for a certain character of grain. An individual bale of cotton can be followed to the Orient and identified, and its character determined, for its marking is a matter of record until it goes to the breaker room in the factory.

Mr. CONNALLY. Mr. President, it seems to me the Senator from Idaho has put his finger on the point in the case. We have included cotton in the general Grain Futures Act. It is treated there as a commodity just like grain or any other commodity. If what the Senator from South Carolina says he wants to do is already being done with grain, there is no occasion to insert this particular provision in the form of an independent amendment.

The Senator says that the amendment is intended to prohibit the doing of what I suggested could be done. Let us see what the amendment provides:

Nothing in this section—

That evidently refers to the general section in the Grain Futures Act which prevents this sort of thing. I will ask the Senator from Idaho to look that matter up. It is on page 8, line 26:

Nothing in this section or in any other section of this act—

A sweeping provision—  
shall be construed—

To prohibit something? No—  
to prevent a futures commission merchant or floor broker who shall have in hand, simultaneously, buying and selling orders at the market for different principals for a like quantity of cotton for future delivery in the same month, from crossing and executing such buying and selling orders at the then fair market price: *Provided*, That any such crossing and execution shall take place on the floor of the exchange where such orders are to be executed and shall be duly reported, recorded, and cleared in the same manner as other orders executed on such exchange.

Let me suggest, Mr. President, under that provision if it should be enacted, what would prevent a broker from getting an order at 10 o'clock this morning and keeping it in his pocket until 4 o'clock this afternoon until he got an order on the other side, and by that means probably manipulating the market?

Mr. SMITH. No, Mr. President; the provision says "simultaneously."

Mr. CONNALLY. Simultaneously so far as we know, but there would be no reason on earth why the broker should not do as I suggested. That is what the Secretary of Agriculture had in mind when he said that the view of the Department is that this kind of a provision is subject to the temptation that assails the brokers and the manipulators on the cotton exchange.

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

Mr. CONNALLY. I yield.

Mr. POPE. I will say to the Senator that the section which it is proposed to amend prohibits generally cheating, defrauding, making false reports, or bucketing orders, and then in the next section there is prohibition against cross-trade and the other practices to which we have referred. The point about the amendment, it seems to me, is that it is an exception to the general provision as to cheating, defrauding, and making false reports.

Mr. SMITH. Oh, no, Mr. President. The Senator should be fair about this. The provision simply provides that when orders come in simultaneously, as they do, that one shall not be pocketed and the other sold. The very language which the Senator read from the Secretary of Agriculture referred not to this provision alone, but to the general practice of using one order to offset another order. There is not

a Senator who believes that a broker, when he receives two orders, one to buy and one to sell, should be allowed to use one order even incidentally to the detriment of the other.

Mr. CONNALLY. Mr. President, let us see what the amendment is about. The Senator from Idaho [Mr. POPE] referred to it. Section 4 (b), on page 7 of the bill with which we are dealing, provides:

Sec. 4. (b) It shall be unlawful for any member of a contract market, or for any corresponding agent, or employee of any member, in or in connection with any order to make, or the making of (1) any contract of sale of any commodity in interstate commerce, or (2) any contract of sale of any commodity for future delivery made, or to be made, on or subject to the rules of any contract market for or on behalf of any person if such contract for future delivery is or may be used for (a) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, (b) determining the price basis of any transaction in interstate commerce in such commodity, or (c) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof—

What is unlawful? What is it that is condemned?—

(A) to cheat or defraud or attempt to cheat or defraud such person;

(B) willfully to make or cause to be made to such person any false report or statement thereof, or willfully to enter or cause to be entered for such person any false record thereof—

What else is condemned?—

(C) willfully to deceive or attempt to deceive such person by any means whatsoever in regard to any such order or contract or the disposition of execution of any such order or contract or in regard to any act of agency performed with respect to such order or contract for such person; or—

To do what? This is one of the things we are aiming at.

(D) to bucket such order, or to fill such order by offset—

Mr. SMITH. Bucketing does not have anything to do with it.

Mr. CONNALLY. Does the Senator desire me to yield to him?

Mr. SMITH. No, Mr. President; I merely said that bucketing does not have anything to do with it.

Mr. CONNALLY. The language is—  
to bucket such order.

What is bucketing? Bucketing is when the broker wants to take the risk himself. When he holds an order from 10 o'clock in the morning until 4 o'clock that afternoon to see if he cannot get an order on the other side he has the opportunity to bucket an order, or to make a profit, or to make a loss, as the case may be, according to his judgment on the fluctuations of the market. That is one of the things we are trying to prevent by the legislation now before us—

To bucket such order, or to fill such order by offset.

I should like the Senator from Nebraska to listen to this language. It is dealing with grain as well as cotton.

(D) to bucket such order, or to fill such order by offset against the order or orders of any other person, or willfully and knowingly and without the prior consent of such person to become the buyer in respect to any selling order of such person, or become the seller in respect to any buying order of such person.

In one paragraph we condemn bucketing and offsetting of orders in grain. If it is sound to do it in grain, why should we except cotton, I ask the Senator from Nebraska? If it is fair and just to say that a man operating on the Chicago wheat pit—

Mr. NORRIS. Mr. President, if the Senator desires to ask me that question, I will say no.

Mr. CONNALLY. I am appealing to the Senator from Nebraska.

Mr. NORRIS. I have no hesitancy in answering the question the Senator asked me.

Mr. CONNALLY. I thank the Senator. My reference was not hostile, because I knew the Senator would agree to it.

Mr. NORRIS. I have no objection to curtailing what is wrong on the cotton market as well as on the grain market.

Mr. CONNALLY. I am sure of that. That is why I appeal to the Senator. I knew when he knew the facts about the amendment he would agree that it ought not to

be adopted. That is why I addressed the question to him to divert his attention from the very interesting piece of literature he was reading at the moment.

Mr. President, the Senator from Nebraska and other members of the Committee on Agriculture and Forestry say that it is necessary to insert paragraph (D) as to grain and other commodities, and to prevent the very thing in the case of those commodities which the amendment of the Senator from South Carolina [Mr. SMITH] specifically authorized in the case of cotton.

Mr. SMITH. Mr. President, in my own time I shall explain the difference between bucketing and cross sales.

Mr. CONNALLY. Mr. President, I do not contend that bucketing and cross sales are identical. What I did say was that this would give the dealer an opportunity to bucket if he wanted to. He could hold the order from 10 o'clock in the morning until the afternoon.

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

Mr. CONNALLY. I yield.

Mr. SCHWELLENBACH. I should like to submit a question to the Senator from Texas which I think all the Members of the Senate from the grain States would like to hear discussed. We had brought to us from the House a bill to regulate grain exchanges, and with the amendments we have worked out we feel that it is a desirable bill. The bill included cotton. The Senator from South Carolina, the chairman of the committee, takes the position, and took the position before the committee, that cotton was different from grain; that there were certain conditions existing which required a different treatment of cotton, and that therefore it was not desirable to have cotton regulated by the same agency of the Government or the same branch of the department of Government which regulated grain, and that it should be handled by some other department in the Department of Agriculture.

We Senators from the grain States do not know about the details of the handling of cotton. What we should like to have discussed is whether cotton can be handled by the same agency and in the same way and under the same rules and regulations as to grain. We think we have worked out a grain bill which is desirable. We do not know whether cotton can be handled in that way or not; and, so far as we are concerned, we are perfectly anxious and willing that cotton shall be handled in the way that the Members of the Senate who know about cotton and are interested in it know will work out. However, we do not feel that the cotton side of the question should interfere with the regulation of the grain side. We should like to have all the Senators from the cotton States discuss that one question, which our chairman has presented to us, who says that cotton is different from grain and cannot be handled in the same way as grain or by the same agency.

Mr. CONNALLY. I am glad to have the interruption of the Senator from Washington. Let me suggest, however, at the outset that when he says he does not want the Grain Futures Act interfered with by cotton, that so far as I know the Senators interested in cotton have shown no disposition to interfere with the grain part of the bill. We are in sympathy with and in hearty accord with the wishes and aims of the Senators from the grain States. However, if cotton, being an agricultural product, must be handled with the same legislation as grain, we crave your indulgence and your patience, because we cooperated with the grain people and expect to do so in the future.

Mr. SCHWELLENBACH. Mr. President, I should like to say that there was nothing in my remarks intending to suggest the thought that there was any desire on the part of the cotton people to interfere with the grain part of the act.

Mr. CONNALLY. No, Mr. President.

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

Mr. CONNALLY. I yield.

Mr. MCGILL. There has been no disposition on the part of the representatives of grain States to exclude cotton

from the same provisions of law as apply to grain. It has simply been a question with us as to whether or not the cotton States desire a different law from that which the grain States desire.

Mr. CONNALLY. I thank the Senator from Kansas.

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

Mr. CONNALLY. I yield.

Mr. POPE. I should like to ask the Senator from Texas if the same practices exist on the cotton exchange in a general way that exist on the grain exchanges? In listening to the testimony it has seemed to me that the same conditions and practices existed with regard to cotton as existed with regard to grain. There may be some difference in detail, but, on the whole, the same sorts of transactions are engaged in and the same sorts of evils exist in the exchanges as to cotton and as to grain. Then, if it be true that the same condition exists and the same practice prevails, why would not the proper way to handle the situation be to include cotton in this bill, subjecting cotton exchanges, therefore, to the same regulations as those to which grain exchanges are subjected, and dealing in the same way with vicious practices which have grown up in some of the other exchanges? That is a matter that has interested me for many days.

Mr. CONNALLY. I thank the Senator from Idaho. The Senator's question presupposes that I know about both cotton exchanges and wheat and grain exchanges more than is known by the Senators from the grain-producing States. That is a very violent presumption, for I know very little about either kind of exchanges and their operations. I never bought a bale of cotton or sold one on an exchange in my life; I never bought a bushel of wheat or other grain or sold one on an exchange; but I know from reading in the press and otherwise that brokers and operators on the exchanges, whether grain exchanges or other exchanges, in general, indulge in the same practices. They are the same kind of human beings, they have the same sort of temptations, and they usually find an outlet in the same channels.

Mr. President, if that be true—and no one denies it—why is it that one law would be good for the wheat exchanges and a different law for the cotton exchanges? The Senator from South Carolina at first did not want cotton included in the Commodity Exchange Act at all, as I understood his position. He secured an amendment at one time in the committee to strike out cotton entirely. Is not that true, I will ask, in turn, the Senator from Idaho?

Mr. POPE. The Committee on Agriculture and Forestry, of which the distinguished Senator from South Carolina is chairman, reported the House bill striking cotton from its provisions.

Mr. CONNALLY. The committee struck cotton from the bill. When this bill passed the House of Representatives, it contained provisions for cotton just as in the case of any other commodity; there was no distinction. I assume that the House Committee on Agriculture, in its hearings and its study of this measure, ascertained whether, according to its view, they should be dealt with in the same fashion. They did determine the question and brought in a bill applying to cotton, wheat, and other grain, all in the same way. Now, why should we have a different rule?

If paragraph (D), which I read a moment ago, is good in the case of corn and oats and wheat, why should the Senator from South Carolina insist when it comes to cotton that we must adopt a different provision? Remember what I read:

(D) To bucket such order, or to fill such order by offset—

The bill specifically prohibits in the case of grains the offsetting of one order by another order. Why is that provision made? Because the Secretary of Agriculture has stated that the operations of the grain exchanges have proved that practice to be bad, have proved it to be filled with temptation in the case of grain exchanges. Why the necessity, then, to have a different provision in the case of cotton exchanges?

Mrs. CARAWAY. Mr. President—

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

Mrs. CARAWAY. Would the fact that cotton is perishable while grain is not perishable make any difference in connection with the futures market?

Mr. CONNALLY. The Senator from Arkansas asks the Senator from Texas whether cotton, not being perishable, and wheat and grain, being more or less perishable, would have any effect on the futures market? Frankly, like many questions that intelligent and charming women ask, that is not easily answered. [Laughter.] I do not know just what effect it would have on the market, but basically I should assume as to a product that is not perishable there would be less danger of fluctuation by reason of that fact than if it were a perishable product and subject to the hazards of deterioration and weather and conditions of that character.

Mr. McKELLAR. Mr. President—

Mr. CONNALLY. I yield to the Senator from Tennessee.

Mr. McKELLAR. I desire to ask a question, merely for information. What evil practice now being indulged in is this amendment designed to protect the public against?

Mr. CONNALLY. The Senator refers to the amendment offered by the Senator from South Carolina?

Mr. McKELLAR. Yes; to the amendment offered by the Senator from South Carolina. What I wish to know is just what evil practice that now exists and that is now indulged in is this amendment designed to do away with?

Mr. CONNALLY. As I see it, the amendment of the Senator from South Carolina is a softening of the provisions of the main bill; it is an exemption from its operations. It exempts the cotton broker from the provisions of paragraphs A, B, C, and D of the main bill, and provides that in the case of a cotton broker he can do the things which are prohibited to the grain broker.

Mr. SMITH. Mr. President, will the Senator allow an interruption there?

Mr. CONNALLY. I am glad to yield to the Senator from South Carolina.

Mr. SMITH. Mr. President, the amendment is diametrically opposite to what the Senator from Texas has said. It provides that when the broker gets an order to sell and an order to buy he shall not bucket either one; that he shall offer them on the market at the market price simultaneously and not hold one back; that he shall not sell one contract, for instance, that would tend to put the market down and then, later on, execute the other order. We ask that he not be allowed to bucket one; that is, buy it himself and then wait to see if he can "do" the market, and report to his client what he has bought at, but that he shall buy at the market open and aboveboard.

Mr. McKELLAR. Does it go through the regular channels of the exchange itself?

Mr. SMITH. Let me explain. Say, I am a broker and I get an order from the Senator from Arkansas and one from the Senator from Tennessee, one to buy and one to sell. In place of bucketing of them around, I am to offer them in the ring, open and aboveboard, the order to sell and the order to buy at the market, and let the orders be executed there in the presence of all men. It is just exactly the opposite of what the Senator from Texas is trying to make appear. How does it exempt anybody? It simply emphasizes and makes specific and unlawful the very practice referred to in the particular paragraph of the Grain Exchange Act. It brings it down to a specific case and makes it unlawful to do that thing.

Mr. McKELLAR. What is the meaning of the words—and I ask for information only—on page 1 of the amendment of the Senator from South Carolina—"from crossing and executing such buying and selling orders at the then fair market price."

To my mind, that indicates that the broker may establish the fair market price. I do not think those words should be in the amendment under any circumstances.

Mr. SMITH. I do not think the word "fair" should be there. It should be at the market price for the orders at that time. That is what it means and that is all it does mean.

Mr. McKELLAR. Yes; but it would give the broker, it seems to me, the right to fix the price rather than the price that exists on the market at the time.

Mr. SMITH. He must sell at the market, as is indicated by the provision.

Mr. CONNALLY. Let us see now if that is true. The Senator from South Carolina—and I speak with all respect—now says that his amendment prohibits just what the Senator from Tennessee is talking about and prohibits just what is inveighed against in the main bill. Let us see if it does. I read what is prohibited in paragraph D of the bill. Among other things, it is prohibited—

To bucket such order or to fill such order by offset against the order or orders of any other person—

That is prohibited by the main bill—

or willfully and knowingly and without the prior consent of such person to become the buyer in respect to any selling order of such person or become the seller in respect to any buying order of such person.

What does the amendment of the Senator from South Carolina provide?—

Nothing in this section—

Nothing in that section—

or in any other section of this act shall be construed to prevent a futures commission merchant or floor broker who shall have in hand simultaneously buying and selling orders at the market for different principals for a like quantity of cotton for future delivery in the same month from crossing and executing such buying and selling orders at the then fair market price.

If this amendment does not intend to soften the terms of the original bill it would not be offered; there would be no sense in offering an amendment which does the same thing that the bill already does. But the amendment takes the teeth out of the main bill not as to grain but as to cotton only, and the cotton broker will be permitted to do that which in the case of the grain broker is unlawful and under the prohibition of the law.

Mr. SMITH. Mr. President, in reference to that statement—

Mr. CONNALLY. I shall be glad to yield for a question, but the Finance Committee is in session, and I must go to it as quickly as possible. I want to be courteous to the Senator, but the Senator is in charge of the bill and will have plenty of opportunity to discuss it. I want to get my views in the Record and conclude.

This is the Senator's amendment:

*Provided*, That any such crossing and execution shall take place on the floor of the exchange where such orders are to be executed and shall be duly reported, recorded, and cleared in the same manner as other orders executed on such exchange.

The Senator from Tennessee suggested that under the language of the amendment it might be possible for a broker to fix the price of the selling orders. Suppose it does not permit it as a matter of law, what is to prevent him from doing it, in fact, if we leave the matter open and give him the opportunity of offsetting one order against another? He can accept the orders. He might violate the law. Of course, those who steal and rob and commit other crimes all violate the law. What would prevent him from telling one correspondent "your order came in and I could not market it at that figure"?

Mr. SMITH. Mr. President, may I ask the Senator a question?

Mr. CONNALLY. I am glad to yield to the Senator for a question.

Mr. SMITH. Suppose the broker receives the orders simultaneously, what would he do with them under that provision where he is prohibited from offering both of them at the market?

Mr. CONNALLY. Here is the bill that applies to cotton as well as grain. The first thing provided is that the broker cannot bucket it and he cannot fill it by offsetting it. He would have to come in and put them both on the exchange just as he would do if he got one of them alone. He would have to sell a thousand bales for John Smith and buy a thousand bales for Henry Brown.

Mr. SMITH. That is what the amendment provides.

Mr. CONNALLY. That is the right way to do it, but the Senator wants to exempt from official operation that sort of thing and let the broker do it that way in his office.

Mr. SMITH. Oh, no; the Senator does not understand it. It does not do anything of the kind and does not even intimate any such thing.

Mr. CONNALLY. Then what does it do?

Mr. SMITH. It says he shall execute it on the exchange, open and aboveboard.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Does the Senator from Texas yield to the Senator from Tennessee?

Mr. CONNALLY. I am glad to yield.

Mr. McKELLAR. It seems to me it is very necessary to provide that where a broker gets two orders simultaneously he shall be required to go on the floor of the exchange and execute those orders. He cannot execute them simultaneously, but one at one moment and the other at another moment. There should be exchange operations. No authority should be left in him to determine the matter.

What bothers me about the amendment are the words in the last line of the first page and the first line of the second page reading as follows:

From crossing and executing such buying and selling orders at the then fair market price.

The word "fair" unquestionably would indicate discretion in someone.

Mr. CONNALLY. There cannot be two market prices.

Mr. SMITH. The thing I had in mind was that he could not shade it on account of anything.

Mr. McKELLAR. Someone has to determine what "the fair market price" is, and apparently the broker is allowed to fix what is "the fair market price." I think the word "fair" ought to be stricken out.

Mr. CONNALLY. If it goes through the exchange regularly it is bound to be at the market price.

Mr. SMITH. Of course it is.

Mr. CONNALLY. If we are going to let the brokers say what the fair market price is, it will not go through the exchange.

Mr. McKELLAR. That is the difficulty I find in reading the amendment.

Mr. CONNALLY. If it goes through the exchange like the original bill intends it should go, it has to be at the market price, because there is the market price quoted; but if we allow the broker to offset and juggle the two orders in his office, how do we know what is going to be the market price?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

Mr. SMITH. Mr. President, has the Senator from Texas yielded the floor?

The PRESIDING OFFICER. He has.

Mr. SMITH. Mr. President, I shall not take much of the time of the Senate. When the language is so plain, what is the use for me to attempt to explain what has been attempted to be confused? The effect of the amendment is exactly the opposite of the argument that has been made. The broker shall not be allowed to sell and buy when acting in the capacity of a broker. He gets an order to sell and an order to buy. He must execute them and he ought to be allowed to execute them. He should have no interest except to get the fair market return on his orders. Therefore, he sells without prejudice and he buys without prejudice—a thousand bales to sell and a thousand bales to purchase at the market. As quickly as those orders can be executed the thing is over and done. That is all the amendment means.

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

Mr. SMITH. Certainly.

Mr. ROBINSON. I notice that in all the illustrations used it is assumed that the broker receives an order to buy and an order to sell simultaneously for exactly the same amount.

I apprehend that in the regular course of business he might receive an order to sell a thousand bales and an order to buy, say, 5,000 bales.

Mr. SMITH. I think that is taken care of under the other amendment. I was undertaking in this amendment to take care of those cases which were developed in our investigation where the orders were similar and of the same volume and received simultaneously.

Mr. ROBINSON. Then the amendment applies only to cases where the broker has an order to buy and an order to sell at the same time, the two orders involving identical amounts?

Mr. SMITH. Yes; and he is not allowed then to use one to depress the market to the same extent that the other might raise it, but he must execute them at the market.

Mr. ROBINSON. If he must sell at the market in a regular transaction and must have the transaction recorded, as I think the language indicates is required, what is the effect or advantage of the use of the words "at the then fair market price?" The use of the words "fair market price" implies discretion somewhere to determine what the price is. If he is selling at the market, he sells at the market price and not at what we term "the then fair market price."

Mr. SMITH. The object I had in view there was that on account of grade or color or other element, he should not shade it in his report to the party for whom he bought or executed the order. I am perfectly willing that the word "fair" shall be eliminated and to have it read "at the market price."

Mr. ROBINSON. May I ask if the provisions in the bill relating to grain transactions forbid a broker to execute orders for purchase and sale at the market?

Mr. SMITH. Yes, sir; they do. They prohibit any cross-sale, as the Senator will read in the bill.

Mr. ROBINSON. The object of that being to prevent deception and fraudulent practices?

Mr. SMITH. Yes; that is correct. That is where the orders are simultaneous, and the effect of one would offset the effect of the other.

We had testimony before the committee as to the necessity of this very kind of an amendment. Anyone reading it will see that it would be fair to the broker and fair to the buyer and fair to the seller—that is, the man who has a selling order and the man who has a buying order. That is the reason why it was incorporated in the bill.

Mr. President, I am astounded that any question of "bucketing" should be brought into this equation, because this is the very thing that will prevent it. This provision requires a broker to go on the floor and transact his business openly and aboveboard, and to have orders of this kind recorded, and let them go to the clearinghouse just as if the broker had gotten a single order.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. SMITH].

Mr. McKELLAR. Mr. President, I believe the Senator from South Carolina said he would strike out the provision about "fair" market price.

Mr. SMITH. I am perfectly willing to have the amendment amended in that way.

Mr. McKELLAR. I move to amend the amendment of the Senator from South Carolina by striking out the words "then fair" in line 1, page 2, of the amendment, so as to read "at the market price."

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina, as amended. [Putting the question.] By the sound the noes seem to have it.

Mr. SMITH. I call for a division.

On a division, the amendment, as amended, was rejected.

Mr. SMITH. Mr. President, I see the tendency of what is going on. In the circumstances, with a matter as plain and palpable as this is, I do not believe what has just been



done should be taken as final action on this amendment. 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	Holt	Overton
Ashurst	Connally	Johnson	Pittman
Austin	Coolidge	Keyes	Pope
Bachman	Copeland	King	Radcliffe
Bailey	Couzens	La Follette	Reynolds
Barkley	Davis	Lewis	Robinson
Benson	Dieterich	Loneragan	Russell
Bilbo	Donahay	Long	Schwellenbach
Black	Duffy	McAdoo	Sheppard
Bone	Fletcher	McGill	Shipstead
Borah	Frazier	McKellar	Smith
Brown	George	McNary	Steiwer
Bulkley	Gerry	Maloney	Thomas, Utah
Bulow	Gibson	Metcalf	Townsend
Burke	Glass	Minton	Truman
Byrd	Guffey	Murphy	Tydings
Byrnes	Hale	Murray	Vandenberg
Capper	Harrison	Neely	Van Nuys
Caraway	Hastings	Norris	Walsh
Carey	Hatch	Nye	Wheeler
Chavez	Hayden	O'Mahoney	White

Mr. NEELY. Mr. President, I repeat the announcement made on a former roll call in regard to the absence of the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. McCARRAN], and the Senator from Alabama [Mr. BANKHEAD] on account of illness.

I also announce that the senior Senator from Oklahoma [Mr. THOMAS], the Senator from Kentucky [Mr. LOGAN], and the junior Senator from Oklahoma [Mr. GORE] are unavoidably absent.

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. McNARY. Mr. President, I should like to ask the Senator in charge of the bill whether it is his desire at this time to go on with the consideration of his amendment. Does the Senator propose to have a vote at this time?

Mr. SMITH. Mr. President, I realized that there were very few Senators present, and it looked as though the few who were here did not fully understand the amendment. I do not think we will have a vote on the pending amendment at this time.

I may say that I have confidence in the common sense of the Senate, and I should like to submit this observation on the amendment. Suppose a broker were to receive simultaneously an order to sell and an order to buy the same amount of a given commodity, whether of grain or of cotton. Under the provisions of the Grain Futures Act he could not execute both orders. That act prohibits a cross sale. I have provided that where such a thing occurs he should be allowed to sell simultaneously at the market.

The logic of the situation is that a broker, if he is going to sell today, must discard all purchase orders. I want every Senator present to hear that; if a broker is in the market with clients, he must discard either all buying orders and execute only selling orders, or vice versa. He cannot execute buying and selling orders at the same time.

Of course, if a broker had an order for October to sell and an order for January to buy he might execute them at different times, but if he has two orders for the same month at the same time, he must discard either one or the other. I have merely provided that where such a thing occurs he may sell at the market.

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

Mr. SMITH. I yield.

Mr. McGILL. It is proposed in the bill that certain rules be fixed so far as concerns trading in grain and other commodities, with the exception of cotton, and that will be accomplished if the Senator's amendment shall be agreed to. What is interesting us who are from States other than those which produce cotton and what we would like to be informed about, is why there should be a different rule with reference to cotton and any other commodity. On an answer to that question our votes will largely depend. Unless it can be demonstrated that there is a reason for a different rule regarding cotton from that obtaining with regard to other

commodities, I shall have to vote against the amendment of the Senator.

Mr. SMITH. I really think the rule ought to apply to grain as well as cotton. Where a broker receives an order to buy and an order to sell the same amount of grain on the same market in the same month, he should not be required to reject one and proceed with the other, but if the amounts are the same, if it is the same market and in the same month, he ought to be allowed to offer them both simultaneously, because it would not be fair to his clients to provide otherwise. I think in place of applying to cotton alone, the provision should be modified so as to apply to both grain and cotton.

Mr. McGILL. Then, it is the Senator's position that there is no real distinction between commodities?

Mr. SMITH. In this particular I do not think there is, but later on I will show a distinction.

Mr. ROBINSON. Mr. President, many Senators are not familiar with details pertaining to market transactions. It, therefore, follows that in the consideration of language which necessarily is more or less technical there is difficulty in giving the language proper application.

With respect to the particular amendment just voted on by the Senate, having given attention to the debate and the explanations which have been made respecting the amendment, I reached the following conclusions:

First, that the object of the legislation is, or should be, to prevent deceptive or fraudulent transactions. Any language which accomplishes that end is worthy of consideration. Second, there ought not to be adopted language which will have the effect of preventing honest transactions. A broker has the right to buy and sell for his clients. He has no right to do it in a way that will sacrifice the interests of one client for the benefit of another, or the interests of any client for his own personal advantage. His relationship to the subject, as I understand it, is that of an agent. Under the practice that prevails, brokers may at the same time take and execute bona-fide offers for the purchase and for the sale of commodities on exchange.

The law should not be so framed as to make a broker either a "bull" or a "bear." The broker ought not to be permitted, much less required, to exercise his influence and the influence of his clients to manipulate the market or to affect the market further than naturally results from the transactions in which he engages.

What is the situation of a broker, for instance, who this morning, before the exchange opened, received an order to sell and an order to buy from different individuals the same amount of a certain commodity? Under the proposed act, as it is framed, must he either elect to execute one of the orders to the exclusion of the other, or must he refrain from carrying out the orders?

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

Mr. ROBINSON. I yield.

Mr. POPE. The interpretation which the Senator has just given to the law as it stands I think is incorrect. The only thing which is prohibited is a cross trade. A cross trade means a fictitious trade, where one broker deals with another broker, and they register the trade as though it were an honest bona-fide trade. It is strictly a fictitious trade. That is the meaning of a cross trade as the term is used according to the Cotton Futures Administration.

Mr. ROBINSON. It is a deceptive and, in a sense, a fraudulent transaction. I am speaking now of a bona-fide transaction. Take the case I cited: This morning, before the exchange opened, a broker received an order to purchase a thousand bushels of wheat from one person and received from a different person an order to sell a thousand bushels of wheat. What can the broker do?

Mr. POPE. Will the Senator yield?

Mr. ROBINSON. Certainly.

Mr. POPE. Under my interpretation of the law as it stands, without the amendment of the Senator from South Carolina he can proceed and execute both of those orders by

registering them in the usual way, even though they be simultaneous. That is the reason why I said, a few minutes ago, that this amendment, in my opinion, does not change the laws as it now exists.

Mr. ROBINSON. However, it has been contended that the amendment modifies very materially the provision that is in the bill, as reported, relating to grain exchanges. It has been contended on the floor of the Senate that the amendment proposed by the Senator from South Carolina to this section completely changes the provisions in the bill.

Let me follow through, now, on the thought of the Senator from Idaho. His thought is that the interpretation which the amendment places on the proposed act is sound. The language is "Nothing in this section shall be construed to prevent", and so forth. The Senator from Idaho merely says that the language is unnecessary, and does not change the statute. However, it is contended by other Senators that it marks a very material and a vicious change in the proposed law.

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

Mr. ROBINSON. I yield.

Mr. SCHWELLENBACH. I should like to suggest that the word "cotton" be stricken out, and the words "a commodity" be inserted. I think the words "crossing and" should also be stricken out as the word "crossing" raises some doubt as to the purpose.

Mr. SMITH. Mr. President, the Senator from Idaho misinterprets that word. The word "crossing" means that a broker will cross a purchase with a sale.

Mr. ROBINSON. I think the suggestion of the Senator from Washington is a good one.

Mr. SMITH. I do, too.

Mr. ROBINSON. Together with the suggestion of the Senator from Tennessee which has already been agreed to, it eliminates the implication that it might be a questionable transaction. The sale is not crossed in any objectionable sense, but the broker goes on the open market and offers both the purchase and the sale at the same time, and the transactions are made of record. I think by the elimination of the words "crossing and" the language should be acceptable, and that there ought to be no objection to its incorporation in the bill.

What I am anxious to do is not to penalize an honest transaction but to give the fullest possible freedom to any fair business transaction, and at the same time do everything that is reasonable and necessary to prevent the crooks that sometimes operate on the market from influencing it.

Mr. POPE. Mr. President, with the amendment suggested by the Senator from Washington, I think there is nothing undesirable about the amendment of the Senator from South Carolina.

Mr. ROBINSON. As a matter of fact, this discussion is not in order at this time.

The PRESIDING OFFICER. The Chair will state that the amendment offered by the Senator from South Carolina was rejected by the Senate.

Mr. ROBINSON. Yes; but we all understand that it has not been finally disposed of. The Senator from Texas, I see, has returned to the Chamber. I had just stated, before the Senator came in, that with the elimination of the words "crossing and", on page 1, in line 8, and the elimination of the words "then fair", which has already been agreed to, I see no objection to this amendment.

The PRESIDING OFFICER. The Chair is advised that earlier in the day several amendments were offered by the Senator from Iowa [Mr. MURPHY], and they are still on the clerk's desk. The Senator from Iowa requested unanimous consent that they be agreed to en bloc, but objection was heard. Subsequently that objection was withdrawn.

The amendments offered by the Senator from Iowa will be stated.

The CHIEF CLERK. The amendments proposed by Mr. MURPHY are:

On page 1, line 3, before "title", insert "1934 ed.,".  
On page 1, line 4, strike out "This" and in lieu thereof insert "That this".

On page 1, line 6, before "title", insert "1934 ed.,".  
On page 2, lines 5 and 6, strike out "(U. S. C. title 7, sec. 2)" and in lieu thereof insert "(U. S. C., 1934 ed., title 7, secs. 2, 3, and 4)".

On page 2, line 18, before "title", insert "1934 ed.,".

On page 4, line 2, before "title", insert "1934 ed.,".

On page 4, line 11, before "title", insert "1934 ed.,".

On page 16, line 2, before "title", insert "1934 ed.,".

On page 16, line 15, before "title" insert "1934 ed.,".

On page 16, line 22, strike out "changed" and insert in lieu thereof "changes".

On page 19, line 17, before "title", insert "1934 ed.,".

On page 21, line 3, before "title", insert "1934 ed.,".

On page 22, line 2, before "title", insert "1934 ed.,".

On page 24, line 23, before "title", insert "1934 ed.,".

On page 26, line 14, before "title", insert "1934 ed.,".

The PRESIDING OFFICER. Without objection, the amendments will be agreed to en bloc.

The next amendment in order is the amendment offered by the Senator from South Carolina [Mr. SMITH].

Mr. SMITH. Mr. President, am I to understand that the amendment which I offered was proposed to be amended by the Senator from Washington so that it would apply to wheat as well as to cotton?

Mr. MCKELLAR. Which amendment is the Senator now talking about?

Mr. SMITH. The one we were talking about a few moments ago.

Mr. ROBINSON. It would be necessary to reconsider the vote by which the amendment was rejected. I wonder if the Senator from Texas objects to that.

Mr. CONNALLY. If the Senator desires to have that action taken, I see no objection. I see no objection at all to changing the amendment.

Mr. ROBINSON. Mr. President, I move to reconsider the vote by which the amendment of the Senator from South Carolina was rejected.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arkansas. [Putting the question.] The ayes seem to have it.

Mr. CONNALLY. I call for a division.  
On a division, the motion was agreed to.

Mr. MCKELLAR. Mr. President, I understand that the Senator from Washington [Mr. SCHWELLENBACH] has asked that certain other words be inserted.

The PRESIDING OFFICER. The amendment offered by the Senator from Washington will be stated.

The CHIEF CLERK. On page 1 of the amendment of the Senator from South Carolina, line 8, it is proposed to strike out the words "crossing and."

The amendment to the amendment was agreed to.

Mr. SCHWELLENBACH. I now offer another amendment. In line 7, I move that the word "cotton" be stricken out and that the words "a commodity" be substituted therefor.

Mr. CONNALLY. Mr. President, it is so late it seems to me the matter might well go over until tomorrow and let us determine exactly where we are. I suggest that the amendment of the Senator from Washington go over until tomorrow so we can read the amendments and understand the situation.

Mr. ROBINSON. Mr. President, I think the suggestion of the Senator from Texas, in view of the course we have taken, is a fair one. I inquire whether the perfecting or correcting amendments of the Senator from Iowa [Mr. MURPHY] have been agreed to.

The PRESIDING OFFICER. They have been agreed to.

Mr. MURPHY. They have been agreed to. May I inquire the status of the amendment just offered by the Senator from Washington [Mr. SCHWELLENBACH]?

Mr. JOHNSON. Mr. President, what is the condition of the Smith amendment at this time?

The PRESIDING OFFICER (Mr. MURRAY in the chair). It has just been amended by the amendment of the Senator from Washington [Mr. SCHWELLENBACH] striking out the words "crossing and." The Senator from Washington has offered a further amendment, which the clerk will state.

The CHIEF CLERK. On page 1 of the amendment of the Senator from South Carolina [Mr. SMITH], in line 7, it is proposed to strike out the word "cotton" and insert the words "a commodity", so as to read:

Nothing in this section or in any other section of this act shall be construed to prevent a futures commission merchant or floor broker who shall have in hand, simultaneously, buying and selling orders at the market for different principals for a like quantity of a commodity for future delivery in the same month, from executing such buying and selling orders at the then fair market price.

Mr. JOHNSON. That is a perfecting amendment, as I understand?

The PRESIDING OFFICER. It is an amendment to the amendment.

Mr. SCHWELLENBACH. Mr. President, the Senator from Texas [Mr. CONNALLY] has requested that my second amendment go over until tomorrow. There is another amendment I should like to offer of the same nature, to wit, on page 2, line 2, to strike out the words "crossing and."

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In the amendment of the Senator from South Carolina on page 2, line 2, it is proposed to strike out the words "crossing and", so as to make the proviso read:

*Provided*, That any such execution shall take place on the floor of the exchange where such orders are to be executed and shall be duly reported, recorded, and cleared in the same manner as other orders executed on such exchange.

Mr. MURPHY. Mr. President, I ask that the two amendments to the amendment may go over until tomorrow.

The PRESIDING OFFICER. Without objection the amendments to the amendment will be passed over until tomorrow.

#### AGRICULTURAL DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. RUSSELL submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to 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", 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 amendments numbered 8, 9, 10, 11, 15, 18, 21, 26, 42, 52½, 54, 57, 60, 63, 74, 77, 83, 89, 90, 93 and 94.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 6, 7, 22, 29, 47, 53, 55, 58, 61, 75, 76, 78 and 79, and agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$22,107,870"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$1,494,089"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$3,861,024"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$769,503"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$669,935"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$5,258,194"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$10,063,963"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the

sum proposed, insert: "\$629,099"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$697,094"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$1,140,454"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$4,551,206"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$565,232"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$1,803,445"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$950,984"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$964,487"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$1,180,069"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$1,663,590"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$1,665,988"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$559,307"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$1,019,304"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$897,817"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$110,959"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$10,815,950"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "\$608,361"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$200,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$91,295"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "\$269,152: Provided, That \$170,000 of this appropriation shall be available only for maintenance in nurseries of existing stocks and for the free distribution thereof to farmers, in liquidation of the so-called shelter belt project of trees or shrubs in the plains region undertaken heretofore pursuant to appropriations made for emergency purposes."; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the

sum proposed, insert: "\$13,462,919"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$1,655,007"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"For the acquisition of forest lands under the provisions of the Act approved March 1, 1911 (36 Stat., p. 961), as amended (U. S. C., title 16, secs. 500, 513, 515, 516, 517, 518, 519, 521, 552, 563), \$2,500,000: Provided, That not to exceed \$50,000 of the sum appropriated in this paragraph may be expended for departmental personal services in the District of Columbia."

And the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$17,738,505"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$50,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$1,398,272"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$173,625"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$5,317,675"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$95,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$138,149"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$300,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$130,798"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$335,772"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$79,753"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$1,961,224"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$400,669"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$438,269"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$321,665"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$5,966,244"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$5,992,896"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$1,600,000"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$601,512"; and the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$20,000"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$22,853,485"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$24,869,265"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$21,364,000"; and the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$3,000,000"; and the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert: "\$4,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 16, 71, 85, and 86.

RICHARD B. RUSSELL, Jr.,  
CARL HAYDEN,  
E. D. SMITH,  
CHAS. L. McNARY,  
HENRY W. KEYES,

*Managers on the part of the Senate.*

CLARENCE CANNON,  
M. C. TARVER,  
WILLIAM B. UMSTEAD,  
W. R. THOM,  
J. P. BUCHANAN,  
LLOYD THURSTON,  
JOHN TABER,

*Managers on the part of the House.*

The report was agreed to.

#### SILVER AND THE MONETARY POLICY

Mr. PITTMAN. Mr. President, I wish to call attention to an article which appeared in the newspapers this morning. There was a report to the effect that 82 members of the National Committee on Monetary Policy today recommended to Congress that all silver legislation be repealed. The article states that this is on the ground that such policy reduces confidence in the national currency and that it has accomplished no good. The article also states that a petition has been prepared by this body which will be sent to Congress for the purpose of requesting Congress to repeal all silver-purchase acts and also to attempt to annul the agreements which the President of the United States entered into with other governments at the London conference with regard to silver.

I do not intend to discuss the matter at this time in detail because it is not officially before the Senate. I assume, however, that tomorrow or later the report will come to the Senate so we may examine it in its details. It carries one announcement which attracted my particular attention. In reading the list of members, I find that it is the largest group of professors that has yet attempted to influence legislation. I do not want anyone to take this as a reflection on professors. Personally, I think they accomplish a good purpose. In fact, in their own line they accomplish just as much good as any other artisan, such as a plumber or brick mason accomplishes in his own line.

The reason the matter becomes particularly important is that there are 82 professors in this group. I do not believe we have over six professors in our brain group in this admin-

istration. I understand, however, the Republican National Committee has 13 professors in its brain group. We shall have to find some method by which we may weigh the value of this expert influence. We must find some measure of their value, some natural measure that we may understand, whether by the bushel or the pound or the number or some other way. In this particular case there are 82 professors. That offsets our "brain trust", and it offsets the Republican "brain trust."

I really believe, however, that instead of referring the matter to the Congress, which possibly would not be able to understand their reasoning, they should refer this recommendation on their part to the "brain trust" of the Republican National Committee, and they in their turn should refer it to the platform committee at the Republican national convention.

That convention will meet in a few days. They no doubt have already listened to some monetary plans. Nobody can advise them better than these 82 professors; and at the head of this list is Professor Kemmerer, of Princeton. Professor Kemmerer believes we should instantly return to the old gold standard at the old gold value of \$20.67 an ounce. He also believes we should instantly return to gold redemption. He believes we should instantly condemn silver for use as money at all. That was the advice which the Republican Party followed in the past, and it seems to me that advice should be given to the professors of the Republican National Committee, and by them to the platform committee of the Republican Party. I hope that method will be pursued.

These distinguished gentlemen state that silver has diluted and debased the currency of the United States. Mr. President, practically every country in the world today uses silver as money. Over 3,000,000,000 ounces of silver today are used in the world as money. In our own country, from the very beginning of this Government, we have used silver as a part of our monetary system. In fact, down to the time of the demonetization of silver in 1873 we had true bimetallism in this country. A debt could be paid either in gold or in silver. So many grains of silver constituted a dollar. So many grains of gold constituted a dollar. The only change that was made in that policy was that in 1873 silver was demonetized by an act of Congress stating that it should not be legal tender for any debts whatsoever. That policy has been changed by this administration. Today every kind of currency that we issue is legal tender.

Let us see how wise it was to do that.

If, as a result of the enactment of our parity act it is necessary to maintain the parity of all our currency, it is certainly wise to give as much intrinsic value to that currency as can be given to it. It is said that the Government of the United States has been injured in its trade and commerce by virtue of the passage of the silver act. I challenge that statement as baseless. I challenge it as malicious. I challenge it as based upon an ancient prejudice.

As a matter of fact, our commerce has steadily increased since the Silver Act was passed, and with practically every country. I do not mean to say that the increase in that trade was due to the Silver Act, but I say it is just as absurd to state that the passage of that act was injurious to our trade and commerce as it would be for me to say that the increase in our commerce and trade was due to the passage of the Silver Act.

It is said that we have ruined China. I say to you, as a matter of fact, that Dr. Kemmerer knows that is not true. What were the factors that ruined China? They are perfectly simple. When did they commence? They commenced in 1930. How? The action of India in beating down the price of silver created a boom in China as a result of foreign money going in and buying that cheap money, and with that property at exorbitant prices; and then what followed that? They had as big a boom in China in 1930 and 1931 as was ever seen in Florida or Los Angeles; and when it fell, as it had to do, and liquidation commenced, banks commenced to fail. That was the first step.

What was the second step in the destruction of China? In 1932, when Japan invaded and took possession of Manchuria and established the state of Manchukuo, she deprived China of one of China's largest export markets. What was the next step that followed in that line? When the Japanese came south of the wall and actually took possession of North China, they took away from China another of her great export markets. What was the next step? When Japan took control of North China she took control—through Chinese, it is true—of all the customhouses; and then what happened? The chief revenue of China disappeared. How did it disappear? If I had made the statement earlier, it would have been charged as an unfriendly act toward Japan; but now we find our Government, by the advice of our Ambassador to Japan, asking the State Department to protest to the Japanese Government against the smuggling of Japanese goods around the customhouse into China. That now is an admitted fact. By these acts the purchasing power of China was destroyed.

When the Silver Act was passed in 1934, China was dying financially; and she added to her own misery by her unfortunate actions with regard to the silver policy which we adopted in this country. What did she do? I have here the newspaper accounts. I shall not read them; but in the middle of 1934 the Chinese Government commenced to protest to the United States, demanding that we cease our silver policy; and when they were told that we could not do so, what did they do? They did what any foolish banker would do and what no wise banker would do. They commenced deliberately to put out rumors from the National Government of China to the effect that if the United States did not change its silver policy they would go off the silver standard. The poor, misguided people over there thought going off the silver standard would affect the people of the United States! The rumors continued. The next rumor—and it was an official rumor, coming out of the office of the Minister of Finance—was, first, that they were going to put an export duty on silver; second, that if that did not work, they would put an embargo on it; and third, that they would nationalize silver.

What would have been the effect on any bank in this country if it had announced that after a certain date it was not going to redeem any more of its paper? There would have been a run on the bank prior to that date. That is what happened in China. I received a letter from Sir Henry Deterding from London at the time, in which he stated that by reason of the threat to nationalize silver—that is, to take all the silver into the treasury and use nothing but paper as a circulating medium—he had withdrawn from China 80,000,000 ounces of silver; and you will find also that all the great foreign companies doing business in China which had kept hundreds of millions of silver on deposit there for years withdrew that silver. So we find that China finally caused the silver to be withdrawn from the reserves of the banks to Shanghai and the other big cities through her own acts, and it was not the silver act which was responsible for it.

It is stated that we are ruining China. Here is the report of Dr. Kung, from Shanghai. He states that in 1931 the price index in China was 126.7. At that time ours was about 60. In 1932 the price index in China was 112. In 1933 it was 103. In October 1934—that was the time of the high price of silver—it was 90.

In other words, I say to you that the hardship China had to undergo with regard to the deflation of commodity prices was never over 9 percent, while our commodity prices went down 40 or 50 percent—I have forgotten exactly how much. The deflationary effect on her commodities of the rise in the price of silver was not over 9 percent. That did not injure China, and at the same time China was purchasing cotton and other materials in this country at a reduction of 25 percent below the normal price, by reason of the high exchange rate of silver; so we find there is nothing in that.

If nothing else on earth had been accomplished as a result of the authority which we gave to the President of the United

States in the silver act, the aid which it permitted us to give China was sufficient recommendation for it. When China was threatened by reason of the action to which I have referred, the United States Government bought \$70,000,000 worth of silver from China, and placed it here as a stabilization fund. That was the first in the series of actions that led to the prolonging of the economic life of China.

What has happened? The United States, by virtue of the power under this act, has agreed to purchase more silver from China, because the Chinese Government desires to take the American fund paid for that silver and place it in the United States for its stabilizing effect on their exchange, because China intends to establish a 65-percent reserve behind a currency issue, having 25 percent of that in silver, and the rest of the 65 percent in United States currency or gold.

China intends to have a new silver-currency issue. It will consist of the yuan, or Chinese dollar, and the half yuan, or Chinese half dollar. The unit will be smaller, and instead of being 90 percent pure silver, it will be 72 percent pure silver. It will be pure enough so that there will not be danger of its being counterfeited, yet it will be of low enough grade so that with the fluctuations of exchange the silver will not be melted up and sent out of the country. In other words, in the opinion of the great statesmen of China—and there are some great statesmen there—the aid which our Government has extended has saved the monetary situation in China, and that could not have been accomplished except under this act. Repeal this act, and there will be no further power to assist. I repeat, if the act had had no other result than that I have recounted, it would have justified itself.

But there are great Latin American countries to the south of us, and their monetary systems, with the exception of one or two, are also chaotic today. During the boom days of silver, when it was selling at \$1.38 an ounce, the silver which circulated all through Latin American countries being more valuable as silver than coins, was gathered up and sold as bullion, and today such countries which used silver from the beginning of civilization have little silver.

We will not buy silver from Latin America. We will lend them the silver if they use it safely and honestly, in accordance with the plan satisfactory to our Government. Our action means the beginning of stabilization not only in China, but the stabilization of the currencies of Latin American republics, and it will be of advantage to us that they are supported by our Government, instead of by some other government. It brings closer to us socially, commercially, and in every other way, not only China, but all of the great Latin American countries to the south of us.

In spite of these things, these great professors have nothing to say to us except that our action has not resulted in any good. They ask us to destroy the law; but what do they offer in its place? They have read the books which their fathers read, and which their fathers got from their grandfathers. They cry "Gold standard! Gold standard!" What kind of a gold standard? Where are other governments to get the gold?

I think it was in 1930 that Professor Kemmerer was employed by the Chinese Government to recommend a monetary system to them, and he advised them to debase their silver coin, to sell their silver, and to go on the gold standard, just at the time when the whole world was getting ready to go off the gold standard; and it did go off the gold standard inside of 2 years.

The Chinese knew too much about silver to do that. They had seen that the efforts in India to force silver out of India had been an utter failure. They knew that debasing their coins and dumping their silver as bullion would drive the price down until they would get nothing.

Yet these professors say to us, "Your present monetary system is all wrong. You have no gold standard now. Go back on the gold standard or the people will lose confidence in your securities, your bonds, and your currency."

They have been saying that for 2 years. Yet today the currency, the credit, and the securities of our Government

stand higher than those of any other government in all the world. In fact, the conditions here are so good that gold flows into this country for safety. Yet these professors say that our credit will be damaged.

During this transaction, up to date, our Government has made a profit of \$500,000,000, as can be seen by reference to the Treasury reports. On the silver the Government has purchased it has already issued \$685,972,458.39 in new silver certificates, and those silver certificates, which represent dollars, which are legal-tender dollars, cost our Government in the neighborhood of only about 45 cents apiece. Therefore the Government has made this profit.

This has been the fairest, the most sensible inflation that possibly could have been had in this country. I have read the figures. The Government has inflated six-hundred-odd million dollars in currency, and there is a dollar's worth of silver back of every dollar of it, at the market price. It cannot be depreciated currency. There is more back of it than the Federal Reserve notes ever had back of them, because the silver can be sold anywhere in the world, and every certificate redeemed, dollar for dollar.

In addition to this, the Government has the power today to issue \$315,000,000 more of silver certificates at the prices paid for the silver, and on that they will make a profit. So who has been injured? We added to our currency the soundest form of currency which exists in the world today, and we needed that currency. It has probably prevented an inflation which many think would be dangerous. As a matter of fact, I am always afraid of a fiat inflation. I am afraid of fiat currency. I am afraid of a managed currency, unless it be managed on a metallic base. All currencies are managed, more or less, but there is but one measure in the world that I know of that is sound in restricting currency issues, and that is the use of gold and silver. The history of the production of gold and silver for 400 years—and the statistics in regard to this are the most accurate in the world—discloses that gold has increased in production to the extent of only about 3 percent per annum, just about the percentage of the increase in population. The statistics also prove that the production of silver has increased but about 3 percent per annum; in other words, that the ratio of the production of gold and silver for 400 years has been about 14½ ounces of silver to 1 ounce of gold.

Yet these professors refer to this "base, dishonest, depreciated metal", when today nearly half the people of the world know no other money than the silver of which these "professors" speak so contemptuously.

In my opinion, if the stability of international exchange is ever reestablished, that effort will have to be supported by silver, not because, for instance, silver needs to be a part of the measure, but because today there are not over \$18,000,000,000 of monetary gold in the world, even at the present price. How far do Senators think \$18,000,000,000 would go toward stabilizing the currencies of the world?

There was a time when a very little gold stabilized vast currency issues and secured vaster credits, but when the World War was over, and there was talk about payment of war debts, and we realized that there was not enough gold in the world to pay the war debts, people began to see that gold was very scarce. When we found out that \$138,000,000,000 of American securities were payable by contract in gold, and we had only \$5,000,000,000 in gold, people commenced to realize the scarcity of gold.

We hear talk about going back to the old gold standard, and gold redemption. How could we afford to redeem our currency in gold? We should have all our paper currency in the Treasury in 30 days, and all of our gold in the hands of speculators, and then, getting in the hands of speculators, it would go to those places in foreign countries where gold buys more than our paper currency. In other words, we should have a brief delightful time of redemption for 30 days, and after that the gold would be gone from our shores, and it would be necessary to reissue fiat currency, and then the only currency in this country that would be respectable would be the silver certificates, behind every dollar of which

there is a dollar's worth of silver. It is the only money today that has any intrinsic value back of it, that can be recovered by the holder.

Compared with this great galaxy of professors, our little coterie of professors in the present administration sinks into insignificance. Of course that is the fault of Congress. Had Congress appropriated more money, more professors and better professors could have been employed. In the present situation we are doing the very best we can.

I admire professors. A distinguished one is sitting in front of me. I think they are the best whetstones for a good active blade that can be found anywhere in the world. Some professors themselves have been active blades. Some of them have had practical life, and have taken into their classrooms not only what they have read from the fathers' books but the experience of life, and have given their students the benefit of a broad experience. Those men have become distinguished professors. Some of them have entered the United States Senate, as did my distinguished friend who honors me with his presence, the Senator from Utah [Mr. THOMAS].

I have known other professors whose ability has been recognized. President Wilson was a distinguished professor. We have had others who were distinguished. However, I say to Senators that they are the exception, because those men are the exceptions who go into life, and meet people, and take part in incidents, and get to know realities. Those who cloister themselves, as most professors do, and revel in their books and in their own imaginations, attain for themselves a delusion of greatness which is frequently not real.

They are coming down here to tell the Congress of the United States what to do. They give us their ipse dixit. "We know what you should do. Repeal the Silver Purchase Act. Violate the agreement of the President of the United States, made on behalf of this Government with nine other great powers with regard to silver. Violate that agreement." That is what they are going to tell him to do. They are going to tell us in very plain language in this Congress, "Do not do anything for silver."

I have already painted you a picture of what the power we granted the President relative to silver has done for our own country in giving it an honest inflation of currency, and what it has done for China, and what it will do for other countries as it continues. When these professors speak about subsidizing the silver mines of this country, let me say to Senators that for every dollar that the silver miner gets for all the risks he takes and all the work he does, our Government gets approximately \$2 for coining the silver into coin at a cost of a cent a coin.

There is not another industry in this country that would stand for a minute a government making such an unholy profit from it; but we have submitted to it. We have submitted to it by reason of the narrow prejudice that permeated this country long ago in a great silver fight. But when these 82 professors come out of their cloisters without their hoods, and walk into this body and tell us what we shall do with regard to legislation, when they say to the Senate, which by nearly two-thirds vote passed the Silver Purchase Act, "You will have to repeal it; you made a mistake; you will have to condemn the President of the United States for entering into an agreement with nine other powers by which our Government benefits", I say to you that their delusions of greatness will be deflated.

Senators, so far as the mining States are concerned, this act was the best relief act that was ever passed, because it enabled mining people first to initiate their own work and employ their own idle.

I say to the Senate that since this act was passed 4,000 new mining industries have started up in the Western States. That is the reason why today, in the State of Nevada, we can hardly get enough men on the relief rolls to carry out any of our projects. That is the kind of work we want. These are not great industries. They are 4,000 little new industries, with miners starting in on leases, miners starting in on old mines, miners starting in on new prospects.

Let us tell these professors in advance that when they come in with their facts, if they have any, we have a special committee appointed by this body for the investigation of the silver question to which such facts will be referred. We have had experts working on statistics for months and they are now working on them. They are coordinating the price of silver with our exports and with our imports, and they are following up the changes in the monetary systems in all countries. We are now ready to make a preliminary report; and I say to Senators that it will deny each and every charge made by the distinguished gentlemen to whom I have referred.

#### INCORPORATION OF VETERANS OF FOREIGN WARS

Mr. NEELY. Mr. President, some days ago Senate bill 4100, to incorporate the Veterans of Foreign Wars of the United States, was passed by the Senate. There is now pending before the Judiciary Committee of the Senate House bill 11454, which is similar to the bill which the Senate unanimously passed last week. It is my purpose to ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of House bill 11454, and then to ask unanimous consent that the House bill be passed by the Senate and that Senate bill 4100 be recalled from the House.

I now ask unanimous consent that the votes by which Senate bill 4100 was ordered to be read the third time, and passed, be reconsidered.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. ROBINSON. Mr. President, has an identical bill already passed the Senate?

Mr. NEELY. Yes; unanimously.

Mr. ROBINSON. The Senator now proposes to have the House bill passed, so that the legislation may be concluded?

Mr. NEELY. Yes.

I move that the Judiciary Committee be discharged from the further consideration of House bill 11454, to incorporate the Veterans of Foreign Wars of the United States.

The motion was agreed to.

Mr. NEELY. I now ask unanimous consent for the present consideration of the House bill.

There being no objection, the Senate proceeded to consider the bill (H. R. 11454) to incorporate the Veterans of Foreign Wars of the United States, which was ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the following persons, to wit: James E. Van Zandt, Altoona, Pa.; Bernard K. Kearney, Gloversville, N. Y.; Scott P. Squyres, Oklahoma City, Okla.; Robert B. Handy, Jr., Kansas City, Mo.; Henry F. Marquard, Chicago, Ill.; William E. Guthner, Denver, Colo.; Edward J. Neron, Sacramento, Calif.; Joseph C. Menendez, New Orleans, La.; Paul L. Foulk, Altoona, Pa.; Robert E. Kernodle, Kansas City, Mo.; Walter I. Joyce, New York City, N. Y.; George A. Ilg, Cranston, R. I.; James F. Daley, Hartford, Conn.; Charles R. Haley, Pittsburgh, Pa.; F. C. Devericks, Clarksburg, W. Va.; John J. Skillman, Miami, Fla.; Ellie H. Schill, New Orleans, La.; Gerald C. Mathias, Lagrange, Ind.; James W. Starner, Effingham, Ill.; Leon S. Pickens, Wichita, Kans.; Archie W. Nimens, Minneapolis, Minn.; Harvey W. Snyder, Denver, Colo.; Charles O. Carlston, San Francisco, Calif.; Walter L. Daniels, Seattle, Wash.; John E. Swaim, Tulsa, Okla.; Peter J. Rosch, Washington, D. C.; and their successors, who are, or who may become, members of the Veterans of Foreign Wars of the United States, a national association of men who as soldiers, sailors, and marines have served this Nation in wars, campaigns, and expeditions on foreign soil or in hostile waters, and such national association, are hereby created and declared a body corporate, known as the Veterans of Foreign Wars of the United States.

Sec. 2. That the said persons named in section 1, or their successors, and such other persons as are duly accredited delegates from any local post or State department of the existing national association known as the Veterans of Foreign Wars of the United States, under its constitution and bylaws, are hereby authorized to meet and to complete the organization of said corporation, by the adoption of a constitution and bylaws, the election of officers, and to do all other things necessary to carry into effect and incidental to the provisions of this act.

Sec. 3. That the purposes of this corporation shall be fraternal, patriotic, historical, and educational; to preserve and strengthen comradeship among its members; to assist worthy comrades; to perpetuate the memory and history of our dead, and to assist their

widows and orphans; to maintain true allegiance to the Government of the United States of America, and fidelity to its Constitution and laws; to foster true patriotism; to maintain and extend the institutions of American freedom; and to preserve and defend the United States from all her enemies, whomsoever.

Sec. 4. That the corporation created by this act shall have the following powers: To have perpetual succession with power to sue and be sued in courts of law and equity; to receive, hold, own, use, and dispose of such real estate, personal property, money, contract, rights, and privileges as shall be deemed necessary and incidental for its corporate purposes; to adopt a corporate seal and alter the same at pleasure; to adopt, amend, apply, and administer a constitution, bylaws, and regulations to carry out its purposes, not inconsistent with the laws of the United States or of any State; to adopt, and have the exclusive right to manufacture and use such emblems and badges as may be deemed necessary in the fulfillment of the purposes of the corporation; to establish and maintain offices for the conduct of its business; to establish, regulate, or discontinue subordinate State and Territorial subdivisions and local chapters or posts; to publish a magazine or other publications, and generally to do any and all such acts and things as may be necessary and proper in carrying into effect the purposes of the corporation.

Sec. 5. That no person shall be a member of this corporation unless he has served honorably as an officer or enlisted man in the Army, Navy, or Marine Corps of the United States of America in any foreign war, insurrection, or expedition, which service shall be recognized as campaign-medal service and governed by the authorization of the award of a campaign badge by the Government of the United States of America.

Sec. 6. That said corporation may and shall acquire all of the assets of the existing national association known as the Veterans of Foreign Wars of the United States upon discharging or satisfactorily providing for the payment discharge of all its liabilities.

Sec. 7. That the said corporation shall have the sole and exclusive right to have and to use, in carrying out its purposes, the name "Veterans of Foreign Wars of the United States" and the sole and exclusive right to the use of its corporate seal, emblems, and badges as adopted by said corporation.

Sec. 8. That said corporation shall, on or before the 1st day of January in each year, make and transmit to the Congress a report of its proceedings for the preceding fiscal year, including a full and complete report of its receipts and expenditures: *Provided, however,* That said financial report shall not be printed as a public document.

Sec. 9. That as a condition precedent to the exercise of any power or privilege herein granted or conferred, the Veterans of Foreign Wars of the United States shall file in the office of the secretary of state of each State the name and post-office address of an authorized agent in such State upon whom legal process or demands against the Veterans of Foreign Wars of the United States may be served.

Sec. 10. That the right to repeal, alter, or amend this act at any time is hereby expressly reserved.

On motion of Mr. NEELY, it was

*Ordered,* That the House of Representatives be requested to return to the Senate the bill (S. 4100) to incorporate the Veterans of Foreign Wars of the United States.

#### REPUBLICAN PLAN TO STOP GRAZING

Mr. O'MAHONEY. Mr. President, from the beginning of this administration until the present time it has been the practice of some spokesmen of the livestock industry of the West to criticize as detrimental to the interests of the West some of the policies which have been inaugurated since March 4, 1933. The administration has been represented as hostile to the best interests of the livestock industry. Sometimes it was charged that the acts and policies would destroy the wool industry. Again it was charged that other acts and policies would destroy the livestock industry.

Of course, the predicted disasters never actually came. Conditions in the West have constantly improved as they have in every other section of the country, and the people of the far West are now in much better position than they were at the beginning of the administration.

There has been some suspicion that the purveyors of these charges were more interested sometimes in partisan advantage than they were in the advantage of the industry itself. With respect to that, however, I offer no opinion.

Nevertheless, I think it is of great importance that the attention of all of the livestock growers of the West should be called to an article which appeared in the Washington Post of this morning written by Mr. Hilding Siverson, special correspondent of the Post at Chicago. This article outlines a program which it indicates is to be presented to the Republican national convention for its approval. The authors of the program are, among others, Hon. William Allen White and Hon. Harry J. Allen, of Kansas, sponsors, I understand, of the gentleman who is represented as the leading candidate for the Republican nomination for the Presidency.

Another sponsor of this new program is the Honorable Don Berry, of Iowa. What these leaders propose to the Republican convention is the complete suspension of grazing upon the public domain.

They would retire from use as grazing lands all of the public domain as well as put a complete stop to reclamation, their purpose being to transfer to the Middle West and to the East all of the livestock activity that is now carried on in the public-land States. Mr. President, it seems to me to be of importance that all of the livestock interests of the far West, regardless of partisan affiliation, be advised as to this program in order that it may be repudiated before it is even offered to the Republican national convention.

I, therefore, ask unanimous consent that certain excerpts from the article by Mr. Siverson may be printed in the RECORD at this point as a part of my remarks.

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

[From the Washington Post of May 25, 1936]

William Allen White and Henry J. Allen, of Kansas; Don Berry, of Iowa, and others have been interested in an idea which would look toward a permanent Government policy of land use and land control.

#### UNITED STATES OWNS VAST PUBLIC LANDS

Such a program would take cognizance of the fact that the United States Government has actual or potential control of hundreds of millions of acres of grazing lands, Indian lands, areas subject to reclamation, areas subject to erosion control, areas that could be purchased at a very small sum and retired, areas which are tax delinquent and which are now being taken over by various States, areas that should be retired from agriculture and planted to forests, areas that have been drained, but which should have remained marshland. At present there is no coordinated program along these lines.

The free Government grazing land, or that which is leased for a fraction of 1 cent per acre net, after paying administrative costs, constitutes actual, if indirect, competition for the farmer of the humid area. The land under great Federal reclamation projects, formerly desert, constitutes real competition for the farmer in the humid area.

Under the Grand Coulee real-estate project, for instance, between one and two million acres will be transformed from desert into intensively farmed land. In fact, all the marginal land, which amounts to at least half a billion acres in the aggregate, constitutes very real competition to the farmer in the humid area, who has paid a high price.

#### WITHDRAWAL OF PUBLIC GRAZING LANDS PROPOSED

There are, according to conservative estimates, something like 14,000,000 head of livestock on public grazing lands, most of which is being used without remuneration to the Government (which means the taxpayers). This constitutes real competition to the farmer on the family-size farm as well. If these cattle and sheep were shifted to the humid areas they would require more than 20,000,000 acres of pasture, and that, in turn, would retire that much cropland, automatically restrict the production of corn, wheat, and other staple crops, and raise the price of those crops.

Nobody expects that all this Government grazing land will be retired all at once, but certainly a substantial beginning could be made, especially since the Government allegedly has set out to help the man on the small farm by putting on his heels an army of bureaucrats to tell him just how much he can raise, what kind of crops he can raise, and where he can raise them. It just doesn't make sense. There is a vast national hodge-podge instead of an intelligent, far-sighted land-use policy.

If the Republican Party does not tackle this general land-use problem in a statesmanlike way and promise to contract the total cropland area to the area needed for domestic consumption and thus raise farm prices by a broad national program without regimentation, it will be overlooking the biggest bet of the century. However, it might be expecting too much of the old-line politicians, for it is not likely that they have read the voluminous reports of several Federal administrations, and do not realize the vastness and grotesquery of the contradictory hodge-podge that has taken the place of what should be a real land-use policy.

The politician can be expected only to take the line of least resistance, which is to let an already almost bankrupt Treasury pay out direct benefits, permitting large-scale land practices to continue which are almost criminal. The Democrats do not dare to adopt a land-use policy as described, because the party machinery is too deeply imbedded in the localities chiefly involved, and special interests would desperately demand a hands-off policy on grazing, reclamation, etc.

Mr. PITTMAN. Mr. President, in connection with the remarks just made by the Senator from Wyoming [Mr. O'MAHONEY], permit me to say that it seems to be forgotten that the Original Thirteen States owned all the land within their borders; that Texas, for instance, when she came into the Union, owned all the land within her borders. It is now



forgotten that in my State, for instance, 87½ percent of the land within its borders is held in Federal Government ownership. Every effort to pass the title of that land into the State, so that it might become potential taxable property, has been fought by the great majorities in the other States where all the land within their borders is subject to State taxation. It is unfair; it is unreasonable, in the extreme.

Those who come from the great States of the Middle West, the farming States, who have received the support and the votes of the Senators from the States that have public lands in Government ownership, have forgotten that fact. Having held back from us all public lands so they could not be taxed by the State, it is now proposed to enact a further law under which we would not be permitted even to use the lands within the borders of our own States.

#### EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CLARK in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers in the Regular Army.

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the nomination of Morris L. Cooke, of Pennsylvania, to be Administrator of the Rural Electrification Administration for a term of 10 years, pursuant to the act of Congress approved May 20, 1936.

The PRESIDING OFFICER. 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.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. MCKELLAR. Mr. President, I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar.

#### DEATH OF REPRESENTATIVE RANDOLPH PERKINS, OF NEW JERSEY

Mr. ROBINSON. Mr. President, I move that the Senate resume legislative session.

The motion was agreed to; and the Senate resumed legislative session.

The PRESIDING OFFICER. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The legislative clerk read as follows:

#### IN THE HOUSE OF REPRESENTATIVES, May 25, 1936.

*Resolved*, That the House has heard with profound sorrow of the death of Hon. RANDOLPH PERKINS, a Representative from the State of New Jersey.

*Resolved*, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

*Resolved*, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect the House do now adjourn.

Mr. ROBINSON. Mr. President, the senior Senator from New Jersey [Mr. BARBOUR] and the junior Senator from New Jersey [Mr. MOORE] are both necessarily absent from the Senate. In their absence I send to the desk resolutions which I ask to have read and immediately considered.

The resolutions (S. Res. 304) were read, considered by unanimous consent, and unanimously agreed to, as follows:

#### Senate Resolution 304

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. RANDOLPH PERKINS, late a Representative from the State of New Jersey.

*Resolved*, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Under the second resolution the Presiding Officer appointed the Senators from New Jersey [Mr. BARBOUR and Mr. MOORE] as the committee on the part of the Senate to attend the funeral.

Mr. ROBINSON. Mr. President, as a further mark of respect to the memory of the deceased Member of the House, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was unanimously agreed to; and (at 5 o'clock and 36 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, May 26, 1936, at 12 o'clock meridian.

#### NOMINATIONS

*Executive nominations received by the Senate May 25 (legislative day of May 12), 1936*

#### PUBLIC HEALTH SERVICE

Senior Surgeon Carlisle P. Knight to be Medical Director in the United States Public Health Service, to rank as such from March 25, 1936.

#### APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

#### TO AIR CORPS

Second Lt. John Burroughs Cary, Corps of Engineers, with rank from June 12, 1934.

#### PROMOTIONS IN THE REGULAR ARMY

#### TO BE COLONEL

Lt. Col. James Howard Laubach, Quartermaster Corps, from May 14, 1936.

#### TO BE LIEUTENANT COLONEL

Maj. Parley Doney Parkinson, Infantry, from May 14, 1936.

#### TO BE MAJOR

Capt. William Rebert Gerhardt, Ordnance Department, from May 14, 1936.

#### PROMOTIONS IN THE NAVY

Chief Carpenter William F. Twitchell to be a naval constructor with the rank of lieutenant, on the retired list of the Navy, from the 1st day of September 1936, in accordance with the provisions of an act of Congress approved April 14, 1936.

Lt. (Jr. Gr.) William W. Graham, Jr., to be a lieutenant in the Navy from the 30th day of June 1935.

Naval Constructor Edmund R. Norton to be a naval constructor in the Navy with the rank of captain, from the 1st day of July 1935.

Midshipman Randolph Meade, Jr. to be an ensign in the Navy, revocable for 2 years, from the 4th day of June 1936.

#### POSTMASTERS

#### ALABAMA

Max B. Wells to be postmaster at Ashford, Ala., in place of C. L. Jackson. Incumbent's commission expired April 4, 1936.

Maude A. Bosarge to be postmaster at Bayou Labatre, Ala., in place of M. A. Bosarge. Incumbent's commission expired February 9, 1936.

Mack Karrh to be postmaster at Berry, Ala., in place of J. L. Miller. Incumbent's commission expired January 25, 1936.

Hugh H. Dale to be postmaster at Camden, Ala., in place of H. H. Dale. Incumbent's commission expired June 10, 1936.

Maunsell Gabbett to be postmaster at Camp Hill, Ala., in place of J. P. Aaron. Incumbent's commission expired May 19, 1936.

James E. Summerour to be postmaster at Henagar, Ala., in place of O. P. Williams. Incumbent's commission expired April 4, 1936.

Lucie L. Parnell to be postmaster at Maplesville, Ala., in place of J. E. Wallace. Incumbent's commission expired February 9, 1936.

Grover C. Warrick to be postmaster at Millry, Ala., in place of G. C. Warrick. Incumbent's commission expired April 4, 1936.

Jennings B. Key to be postmaster at Parrish, Ala., in place of W. L. Jones. Incumbent's commission expired June 1, 1936.

Leslie Booker to be postmaster at Phenix City, Ala., in place of A. R. Sherrer. Incumbent's commission expired April 4, 1936.

Stella K. Martin to be postmaster at Plantersville, Ala. Office becomes Presidential July 1, 1936.

## ARIZONA

S. Paul Shoemaker to be postmaster at Buckeye, Ariz., in place of L. W. Harper. Incumbent's commission expired March 22, 1936.

Peter Riley to be postmaster at Clifton, Ariz., in place of R. B. Anderson. Incumbent's commission expired May 19, 1936.

Bertha L. Hastings to be postmaster at Hayden, Ariz., in place of J. A. Williams. Incumbent's commission expired March 22, 1936.

George L. Noel to be postmaster at Holbrook, Ariz., in place of Luther Cadwell. Incumbent's commission expired January 7, 1936.

Vernon Hubbs to be postmaster at Kingman, Ariz., in place of O. D. M. Gaddis. Incumbent's commission expired January 9, 1934.

Floyd H. Miller to be postmaster at Tempe, Ariz., in place of Dilworth Baird. Incumbent's commission expired January 7, 1936.

Lee B. McAleb to be postmaster at Willcox, Ariz., in place of C. A. Williamson. Incumbent's commission expired January 7, 1936.

George T. Stevens to be postmaster at Winslow, Ariz., in place of A. R. Kleindienst. Incumbent's commission expired January 7, 1936.

## ARKANSAS

William Earl Polk to be postmaster at Corning, Ark., in place of J. H. Magee. Incumbent's commission expires May 26, 1936.

William B. Martin to be postmaster at Mena, Ark., in place of J. W. Martin, deceased.

## CALIFORNIA

Harry S. Summers to be postmaster at Artesia, Calif., in place of H. W. Crider. Incumbent's commission expired January 9, 1936.

Manuel C. Joseph to be postmaster at Irvington, Calif., in place of M. K. Blacow. Incumbent's commission expired January 26, 1936.

May C. Baker to be postmaster at Paradise, Calif., in place of M. C. Baker. Incumbent's commission expired May 10, 1936.

Thomas Budd Van Horne, Jr., to be postmaster at Reseda, Calif., in place of M. H. Turner. Incumbent's commission expired May 10, 1936.

John Ira Fiscus to be postmaster at Rio Vista, Calif., in place of L. P. Miller. Incumbent's commission expired May 10, 1936.

William W. Truby to be postmaster at Cross Roads, Calif. Office became President April 1, 1936.

Sydney W. Balding to be postmaster at Willowbrook, Calif., in place of J. J. Hunter, deceased.

## COLORADO

Leo F. Houston to be postmaster at Sugar City, Colo., in place of Emmons Ringle. Incumbent's commission expires June 28, 1936.

## CONNECTICUT

Arthur A. Lawrence to be postmaster at East Berlin, Conn., in place of L. M. Root. Incumbent's commission expired January 9, 1936.

Clinton A. Theis to be postmaster at Madison, Conn., in place of J. H. Derenthal. Incumbent's commission expired January 9, 1936.

## FLORIDA

George C. Johns to be postmaster at Lake Butler, Fla., in place of M. E. Johnson. Incumbent's commission expired February 9, 1936.

John B. Jones, Jr. to be postmaster at Oviedo, Fla., in place of C. E. Mariner. Incumbent's commission expires June 1, 1936.

## GEORGIA

Robert C. Ayers to be postmaster at Royston, Ga., in place of G. G. Ridgway. Incumbent's commission expired January 7, 1936.

## IDAHO

James B. Poynor to be postmaster at Council, Idaho, in place of G. W. Prout. Incumbent's commission expired February 5, 1936.

Wallace H. Hanson to be postmaster at Shelley, Idaho, in place of L. J. Holland. Incumbent's commission expired April 12, 1936.

## ILLINOIS

Pearle Paxton Bruner to be postmaster at Augusta, Ill., in place of F. W. Pitney, deceased.

Harry Bruns to be postmaster at Camp Point, Ill., in place of G. W. Mockmore. Incumbent's commission expired January 7, 1936.

Raymond O. Huffman to be postmaster at Catlin, Ill., in place of C. V. Champion, Sr., deceased.

Guy E. Ferree, Sr., to be postmaster at Hamilton, Ill., in place of R. W. Miller. Incumbent's commission expired February 14, 1935.

Mildred Conwell to be postmaster at La Harpe, Ill., in place of R. C. Hallowell. Incumbent's commission expired March 17, 1936.

George A. Kreuter to be postmaster at Livingston, Ill., in place of J. A. Livingston. Incumbent's commission expired April 27, 1936.

Alice C. Nichols to be postmaster at Plymouth, Ill., in place of H. H. Cravens. Incumbent's commission expired February 9, 1936.

Guy George Gillespie to be postmaster at Pocahontas, Ill., in place of Ethel Gates. Incumbent's commission expired March 17, 1936.

Esper Ziegler to be postmaster at Warsaw, Ill., in place of Henry Zobel. Incumbent's commission expired January 7, 1936.

Edward C. Jobusch to be postmaster at Waterloo, Ill., in place of E. W. Loehr, resigned.

## INDIANA

Morris A. Draper to be postmaster at Amboy, Ind., in place of G. K. Mast. Incumbent's commission expired January 9, 1936.

Fred Finney to be postmaster at Martinsville, Ind., in place of H. F. Dutton, removed.

Don W. Workman to be postmaster at Worthington, Ind., in place of H. J. Baker. Incumbent's commission expired January 9, 1936.

## IOWA

James M. McCoy to be postmaster at Creston, Iowa, in place of W. F. Busby. Incumbent's commission expired February 19, 1936.

Elmer A. Billings to be postmaster at Fayette, Iowa, in place of C. S. Parker, removed.

Walter J. Barrow to be postmaster at Iowa City, Iowa, in place of C. A. Bowman. Incumbent's commission expires June 23, 1936.

Harold J. Long to be postmaster at Rock Valley, Iowa, in place of A. N. Dixon. Incumbent's commission expired January 12, 1936.

Amber Bailey to be postmaster at Royal, Iowa, in place of H. P. Hendricksen. Incumbent's commission expired January 12, 1936.

Joe A. Clark to be postmaster at Sloan, Iowa, in place of W. E. Witten. Incumbent's commission expired January 12, 1936.

## KANSAS

William S. Harris to be postmaster at Kiowa, Kans., in place of H. B. Lawton, resigned.

Ralph W. New to be postmaster at Norcat, Kans., in place of C. C. Andrews. Incumbent's commission expired February 5, 1936.

Iris C. Schoepf to be postmaster at Utica, Kans., in place of W. M. Wheatcroft. Incumbent's commission expired May 19, 1936.

## KENTUCKY

Mary Elvira Johnson to be postmaster at Kevil, Ky., in place of T. A. Russell. Incumbent's commission expires June 1, 1936.

## LOUISIANA

Pierre Mistrot to be postmaster at Arnaudville, La., in place of R. D. Melanson. Incumbent's commission expired January 9, 1936.

## MARYLAND

Elsie V. Botts to be postmaster at Darlington, Md., in place of E. S. Worthington, removed.

Michael G. Labuda to be postmaster at Fort Howard, Md., in place of M. B. Workman. Incumbent's commission expires June 1, 1936.

John W. Murray to be postmaster at Hampstead, Md., in place of E. L. Murray. Incumbent's commission expired January 28, 1935.

Alfred F. Gough to be postmaster at Leonardtown, Md., in place of H. M. Jones. Incumbent's commission expired February 9, 1936.

Madeleine L. Boshier to be postmaster at Riverdale, Md., in place of M. C. Worley. Incumbent's commission expired January 22, 1935.

## MASSACHUSETTS

Joseph A. Morgan to be postmaster at Gilbertville, Mass., in place of J. A. Fulton. Incumbent's commission expired January 9, 1936.

James E. Bellew to be postmaster at Mansfield, Mass., in place of C. L. Bessom, transferred.

Thomas W. Curran to be postmaster at Norton, Mass., in place of A. S. Hopkins. Incumbent's commission expired April 27, 1936.

Thomas F. Welch to be postmaster at Rutland, Mass., in place of M. A. Putnam. Incumbent's commission expired February 9, 1936.

Robert A. Glesmann, Jr., to be postmaster at South Hadley, Mass., in place of J. H. Preston. Incumbent's commission expired January 27, 1936.

Alice Fitzgerald to be postmaster at Sterling, Mass., in place of C. M. Edwards. Incumbent's commission expired April 27, 1936.

## MINNESOTA

Evelyn I. Reintjes to be postmaster at Big Lake, Minn., in place of C. L. Lewis. Incumbent's commission expired March 17, 1936.

Glen M. Squires to be postmaster at Blackduck, Minn., in place of Martin Leet. Incumbent's commission expired March 31, 1936.

Clifford J. Fitzgerald to be postmaster at Dilworth, Minn., in place of R. C. Peterson. Incumbent's commission expired March 17, 1936.

Edward B. Anderson to be postmaster at Elbow Lake, Minn., in place of E. B. Anderson. Incumbent's commission expired April 27, 1936.

Joseph O. Ellevold to be postmaster at Fairfax, Minn., in place of W. G. Lammers, removed.

Andrew Lubinski to be postmaster at Greenbush, Minn., in place of C. A. Anderson. Incumbent's commission expired April 12, 1936.

Edna M. Matzke to be postmaster at Hills, Minn., in place of J. M. Johnson. Incumbent's commission expired March 10, 1936.

Joseph M. Hilger to be postmaster at Iona, Minn., in place of L. W. Galour. Incumbent's commission expired March 31, 1936.

Robert J. Mayheu to be postmaster at Ironton, Minn., in place of A. C. Gilbertson. Incumbent's commission expired March 31, 1936.

Gordon J. Dewar to be postmaster at Lewisville, Minn., in place of W. J. Westensee, removed.

Joseph J. Gaffney to be postmaster at Morris, Minn., in place of Louis Vinje. Incumbent's commission expired March 31, 1936.

Henry Falardeau to be postmaster at Oklee, Minn., in place of E. J. Soland. Incumbent's commission expired March 17, 1936.

Leonard Reiland to be postmaster at Rollingstone, Minn., in place of Mathew Rivers. Incumbent's commission expired February 3, 1936.

Charles C. Baxter to be postmaster at Walnut Grove, Minn., in place of H. W. Fingarson. Incumbent's commission expired February 17, 1936.

## MISSISSIPPI

Luna C. Davis to be postmaster at Belmont, Miss., in place of W. W. Shook. Incumbent's commission expired February 17, 1936.

Marshall Duell Wall to be postmaster at Calhoun City, Miss., in place of J. B. Going. Incumbent's commission expires June 1, 1936.

DeWitt D. McEachern to be postmaster at Ruleville, Miss., in place of H. E. McClurg, deceased.

## MISSOURI

Walter Fraser to be postmaster at Bolckow, Mo., in place of Fred Robinette. Incumbent's commission expires June 20, 1936.

Charles V. Hollady to be postmaster at Illmo, Mo., in place of Maurice Craig. Incumbent's commission expired February 1, 1936.

Anna L. Robinson to be postmaster at Oak Grove, Mo., in place of E. E. Wyatt. Incumbent's commission expired February 1, 1936.

Willie L. Hixson to be postmaster at Ozark, Mo., in place of B. C. Maples. Incumbent's commission expired February 9, 1936.

## MONTANA

Esther M. Evenson to be postmaster at Broadview, Mont., in place of W. J. Hartman. Incumbent's commission expired April 27, 1936.

## NEBRASKA

Fay J. Clough to be postmaster at Allen, Nebr., in place of M. M. Martin, resigned.

C. Glenn Magee to be postmaster at Arapahoe, Nebr., in place of M. R. Cox. Incumbent's commission expires June 1, 1936.

Dolores Jensen to be postmaster at Hampton, Nebr., in place of Elizabeth McGuire. Incumbent's commission expired May 23, 1936.

Magnus P. Hemmingsen to be postmaster at Marquette, Nebr., in place of C. O. Lewis. Incumbent's commission expires June 1, 1936.

Orval C. Myers to be postmaster at Nelson, Nebr., in place of F. E. Bottenfield. Incumbent's commission expires July 13, 1936.

Harley G. Moorhead to be postmaster at Omaha, Nebr., in place of F. C. Patton. Incumbent's commission expires June 1, 1936.

Agnes E. Sullivan to be postmaster at O'Neill, Nebr., in place of M. R. Sullivan, deceased.

Bessie A. Freed to be postmaster at Pender, Nebr., in place of B. A. Freed. Incumbent's commission expires July 15, 1936.

Martin Slattery to be postmaster at Shelton, Nebr., in place of Roy Hauke. Incumbent's commission expired February 5, 1936.

Jake R. Hanks to be postmaster at Thedford, Nebr., in place of D. W. Hyndshaw. Incumbent's commission expired February 24, 1936.

Elmer L. Bunger to be postmaster at Upland, Nebr., in place of C. E. Benson. Incumbent's commission expired March 10, 1936.

J. Marie D. Rutledge to be postmaster at Wilsonville, Nebr., in place of L. A. Rice. Incumbent's commission expired May 23, 1936.

#### NEW HAMPSHIRE

Edward W. Clement to be postmaster at North Woodstock, N. H., in place of E. H. Stevens. Incumbent's commission expired February 5, 1936.

Louis T. Pike to be postmaster at Pike, N. H., in place of L. T. Pike. Incumbent's commission expired January 7, 1936.

Ralph Edward Brackett to be postmaster at Sanbornville, N. H., in place of J. H. Garvin, Jr. Incumbent's commission expired April 27, 1936.

Frank Hutchins to be postmaster at Wolfeboro, N. H., in place of C. D. Grant, removed.

#### NEW JERSEY

Andrew R. Brugler to be postmaster at Blairstown, N. J., in place of S. D. Mitchell. Incumbent's commission expired January 9, 1936.

Austin W. Thompson to be postmaster at Chester, N. J., in place of A. P. Green. Incumbent's commission expired February 9, 1936.

Graham B. Coe to be postmaster at Delair, N. J., in place of F. J. Allen. Incumbent's commission expired January 26, 1936.

Charles Roth, Jr., to be postmaster at East Paterson, N. J., in place of R. F. Reihl. Incumbent's commission expired January 26, 1936.

William D. Hand to be postmaster at Nixon, N. J., in place of John Ellmyer, Sr., removed.

Harry W. Barry to be postmaster at Palmyra, N. J., in place of G. I. Harvey. Incumbent's commission expired January 9, 1936.

James W. Potter to be postmaster at Riverdale, N. J., in place of A. F. Jordan, Sr. (Appointee not commissioned.)

Herbert Schneider to be postmaster at Riverside, N. J., in place of Raymond Johnson, resigned.

James Powers, Jr., to be postmaster at Sewell, N. J., in place of M. E. Tomlin, resigned.

Rose C. O'Hanlon to be postmaster at South Orange, N. J., in place of J. J. O'Hanlon, deceased.

Otto F. Heinz to be postmaster at Springfield, N. J., in place of B. H. Smith. Incumbent's commission expired April 12, 1936.

Thomas H. Heslin to be postmaster at Wharton, N. J., in place of H. C. Lussy. Incumbent's commission expired February 9, 1936.

Peter H. Larkins to be postmaster at Yardville, N. J., in place of D. M. Adams. Incumbent's commission expired January 26, 1936.

#### NEW YORK

Elmer C. Wyman to be postmaster at Dover Plains, N. Y., in place of E. C. Wyman. Incumbent's commission expired April 29, 1936.

Matthias F. McDonald to be postmaster at East Williston, N. Y., in place of W. E. Lent. Incumbent's commission expired February 17, 1936.

Bernard H. Powers to be postmaster at Oyster Bay, N. Y., in place of J. T. Mills. Incumbent's commission expired February 17, 1936.

Stephen F. Barker to be postmaster at Saugerties, N. Y., in place of J. D. Fratsher. Incumbent's commission expired February 17, 1936.

Robert W. Siver to be postmaster at Sidney, N. Y., in place of M. J. Kipp. Incumbent's commission expired March 23, 1936.

#### NORTH CAROLINA

Gladys O. Howard to be postmaster at Cornelius, N. C., in place of G. E. Sweet. Incumbent's commission expired May 19, 1936.

Thad T. Russell to be postmaster at Granite Falls, N. C., in place of H. C. Whisnant. Incumbent's commission expired March 17, 1936.

Angus Raymond McRacken to be postmaster at Kenly, N. C., in place of E. E. McRacken. Incumbent's commission expired April 4, 1936.

William E. Blakely to be postmaster at Kings Mountain, N. C., in place of J. S. Ware. Incumbent's commission expired May 19, 1936.

Miriam H. Calhoun to be postmaster at Laurel Hill, N. C., in place of C. C. Snead. Incumbent's commission expired May 19, 1936.

Robert A. Rudisill to be postmaster at Maiden, N. C., in place of G. E. Hunsucker. Incumbent's commission expired January 18, 1936.

Herbert O. Phillips to be postmaster at Morehead City, N. C., in place of J. A. Klein. Incumbent's commission expired February 9, 1936.

Harry H. Llewellyn to be postmaster at Mount Airy, N. C., in place of J. B. Sparger. Incumbent's commission expired May 19, 1936.

Oliver L. Hoffman to be postmaster at Mount Holly, N. C., in place of W. F. Ballard. Incumbent's commission expired March 17, 1936.

Leon A. Mann to be postmaster at Newport, N. C., in place of B. H. Edwards. Incumbent's commission expired January 18, 1936.

Lewis Taylor Bartholomew to be postmaster at Spring Hope, N. C., in place of J. C. Matthews. Incumbent's commission expired January 18, 1936.

James C. Helms to be postmaster at Wingate, N. C., in place of F. L. Perry. Incumbent's commission expired April 29, 1936.

#### NORTH DAKOTA

Albert A. Glotzbach to be postmaster at Anamoose, N. Dak., in place of G. E. Abelein. Incumbent's commission expired March 22, 1936.

John Urbon Pavlik to be postmaster at Buffalo, N. Dak., in place of E. S. Brown. Incumbent's commission expired January 26, 1936.

Mabel E. Goetz to be postmaster at Dodge, N. Dak., in place of Marie Sivertz. Incumbent's commission expired May 3, 1936.

Frank C. Schroeder to be postmaster at Leonard, N. Dak., in place of G. T. Elliott. Incumbent's commission expired January 22, 1935.

Mary Olivia Hutchison to be postmaster at Rhame, N. Dak., in place of O. J. Goshorn. Incumbent's commission expired April 27, 1936.

Albert J. Bateson to be postmaster at Rolla, N. Dak., in place of A. M. Marchand. Incumbent's commission expired January 7, 1936.

Chester A. Johnson to be postmaster at Scranton, N. Dak., in place of V. C. Wilson. Incumbent's commission expired March 10, 1936.

#### OHIO

Roy T. Smith to be postmaster at Degraff, Ohio, in place of A. L. Brunson. Incumbent's commission expired March 10, 1936.

Terrence B. King to be postmaster at Deshler, Ohio, in place of I. F. Sherman. Incumbent's commission expired April 14, 1936.

John J. Boyle to be postmaster at Hubbard, Ohio, in place of O. G. Randall. Incumbent's commission expired April 12, 1936.

Luther D. Whitwood to be postmaster at Jefferson, Ohio, in place of C. S. Case, removed.

James E. Warren to be postmaster at McArthur, Ohio, in place of G. E. Sharp. Incumbent's commission expired January 7, 1936.

William D. Goodwin to be postmaster at Masury, Ohio, in place of John McCleery. Incumbent's commission expired February 24, 1936.

Harry A. Marceau to be postmaster at Niles, Ohio, in place of D. J. Thomas. Incumbent's commission expired April 14, 1936.

Thornton A. Hassler to be postmaster at West Liberty, Ohio, in place of M. W. Stout. Incumbent's commission expired February 5, 1936.

## OKLAHOMA

Jasper Hood to be postmaster at Kiowa, Okla., in place of J. L. Lane. Incumbent's commission expired February 5, 1936.

## OREGON

Delbert E. Pearson to be postmaster at Carlton, Oreg., in place of D. E. Pearson. Incumbent's commission expires June 23, 1936.

## PENNSYLVANIA

Alice S. Keating to be postmaster at Avondale, Pa., in place of W. H. Harper. Incumbent's commission expired May 10, 1936.

Urban W. O'Donnell to be postmaster at Bethlehem, Pa., in place of H. D. Kutz, deceased.

Lawrence J. Leonard to be postmaster at Butler, Pa., in place of C. G. Dixon. Incumbent's commission expired January 27, 1936.

Ardrey Boyle to be postmaster at Centerville, Pa., in place of E. C. Brannon. Incumbent's commission expired March 18, 1934.

James P. Sullivan to be postmaster at Corry, Pa., in place of C. S. Bentley, retired.

Bernetta B. Deegan to be postmaster at Dushore, Pa., in place of C. R. Kachinka. Incumbent's commission expired February 10, 1936.

Elmer S. Harry to be postmaster at East Petersburg, Pa., in place of H. E. Lupold. Incumbent's commission expired February 10, 1936.

Chester R. Wahl to be postmaster at Evans City, Pa., in place of G. H. Cole. Incumbent's commission expired January 9, 1935.

James B. Eschbach to be postmaster at Florin, Pa., in place of A. D. Garber. Incumbent's commission expired February 10, 1936.

Carolyn T. Foulk to be postmaster at Gap, Pa., in place of L. N. Ammon. Incumbent's commission expired February 10, 1936.

James E. Madigan to be postmaster at Houtzdale, Pa., in place of T. V. Partridge. Incumbent's commission expires July 15, 1936.

Ellis L. Lynch to be postmaster at McConnellsburg, Pa., in place of W. H. Greathead. Incumbent's commission expired May 10, 1936.

Joseph W. Hoover to be postmaster at Mountville, Pa., in place of P. S. Auxer. Incumbent's commission expired February 10, 1936.

Charles D. Fitzpatrick to be postmaster at Trevorton, Pa., in place of G. G. Kuhns. Incumbent's commission expired February 5, 1936.

Roy Wilkinson to be postmaster at Valley Forge, Pa., in place of J. J. O'Connell. Incumbent's commission expired May 10, 1936.

## SOUTH CAROLINA

Russell P. Barnett to be postmaster at Campobello, S. C., in place of R. W. Wall. Incumbent's commission expired May 13, 1934.

Bayfield W. Smoak to be postmaster at Moultrieville, S. C., in place of M. C. McInerney. Incumbent's commission expires June 23, 1936.

Earle W. Chadwick to be postmaster at Parris Island, S. C., in place of P. H. Norris, removed.

## SOUTH DAKOTA

Charles Gordon Finley to be postmaster at Bryant, S. Dak., in place of L. A. Gage. Incumbent's commission expired January 26, 1936.

Winfield C. Clark to be postmaster at Canistota, S. Dak., in place of R. L. Hazen. Incumbent's commission expires June 15, 1936.

John R. Knapp to be postmaster at Colome, S. Dak., in place of V. J. Fetzner. Incumbent's commission expired January 25, 1936.

Alva I. Addy to be postmaster at Dallas, S. Dak., in place of C. S. Kingsbury. Incumbent's commission expired February 9, 1936.

Gladys W. Stanek to be postmaster at Fairfax, S. Dak., in place of J. A. Stanek, deceased.

Joseph A. Conlon to be postmaster at Faulkton, S. Dak., in place of W. O. Johnson. Incumbent's commission expired January 25, 1936.

Minnie H. Vickers to be postmaster at Langford, S. Dak., in place of Linville Miles. Incumbent's commission expired April 27, 1936.

Olga R. Otis to be postmaster at Pierpont, S. Dak., in place of C. E. Dieter. Incumbent's commission expires June 15, 1936.

Randolph Y. Bagby to be postmaster at Pierre, S. Dak., in place of F. S. Williams, retired.

Harry F. Evers to be postmaster at Pukwana, S. Dak., in place of John Larson. Incumbent's commission expired January 26, 1936.

Otto C. Brubaker to be postmaster at Scotland, S. Dak., in place of C. J. Dickson. Incumbent's commission expires June 15, 1936.

Leroy F. Lemert to be postmaster at Spencer, S. Dak., in place of L. F. Lemert. Incumbent's commission expires June 15, 1936.

James L. Simpson to be postmaster at Veblen, S. Dak., in place of C. O. Steen, deceased.

William A. Bauman to be postmaster at Vermillion, S. Dak., in place of Charles Sundling. Incumbent's commission expires June 15, 1936.

Jesse V. Heath to be postmaster at Vivian, S. Dak., in place of L. E. Hosking. Incumbent's commission expired January 25, 1936.

## TENNESSEE

Ottie H. Seaver to be postmaster at Church Hill, Tenn., in place of M. R. Culbertson. Incumbent's commission expires June 11, 1936.

John S. McBride to be postmaster at Covington, Tenn., in place of H. H. Tatlock. Incumbent's commission expired April 29, 1936.

Monie Sandschulte to be postmaster at Loretto, Tenn., in place of C. M. Meister. Incumbent's commission expired March 18, 1936.

Robert W. Simmons, Sr., to be postmaster at Sharon, Tenn., in place of J. A. Horn. Incumbent's commission expires June 11, 1936.

## TEXAS

Martha A. Davenport to be postmaster at Ranger, Tex., in place of J. E. Meroney. Incumbent's commission expired June 6, 1934.

Mabel Darden to be postmaster at Holliday, Tex., in place of J. W. Stegall. Incumbent's commission expired April 27, 1936.

Edwin Westbrook to be postmaster at Mart, Tex., in place of Iona Cooke. Incumbent's commission expired January 8, 1936.

Clarence Lamoine Power to be postmaster at Temple, Tex., in place of T. J. Darling. Incumbent's commission expires June 10, 1936.

## VIRGINIA

Bard E. Fitzgerald to be postmaster at Gretna, Va., in place of N. L. Adams, resigned.

Charles F. Shumaker to be postmaster at Lovettsville, Va., in place of C. E. Virts. Incumbent's commission expired May 10, 1936.

## WASHINGTON

Dewey Harvel Baker to be postmaster at Naches, Wash., in place of J. C. Blevins. Incumbent's commission expired January 28, 1936.

## WEST VIRGINIA

Reuben Williams to be postmaster at Glen Rogers, W. Va., in place of Reuben Williams. Incumbent's commission expired February 9, 1936.

## WISCONSIN

Elsie M. Dussault to be postmaster at Land O'Lakes, Wis., in place of F. D. Keithley. Incumbent's commission expired April 27, 1936.

Ralph E. Lyon to be postmaster at Strum, Wis., in place of E. E. Strand. Incumbent's commission expired March 29, 1936.

Margaret McGonigle to be postmaster at Sun Prairie, Wis., in place of F. I. Conner. Incumbent's commission expired April 12, 1936.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate May 25 (legislative day of May 12), 1936*

## POSTMASTERS

## ILLINOIS

Paul Zimmerman, Earlville.  
Wilbur C. Gerke, Edwardsville.  
Albert H. Winter, Highland.  
Walter D. Hayes, Minonk.  
Joseph L. Langan, Odell.  
George S. Thornton, Oquawka.  
Mary M. Spurgeon, Prairie City.  
Charles W. McDonald, Wheaton.  
Ralph M. Short, Witt.

## KANSAS

Raymond R. Staab, Satanta.  
James P. Kelley, White Cloud.

## MAINE

William G. Chamberlain, Fort Fairfield.  
Bess M. Clark, Milo.  
Harry V. Smith, Springfield.  
Roy E. Swaney, Vanceboro.

## HOUSE OF REPRESENTATIVES

MONDAY, MAY 25, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Consider and hear us, O Lord our God: Lead us to walk uprightly and work righteousness and speak the truth in our hearts. We lift our prayer to the throne of Eternal Light, where there is life, joy unspeakable, and which is full of glory. Grant us Thy holy spirit that we may grow in mind, in soul, and in appreciation of all things worth while. Be with us in our struggles and in our triumphs; may we never neglect to praise Thee for that power which brings us into the joy and liberty of life. Heavenly Father, bless our own true America, which is composed of a God-fearing and family-loving people, ever holding to the ideals which have

been the guide and the guardian of our destiny. Blessed Master and Friend, be with our President, our Speaker, and the entire Congress. Grant us the largest portion of Thy spirit with which to do the work entrusted to us. When Thy wings spread against the gray nightfall give us rest and peace.

We wait a moment. Again we have been made deeply conscious of the brevity of time and the frailty of human life. Again the roll has been called and there is no response. Again the silver cord has broken and a noble and upright public servant has left us. O give his family and all his loved ones the Christian's peace and consolation. Through Christ. Amen.

The Journal of the proceedings of Friday, May 22, 1936, was read and approved.

## PRESERVATION OF THE GIBRALTAR WATERSHED IS OF THE UTMOST IMPORTANCE TO THE CITIZENS OF THE CITY OF SANTA BARBARA

Mr. STUBBS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. STUBBS. Mr. Speaker, one of the loveliest communities in all the world is Santa Barbara, Calif. It has climate, beautiful surroundings, high type citizens, access to the sea, majestic mountains in the background, and everything else necessary to make it the most comfortable community on earth in which to live. I invite you all to visit us, but I warn you now that if you come, come prepared to stay, for few ever desire to leave once they have tasted the pleasure of living in that glorious place.

With all of its natural assets, however, Santa Barbara has always been dependent, and will always be dependent, upon a supply of fresh water which emanates from the Gibraltar watershed in the mountains back of the community.

Soon after coming to Congress civic officials and Government agents in the Santa Barbara area came to me and asked me to sponsor a bill in Congress which would protect the watershed area. This bill was introduced under the title of H. R. 6544. I was able to push it through the various committees and it has become a law—Public No. 526, Seventy-fourth Congress. As the title of the law indicates, its purpose is to conserve the water resources and to encourage reforestation of the watersheds of Santa Barbara County, Calif.

This new law, I am confident, will preserve the city of Santa Barbara from one of its greatest dangers—fire. Fire, the demon of the forests and a ruthless destroyer of watersheds, is an unpredictable element, and the best we can do is to utilize every possible expedient in preventing its inception.

I recently received a letter from S. A. Nash-Boulden, supervisor of the Santa Barbara National Forest, in which he stated:

If you are successful in getting this bill (H. R. 6544) through Congress, it will mean a great deal to the city of Santa Barbara in the development and protection of the Gibraltar watershed, and may save them considerable trouble and expense in any further development work within the area.

Many interesting points were discussed in the Public Lands Committee of the House when the bill was under consideration, and for the benefit of those who are familiar with the situation out there, I am taking the liberty of quoting from my testimony before the committee.

Hon. RENÉ L. DEROUEN, chairman of the committee, was presiding. My testimony follows:

The CHAIRMAN. Mr. STUBBS, do you choose to address yourself to this bill?

Mr. STUBBS. I do not think, Mr. Chairman, that much need to be said on this bill, because it is so meritorious. This was requested by the city of Santa Barbara on behalf of the citizens of that community. Most of you know our crying need for water, and this city of about 35,000 inhabitants derives its main supply of domestic water from the Gibraltar Dam, situated in mountains overlooking the city. Some years ago—in 1932, I believe—approximately 132 square miles of 199 square miles of the forest watershed drainage area were practically denuded by the great Miliitja fire, which resulted in silt flowing into the Gibraltar Dam, and now we find 28-percent silt in this dam, and it was constructed only 10 years ago.

In other words, unless something is done to prevent erosion and these devastating fires, we cannot conceive of what might happen to this beautiful little city and the communities lying about it which represent an additional 15,000 or 20,000 people.

Nothing but good can come from this bill. There have never been any minerals found in this watershed in the course of a century of time, perhaps, as a result of spasmodic explorations which have been chronicled. It will be for the interest of that community, I am sure. It is not my home city, but it is my home county, and there has been no objection raised from any source. In fact, just the reverse is true. Now, the fact that both Departments—Interior and Agriculture—have acted favorably leads me to request the committee to vote out this bill.

Mr. ROBINSON. How does this affect the discovery of oil?

Mr. STUBBS. It does not affect that.

Mr. DEMPSEY. It does affect the entry under the mining laws, as I understand it.

Mr. STUBBS. That is the idea. Men go up there prospecting, and innumerable fires are the result. There is nothing to be accomplished by that prospecting. There is nothing else to do, and the community feels—all the county seems to feel—that the bill should be passed. The superintendent of the national forest there has written a letter urging its enactment. We are continually having trouble with fires.

Mr. WHITE. Let me ask a question. Is the land embraced within the provisions of this bill all now within a national forest?

Mr. STUBBS. Yes.

Mr. WHITE. Could you tell us, if this law was enacted, how you would encourage reforestation or protect watersheds by the terms of the act any more than the Forest Service now protects it?

Mr. STUBBS. Well, perhaps more to prevent future fires. The C. C. C. camps are located in there now. The Government is trying to rebuild this devastated forest area. By replanting of watersheds and building truck trails, and such as that, the Government is spending a large sum of money. A number of C. C. C. camps in the area now are trying to build up the district, and if future prospecting work is carried on there promiscuously we believe that it would serve no good purpose. A devastating fire might occur at any time. The last great fire in 1932 cost an estimated \$70,000,000. But there was one authority on the subject who told me that the loss in forest assets would reach \$700,000,000. We are trying to save our watersheds. They are California's greatest assets and Santa Barbara needs this one.

Mr. WHITE. Will you tell us how the provisions of this act barring entry of mining claims in this area is going to promote the reforestation or protect the watershed? Can you explain that to us?

Mr. STUBBS. Just as I stated, the Government is spending a good deal of money in there now trying to rebuild that watershed and to prevent soil erosion, which is at the present time the result of these fires. Useless and fruitless prospecting endangers the watershed and the Santa Barbara Reservoir. We all feel that it would provide real protection, and there is nothing harmful that could come from this bill.

Mr. WHITE. Don't you think that if there are mineral resources in there, wealthy mineral in this area, that the passage of this law will bar its development and leave those resources undeveloped and latent?

Mr. STUBBS. Not necessarily so. I think the report from the Secretary of Agriculture states that if there are any healthy symptoms, need for mineral development, that terms can be granted quickly. In other words, it seems like we are trying to regulate a hazardous condition that is endangering the lives and property of a great community.

Mr. MOTT. How big did you say that watershed is—how many square miles?

Mr. STUBBS. Well, the actual number of square miles is 196, affecting the reservoir area, and 200,000 acres in all are involved in this particular bill.

Mr. MOTT. And the town is how big?

Mr. STUBBS. The town is 35,000, but the country—the back country—back of the city of Santa Barbara represents more than 15,000 population.

Mr. WHITE. This is a colony of millionaires in Santa Barbara, isn't it?

Mr. STUBBS. I am glad you asked that question, because I believe it would be apropos to tell you something about the city of Santa Barbara and vicinity, and something about the people who reside there. Santa Barbara is a city which nestles in the cup of a mountain range where it touches the sea. It is famed for its beautiful homes, where many families of great wealth and prestige reside, but it also has many other attractions. It is probably one of the most attractive communities of the world, being surrounded by commanding mountain peaks, and by the sparkling and peaceful Pacific Ocean, where yachts, motorboats, and other types of sea vessels are operated by those who reside there. The people are of the highest type. Many of them trace their ancestry back to the founders of California. All who once see this beautiful community long to remain there permanently.

Regardless of what others might say, it is my belief that Santa Barbara is the paradise of the Pacific, because of its healthy atmosphere, its glamorous air, its high type citizenry, attractive buildings, and other factors which go into the development of a splendid community—all these Santa Barbara has in abundance, and these are what I want to save from destruction. The very lives of the citizens are at stake, because they naturally require pure water in abundance, not only now, but the certainty that

this supply will be protected for future generations. Water is king out in my country.

There has been some question raised concerning the protection of current mining development and the right to develop any mineral deposits of value which might be discovered in the future. If you will permit me to refer to the report of the Secretary of Agriculture, you will note that the city obtains its principal supply of water from the forest area. You will also note that the land has not been found, even with prospecting over a long period of time, to contain valuable deposits as far as is known now, but under the existing law they are subject to location and entry under the mineral statutes; but under the mineral laws, in view of the provision for the restoration of valuable mineral lands to location and entry by the President, and upon the recommendation of the Secretary of the Interior and the Secretary of Agriculture, valid rights are adequately protected.

Mr. WHITE. As I understand it, the provisions of this bill would invalidate any mineral location.

Mr. STUBBS. Not present locations.

Mr. WHITE. Is it the opinion of the chairman that, after the passing of the law, they could be easily obtained?

The CHAIRMAN. I cannot pass on that—I am sorry. I do not know how that would be interpreted, or how easy it is.

Mr. MOTT. I will tell you. It is our experience, and I have had several bills in at the last session like this, that you cannot protect your watershed if you let anybody go in there to live, or homestead, or mine, or anything else. If you have a watershed that you want properly protected either from fire or from insanitary conditions, you have to keep people out of it.

The CHAIRMAN. It is moved and seconded that the report on H. R. 6544 be made. All in favor signify by saying aye. [A chorus of ayes.]

Those who are not in favor will say no.

Mr. WHITE. No.

The CHAIRMAN. The ayes have it. One no.

And thereupon, Mr. Speaker, the bill was presented to the House and passed. It passed the Senate with the aid of Senator HIRAM JOHNSON, who defended it in the upper Chamber, and was approved by the President.

This law, I know, will not only protect the water rights of the citizens who depend upon the Gibraltar watershed for domestic and agricultural water needs, but it will assist materially in advancing recreational activities, grazing, propagation of wildlife, and a host of other important and necessary activities which follow naturally when we take good care of our forest and watershed areas.

#### ROBINSON-PATMAN EQUAL OPPORTUNITY IN BUSINESS BILL

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection.

There was no objection.

Mr. PATMAN. Mr. Speaker, this bill, H. R. 8442, is expected to receive consideration Tuesday, May 26, 1936, immediately after disposal of the vocational education bill. There will be 1 hour's debate on the rule for consideration of our bill and 4 hours' general debate after the adoption of the rule. Then the bill will be read under the 5-minute rule. It will possibly be late Wednesday evening before the bill is finally disposed of, but those of us who are sponsoring the legislation are hopeful that the bill can be disposed of before adjournment Wednesday night. The Honorable JOHN E. MILLER will have charge of the bill for the Judiciary Committee.

#### OTHER QUESTIONS AND ANSWERS

In the daily CONGRESSIONAL RECORD for Thursday, May 21, on page 7969, I inserted questions and answers relating to this bill. I am inserting herewith additional questions and answers:

#### STOCK DEFENSE TO ANY EQUAL-RIGHTS BILL

1. Question. What will be the tactics of the opposition?

Answer. As usual, it will be contended by many that they are in favor of just this type of legislation, but opposed to this particular bill. It is the same old stock defense that is used to oppose any kind of legislation along this line. Witnesses appeared before the Judiciary Committee and the Rules Committee of the House and stated that they favored what the bill seeks to do, but offered critical objections to the bill as proposed to do what we wanted and what they wanted, according to their arguments. It is interesting to note that the ones who are opposing this bill have never suggested to the committee that considered it a bill that will do what we want done that they would favor, although they

claim that they favor what we are proposing to do. The House Judiciary Committee considered this bill for almost a year.

FARM ORGANIZATIONS

2. Question. The newspapers a few days ago reported that representatives of several farm organizations have issued a statement in opposition to the Robinson-Patman bill. Are the farmers opposing this legislation?

Answer. I believe the farmers and their organizations will support this bill. It is true that a letter was written to the Honorable JOHN J. O'CONNOR, chairman of the Rules Committee, by representatives of several farm organizations, stating that they were writing on behalf of the farmers of the country and asked that the bill be given further study. In the letter it was stated:

As representatives of the organized farmers of this country, we are in favor of legislation to eliminate false brokerage allowances, false advertising allowances, and unreasonable quantity discounts where such discounts are made available only to a very limited number of customers.

In another part of the letter they stated that—

The bill should go over until the next session of Congress and be more carefully reviewed and studied with a view to writing a bill which will correct the abuses complained of.

At the time this letter was written, our bill contained two amendments that were objectionable to these farm organizations: One was the definition of price, section 5 of the House bill, known as the antibasing point provision; and the other one was the classification section, classifying distributors into groups such as wholesalers, retailers, brokers, jobbers, and so forth. Since that time the sponsors of this legislation have agreed to eliminate both these amendments. The Judiciary Committee has met and instructed the chairman, the Honorable HATTON W. SUMNERS, to offer amendments to the bill on the floor to strike these provisions from the bill. Undoubtedly they will be eliminated.

Therefore these farm organizations will certainly support the legislation in favor of correcting the abuses that our bill is intended to correct.

NOT SUBSTITUTE FOR N. R. A.

3. Question. It has been stated in the public press that the Robinson-Patman bill is a substitute for the N. R. A. Is this true?

Answer. No; it is not true. This bill has no connection whatsoever with the N. R. A. It seeks to correct abuses and unfair advantages that are generally known, condoned by a few but never encouraged or defended by any except the special few who are profiting by reason of them. No one will openly defend these abuses, and the Members of Congress will not hear a Member of the House of Representatives attempt to defend the abuses this bill seeks to correct.

WILL RETAILERS HAVE TO COME TO WASHINGTON BEFORE FEDERAL TRADE COMMISSION?

4. Question. If this bill is passed, will it require the million and a half retail stores to defend their rights before the Federal Trade Commission?

Answer. No; this bill does not deal with the retail distributor. It merely grants one retail distributor the same rights and benefits as other retail distributors under the same conditions. About the only concern that will be called upon to defend itself before the Federal Trade Commission will be the manufacturer who cheats his customers by charging to certain customers more for the same quantity and under the same conditions than he charges others. This practice will be prohibited by this bill, which requires equal rights to all customers and special privileges to none. Many large manufacturers now have this policy. This bill will force all chiselers and cheaters to adopt Golden Rule policies.

PRICES NOT INCREASED

5. Question. Will the bill affect in any way retail prices?

Answer. No; a manufacturer will be compelled to sell all customers the same quantity at the same price. The retailer who purchases from the manufacturer will not be required to maintain a price. Manufacturers will compete among themselves, but each manufacturer must treat his own cus-

tomers fairly and squarely and not charge one more for the same quantity under the same conditions than he charges another. This is enforcing common honesty.

QUANTITY PURCHASES RECOGNIZED

6. Question. Will this bill prevent a large purchaser from receiving a lower price for a large quantity than a small purchaser receives for a small quantity?

Answer. No; the bill recognizes that there should be a difference in the selling price based upon differences in cost of manufacture and distribution. In other words, if 50,000 units of a commodity are ordered from a manufacturer and he can produce these units for 5 cents less per unit by reason of the large order than he could produce a thousand such units, there is nothing in the bill which will prevent the lower price being given for the large quantity purchased. In this case the buyer of a thousand such units will pay 5 cents more per unit because there is a difference in the cost of manufacture of that amount. The only exception is that where a particular commodity is purchased in such great quantities by a very few large buyers that these large buyers would soon obtain a monopoly in the distribution of that commodity, then the Federal Trade Commission may establish a quantity limit upon the showing that there is danger of a monopoly, and when that quantity limit is fixed, any purchaser or group of purchasers who buy the quantity limit so fixed will receive the same price per quantity unit as the large mass buyers who purchase several such quantity units. This power of the Federal Trade Commission cannot be invoked unless there is danger of monopoly and upon proof being made that there is danger of monopoly.

WILL NOT COMPEL HIGHER PRICES TO CHAINS

7. Question. Will this bill compel chain and department stores to pay a higher price?

Answer. It is not intended to require anyone to pay a higher price, but it is intended to compel a manufacturer who selects a customer—and in this bill power is expressly reserved for the manufacturer to select his customers—to give each customer the same fair deal and the same prices for the same quantities under the same conditions. This bill will not increase prices. It will lower prices to consumers, since independents who are now refused equal rights with other customers of a manufacturer will be given these rights under this law, which will result in a lower price to them. This law will cause keener competition and lower prices to consumers.

MIDDLEMEN

8. Question. Is there anything in this bill that will require middlemen to be used?

Answer. Absolutely nothing. The only provision about brokers and wholesalers will merely prevent fees and commissions ordinarily paid to brokers and wholesalers from being used as bribes.

VOLUNTARIES FOR BILL

9. Question. Are the voluntary groups of grocers, druggists, and other opposing this bill?

Answer. Only where their executives and promoters are making money off of them by exploiting the menace of the chain store to the independent merchant. The bill will make it easier for the voluntary to protect its members against the chain, because it places a halter on chain abuses. And this bill will make the voluntary more effective in securing that protection, because it will guarantee its members prices on pool purchases on an equal basis with their largest chain competitor.

Any voluntary is, therefore, very foolish to oppose this bill. Under existing law, a number of owners of stores can go in together, buy collectively, and receive a better price by reason of the quantity purchased. An investigation has disclosed, however, that such groups do not receive as good a price as the corporate chains, although they purchase the same quantities. Besides, under existing law, manufacturers can cut them off entirely any time they want to and refuse to give them any discount or rebate whatsoever. Some leaders in these groups have been led to believe that they are already getting more than certain other groups, and efforts are being made to get them to oppose the bill. The



fact is that no one knows the special discounts that the other customers of a manufacturer are receiving, and an investigation has disclosed that only the big corporate chains receive certain big rebates.

#### HOLDERS OF PRIVILEGE OPPOSE BILL

10. Question. Why is this bill so bitterly opposed?

Answer. A few people are enjoying great privileges from manufacturers. These few have become greedy, which is perfectly natural. One large corporate chain is paying its president, vice president, and general superintendents \$2,000,000 a year. This \$2,000,000 represents about one-fourth of the special rebates this concern receives from manufacturers. Six of these officials draw salaries of more than \$100,000 a year each. They are afraid if this law should be passed and they have to pay the same price for the same quantity of merchandise under the same conditions that their big salaries will be in jeopardy; that they will possibly have to accept a reduction. This is not at all pleasing to them. Evidently they have in mind increases rather than reductions.

#### SECTIONS AND GROUPS AFFECTED

11. Question. Which sections of the country and groups are most vitally affected by this legislation?

Answer. The manufacturer who deals fairly with his customers will not be affected by this bill. It was stated before a committee of the House that 90 percent of those affected by the bill reside in a small area in the heart of New York City. They are profiting to the extent of millions of dollars a year through their chiseling, cheating, racketeering tactics. Their policies are destructive not only to small business, small manufacturers and distributors, but also to the consumers including the farmers and wage earners. All sections of the country are affected, and all groups, but the unfair privileges are held by a small group in a small area.

#### HOW GREEDY KEEP THEIR PRIVILEGES

12. Question. How do the few greedy people who are opposed to the Golden Rule in business most effectively prevent the enactment of such a bill as the Robinson-Patman Bill?

Answer. By seeking delay, by confusion of the issue, and by downright misrepresentations. A congressional investigation has shown that these people use farmers and other consumers as a front or stuffed shirt to act as their mouth-piece. They do not come out into the open themselves as their arguments will not stand the light; but different methods and tactics are used to get the so-called consumers, farmers, and wage earners to plead their cause for a consideration. One who advocates the enactment of a law is at a great disadvantage since he has such hazards before him as delay and all kinds of misrepresentations. On the other hand, one who is opposing the enactment of a bill has many things to his advantage. A whispering campaign is often resorted to to disturb the members. Every method on earth is used to delay consideration and the more confusion by misrepresentations or otherwise that is injected into the issue, the better chance there is of defeat of the bill.

#### DANGER OF MONOPOLY

13. Question. Why do you say there is danger of monopoly?

Answer. There is not a danger of monopoly at this time in every line of business, but in the lines of business in which corporate chains are engaged there is already a monopoly in many of the favorite areas in this country. In determining the extent that corporate chains have gone in the direction of monopoly, comparisons should be restricted to the areas in which the corporate chains operate and the lines of business in which they are engaged. For instance, in community A, there is a million dollars' worth of retail distribution business a year. Let us suppose that the corporate chains only do 25 percent of that business, or \$250,000. Without further investigation you would say that there is no danger of monopoly, but suppose that the \$250,000 of business represents all of the grocery business in that community for that year and that is the only business in which the chains are engaged in that area. That would

show conclusively that in the grocery business in that area that they have a complete monopoly although they are only doing 25 percent of the total retail business, which includes all retail distribution.

Suppose a corporate chain has 10,000 outlets, and it opens a thousand new outlets. These thousand new outlets are in competition with local merchants who have spent their lifetime building up goodwill and the business in which they are engaged. This corporate chain desires to destroy the competitors around these thousand new stores. Under the existing system all they have to do is to let these thousand stores have all their secret rebates obtained by reason of their purchases for all their 11,000 stores and this will enable the thousand new stores to soon destroy their competitors. When these competitors are destroyed, a thousand more stores can be opened and their competitors destroyed in a similar manner. The losses in one place are made up not only by the secret rebates obtained on total purchases but also on higher prices charged to consumers in areas where they already have a monopoly of business where their competitors have already folded up.

#### THE LOW PRICE CONSUMERS SHOULD RECEIVE

14. Question. Is it better for consumers to receive a real low price?

Answer. Yes; consumers should receive the lowest price possible. That does not mean, however, that we should not look into the future and determine the effect of present destructive policies if permitted to continue. For instance, because a corporate chain is bribing or baiting their customers with real low prices while their competitors are being destroyed does not mean that the consumers will continue to get those prices after competition is destroyed; it means that the sky will be the limit as to prices and the people will pay what monopoly says they should pay. On the other hand, the farmers will be compelled to accept the price for what they produce that monopoly says they must accept. The wage earners will be compelled to accept the wage that monopoly fixes. Such a policy in the direction of monopoly is destructive to the best interests of our country. It just happens that the independent merchants are victim no. 1. Farmers and wage earners will be victim no. 2, and the consumers of the country will be victim no. 3.

The consumers are entitled to the lowest price consistent with a fair price to the producer of raw materials, a fair wage to those who convert the raw materials into the finished product, and a fair cost of distribution to the consumers. Remember, that the 26,000,000 people dependent upon agriculture, the 36,000,000 people dependent upon mechanical and manufacturing pursuits, the 11,000,000 people dependent upon transportation and communication, the 9,000,000 people dependent upon professional services, and the 18,000,000 people dependent upon distribution for a livelihood are also consumers and they are interested in fair prices and fair wages.

#### GOOD PRICES AND GOOD WAGES

15. Question. Why are good prices and good wages necessary?

Answer. The American people owe \$250,000,000,000 in debts. The minimum tax burden is fixed for the next 40 years. If prices and wages are reduced 50 percent, our debt burden will be doubled and our tax burden will be doubled in what the people will have to pay with. There is only one way that this country can readjust itself and that is for us to force, if necessary, a policy of live and let live, and compel the Golden Rule in business in order that the people may pay their debts and taxes and in order that they may have purchasing power. The farmers cannot buy what the wage earners and the manufacturing plants of this country produce unless they have buying power.

#### A TOWNSEND PLAN CATECHISM

Mr. LEA of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection.

There was no objection.

Mr. LEA of California. Mr. Speaker, I submit a catechism on the Townsend plan in the hope it may aid in a better understanding of some features of that proposal:

Question. What is the Townsend plan?

Answer. A plan to pay every citizen over 60 years of age a pension sufficient to make his monthly income \$200 per month, provided such person retires from all gainful employment and agrees to spend all the money each month.

Question. What is the main purpose of the plan?

Answer. To provide large incomes for persons over 60, and thus spending this money to aid economic recovery.

Question. Does the plan provide any care or aid for widows, orphans, cripples, blind, indigents, or those under 60 in poverty or distress?

Answer. It does not.

Question. Would large property owners, with little or no net income, be eligible?

Answer. Yes.

Question. Would a man over 60, with \$30,000 and an income of \$1,200, receive a pension, while a widow under 60, with dependent children and without property, would receive nothing?

Answer. Yes.

Question. If the object of the Townsend plan is to compel the circulation of money, why not compel the person who earns the money to spend it as he sees fit instead of giving it to somebody else to spend?

Answer. It is a harsh thing to take a man's earnings away from him by taxes and give them to others to spend for any old purpose, useful or not.

Question. Can a pensioner 60 or over, having a wife younger than himself, and minor children, make provision for them out of his pension so that they may be cared for after his death?

Answer. He cannot. He must spend his entire pension and save nothing.

Question. In event of the death of a pensioner, leaving a wife under 60 and minor children, how are they provided for?

Answer. They go on county relief as at present.

Question. Could not some kind-hearted pensioner support the widow and family?

Answer. The plan limits all gifts to persons or institutions to 10 percent of the pension and out of this must come all contributions to churches, lodges, and charity.

#### FINANCING THE PLAN

Question. How is it proposed to finance the plan?

Answer. Principally by what is called a transaction tax of 2 percent.

Question. What is a transaction tax?

Answer. Roughly, it is a tax on all business transactions and on every dollar of wages earned and the value of goods or property bought or sold. It closely resembles a sales tax but is more far-reaching and taxes many transactions now exempt under ordinary sales taxes.

Question. Would the tax apply to food and clothes?

Answer. Yes; to both.

Question. What will be the cost of these pensions?

Answer. That depends on the number who qualify. The advocates of the plan estimate the cost from eighteen to twenty-four billions of dollars per year. There are more than 11,000,000 persons over 60 in the United States and over 10,000,000 eligibles. If all these apply, the cost at the beginning would be twenty-four billions a year. Within another generation the cost would be forty-eight billions a year.

Question. What is the population of the United States?

Answer. 122,775,046, according to the 1930 census.

Question. What must be contributed through transaction taxes to raise this 24 billions annually?

Answer. An average of \$195.40 for every man, woman, and child in the United States.

Question. How can you prove that?

Answer. Simply by dividing the amount to be raised by the total number of the population.

Question. What would this transaction tax cost a family of five persons?

Answer. \$977 per year or about \$2.67 per day, including Sundays.

#### AMOUNT OF BUSINESS NECESSARY TO RAISE TAX

Question. What amount of transactions or business must be done annually for each man, woman, and child to raise these pensions?

Answer. An average of \$9,770.

Question. Enormous! Can you prove that?

Answer. Prove it yourself.

Question. How?

Answer. You have already proved by the census that the cost of raising this pension of 24 billions would be \$195.40 for each man, woman, and child. This \$195.40, therefore, represents 2 percent of the amount of transactions necessary to raise the pensions.

Question. Correct, so far.

Answer. Now divide this \$195.40 by 2 (the percent of the tax) and you have \$97.70, or 1 percent of the per capita expense of the pensions.

Question. Correct, but proceed.

Answer. Multiply this 1 percent, or \$97.70 by 100, and you have \$9,770 as the average amount per capita of the transactions, taxed at the 2 percent, necessary to raise the pensions.

Question. But would not big business pay most of this tax?

Answer. No. The rich man may pay a tax on production, but adds it to the cost, and is repaid by the higher cost paid by the consumer. There are few rich people. They may spend much for their own consumption, but there are so many poor people, or persons of moderate income, who spend much or all their income for their necessities, that over 90 percent of the cost of the pensions would be borne by families having an income of less than \$2,500 a year.

Question. How much tax would the average man, if his family averaged five persons, pay from the time he was 20 until he was 60?

Answer. \$39,080.

Question. What would he and his family get if he died at 59?

Answer. Nothing from the Townsend plan except hard work to support others. If a good man, he might get a place in heaven. He would have to die to get that reward.

#### RETIRING AGED PERSONS TO MAKE ROOM FOR YOUNGER ONES

Question. How many people are there in the United States over 60?

Answer. Over 11,000,000. Over 500,000 are aliens.

Question. How many of these does Dr. Townsend estimate to be engaged in productive industry?

Answer. About 4,000,000.

Question. How many over 60 are women?

Answer. Only about 5,525,000.

Question. How many of these earn over \$200 a month or have a job of fair wages for a younger person?

Answer. Few. Observe such jobs in your community. So far as the retirement of these 5,000,000 women to make room for younger workers is concerned, it may as well be left out of the calculation.

Question. Well, there still remain 5,000,000 men over 60. How about them?

Answer. Again, answer the question for yourself. How many men about you over 60 have a job they would not give up for an assured income of \$200 a month for life? Again, how few, comparatively, have jobs that would be attractive to younger men?

Displacing the aged by younger men and placing on them the burdens of supporting the aged on a scale twice as affluent as the younger men now enjoy gives no promise of helping younger men or younger people.

#### OTHER EXPERIMENTS

Question. Has any government adopted a plan to bring prosperity by wholesale pensions?

Answer. Yes; Alberta, Canada.

Question. What was that plan?

Answer. To pay \$25 per month to every adult, on the theory they would spend it and thus bring back prosperity.

Question. How would that amount, payable to each adult, compare with \$200 a month to each person over 60?

Answer. Approximately the same.

Question. How did the plan work in Alberta?

Answer. The candidates pledged to the plan were elected. The government went bankrupt and the officials did not dare to put the plan in effect.

#### RESULTS OF THE TOWNSEND PLAN

Question. Who would benefit by the Townsend plan?

Answer. Theoretically, all over 60, about 8 percent of the population.

Question. How will it affect the remainder of the people?

Answer. Most people die before 60. They would work all their lives for something neither they nor their families ever get.

Question. But would not the spending of this vast sum bring back prosperity?

Answer. It could not. It would burden our people with a tax equal to nearly one-third of the total national income, nearly one-third of all they earn to spend for themselves.

Question. What is meant by national income?

Answer. Roughly, it means the total actual income received by the entire population.

Question. But would not this pension money go into trade and business?

Answer. Yes. But this money now goes into trade, spent by those who earn it.

Question. Would the Townsend plan create any new money for circulation?

Answer. No. It would simply take existing money from those who earned it and give to others to spend. It takes from Peter to give to Paul. Peter has that much less and Paul no more than he took from Peter.

Question. How about Dr. Townsend's statement that he does not believe in saving but in spending money?

Answer. The prodigal son tried out that theory over 2,000 years ago.

#### OLD-AGE PENSION DESIRABLE

Question. Is not an old-age pension desirable?

Answer. Not only desirable but necessary.

Question. Would not the Townsend plan serve that necessary purpose of taking care of the needy aged?

Answer. If it would work; yes. Its unbearable burdens would lead the Nation into further poverty and distress. It would bring misfortune to all, even the pensioners themselves.

Many aged people need help. Many do not. To give to all of a ten-million class equally and on a generous scale because part of them are needy would be a folly and improvidence such as the world has never yet known.

Question. What is the true basis of aid to the needy?

Answer. That question was answered in the name of religious duty many centuries ago. Give to the needy "according to their need"; give "with an open hand." We should provide not stingily, but according also to our ability to aid them. We cannot compel 80 or 90 percent of our people to live on beans to feed 8 percent on turkey.

Question. What is a revolving fund?

Answer. A fund that is paid out on condition it will be used and repaid to the one who furnished the money. There is no revolving fund under the Townsend plan. The use of that term is a misnomer.

Question. Is there any assurance that the pension taxes will be repaid to those who pay them?

Answer. None whatever. No more than if the money was thrown to the boys in the street or paid as taxes for any other purpose.

Until we learn how to get something for nothing the Townsend plan cannot work without impoverishing the Nation.

#### THE WORKS PROGRESS ADMINISTRATION IN WESTCHESTER COUNTY, N. Y.

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mrs. O'DAY. Mr. Speaker, on May 13, 14, and 15 there appeared simultaneously in the Washington Post and Herald Tribune a series of articles purporting to give a picture of the Works Progress Administration as it operates in my county of Westchester. The articles filled approximately 20 columns of the papers and contained some truths, many skillfully perverted half truths, many statements wholly erroneous and misleading, and a great deal in the nature of a general and violent attack on the present administration. Under the camouflage of giving certain alleged facts to the public, the articles are in reality a Republican fulmination by two bitterly partisan newspapers.

These articles have been answered point by point by Mr. Bryan, W. P. A. administrator for Westchester and surrounding counties, but he does not touch upon the interesting background behind this rather venomous attack.

The articles were written by Mrs. Agnes Meyer, whose husband is owner of the Washington Post.

William Ward, until his death a few years ago, was for 37 years the Republican leader of Westchester, and dominated the county where Democrats were outnumbered more than three to one.

He was, however, a benevolent dictator, and his very laudable ambition was to make Westchester the model county of the United States. His plans included the setting up of an elaborate recreation department, and at its head he appointed the wife of his friend and fellow Republican, Mr. Eugene Meyer, who has a home in Westchester.

Mrs. Meyer has great executive ability, and with the aid of a highly paid staff, her own great wealth, generous appropriations from a Republican board of supervisors, and the backing of Mr. Ward she created a model department for the county and for herself a semi-official political standing as the Lady Bountiful of Westchester.

The death of Mr. Ward was followed by strife among his political leaders and his organization began to crumble. The board of supervisors, long in secret rebellion against what they considered the extravagance of the recreation department, began to cut appropriations and even talked of closing the magnificent county recreation center.

Republican prestige began to wane and the enrollment books of 1932 showed a loss of thousands of Republican names. Mrs. Meyer is an ardent Republican worker, and this, together with the loss of prestige as dispenser of bounty, political and otherwise, probably goaded her into making her reckless statements concerning the W. P. A. and into giving to the public her interpretation of the New Deal.

#### THE BATTLE OF THE GUMDROPS

It is hard to take seriously her anguish over the fact that "the other day one youth idling about tossed a piece of chalk at a girl across the room. She shouted, squealed, and threw a gumdrop back at him; then, for good measure, tossed another gumdrop down the back of another girl. So much equipment was lost in this office that detectives are now looking for it." Mrs. Meyer does not tell us whether the equipment was lost during the battle of the gumdrops or if the gumdrops were a part of the equipment.

Conceding that there may be venal and unscrupulous persons among the thousands connected with the W. P. A. in one capacity or another, let us look at Mrs. Meyer's condemnation of it as a whole.

In the first paragraph of her first article Mrs. Meyer describes Mr. John Bryan, regional director, as "an engineer of repute, well regarded by everyone as a professional man." Then adds that he said to friend of hers, "Franklin Roosevelt is the man who gave us the money, and I would be the dirtiest kind of a dog traitor if I didn't see that the people

who are 100 percent for him did not receive first consideration." Mr. Bryan brands this story of Mrs. Meyer's unnamed friend as an absolute falsehood.

Mrs. Meyer in her second paragraph takes up the matter of overdue pay. This is admitted and deplored. It was due primarily to an effort on the part of the Treasury Department disbursing office to expedite pay checks at the time of decentralizing the disbursing office in Albany and setting up offices throughout the State. This has been accomplished, and delays are ended.

Mrs. Meyer claims to see "an oppressive atmosphere of terror of the Federal Government which demoralizes the relief workers." I am in close and constant touch with my county of Westchester and can discern no such atmosphere of terror. On the contrary, I find in Republicans and Democrats alike a lively appreciation of what the administration is doing through W. P. A.

Mrs. Meyer deeply resents the fact that in taking over the temporary emergency relief the W. P. A. did not take over bodily its entire staff. Mr. Bryan did absorb such of its employees as were suited to the purposes of his organization.

Mrs. Meyer bitterly resents that some features of her recreation department now come under W. P. A.'s jurisdiction and that the county works bureau was absorbed. She quotes some random cost comparisons of relief work under the bureau and W. P. A. In the matter of salary expenses she says that, prior to the advent of W. P. A., approximately 100 persons carried on the entire operation of the county works bureau while W. P. A. has a force of 250.

She fails to add that the bureau employed only about 3,000 workers, while the district in charge of Mr. Bryan comprises four counties besides Westchester and carries six times the load handled by the bureau.

Mrs. Meyer claims there is discrimination between relief workers of the two major parties, since, with a 3-to-1 majority, the great bulk of relief goes to Democrats. In proof of this she cites a list of 27 supervisors and foremen in the township of Mamaroneck, 23 of whom are Democrats.

The list is entirely misleading in that it is incomplete. She omits to name the field superintendent, a Republican, who receives top salary of \$195, and a number of general foremen in the same town, also Republicans, also receiving upper-bracket salaries. The one she lists with a blank against his name is a former Republican district leader, who has been credited with controlling the Italian vote of the township.

Since it is not the policy of the Works Progress Administration to inquire the politics of a worker, Mr. Bryan has no means of knowing the proportion of Republicans to Democrats on relief work.

If the latter are in the majority it is easily explainable. The very wealthy and the comfortably-off of Westchester are almost invariably members of the Republican Party. As such they were well taken care of during the 37 years of Mr. Ward's dictatorship. The poorer Democrats could not get jobs even as day laborers on the building of the county's beautiful parkways, a work of many years, and consequently had no reserve to fall back upon when overtaken by the depression.

Mrs. Meyer claims that totally unqualified supervisors and foremen have been appointed by Mr. Bryan, and cites in proof a number of men and their former occupations. Does Mrs. Meyer, secure in her home among the Westchester hills, not know that unemployment and stern necessity have driven men to accept any work, however humble, rather than go on relief? L. E. H., for instance, a field superintendent, is listed as a mail-truck driver. As a matter of fact, H. has been general superintendent for two large construction companies and was with the General Electric Co. as an air-conditioning engineer at one time. His experience as mail-truck driver was gained 16 years ago when, on his discharge from the Army, and having a civil-service status, he took the first job he could get until he became established in the work for which he was trained.

J. B., listed as a former beer salesman, has had experience of 15 years as superintendent of road construction. When

such work was terminated by the depression he temporarily became a beer salesman for his brother-in-law.

U. R. is listed as a saloonkeeper. Records shows no man of that name to have been on the W. P. A. pay roll. Of others listed there are none who have not a background of construction work of some kind. Is it quite fair or honest to class them as workers in jobs they held temporarily in some cases as long ago as 15 years?

Mrs. Meyer claims that field supervisors "reach out among the relief workers and population generally for the formation of new Democratic clubs in every city, village, and town." She offers no proof of this except vague mention of a "blue card" which she has not been able to obtain. If the staff of investigators and lawyers employed in helping her with her articles could not find one it can safely be classed with the mythical F. W., of Rye, whose pitiful case she cites, and the unnamed worker who, in order to get relief, was forced to drink and smoke with a long line of Democratic politicians before attaining his goal.

Does Mrs. Meyer not know that months prior to a Presidential election new political clubs spring up like mushrooms and that there is nothing criminal about a "call for meetings sent out on a postcard" to members?

Does Mrs. Meyer not know that Westchester is covered by a chain of Republican newspapers, that the need for a Democratic one becomes acute as the time comes for a Presidential election, and that one is born and dies away every 4 years? Mrs. Taylor, a district leader who has the courage to try and start one, surely merits a dinner in her honor. Neither starting a newspaper nor giving such a dinner denotes moral turpitude on the part of Democrats.

I have mentioned some of the high lights of Mrs. Meyer's articles. Mr. Bryan specifically denies others, namely:

That W. P. A. has been used in any manner to "intimidate the helpless and to destroy local government."

That he "has no power to select his subordinates—It is done for him by William Cronin, the Democratic boss."

That Democratic project supervisors receive higher pay than Republican supervisors. That "projects were more efficiently operated and at less administrative expense under the Temporary Emergency Relief than under W. P. A."

That W. P. A. is "using large sums of public money intended for the alleviation of unemployment to build a Democratic political machine."

That W. P. A. is "discriminating between American citizens in a most despotic way for political purposes."

That W. P. A. is "guilty of petty extortion from defenseless relief cases to finance local political organizations."

Is guilty of "waste, extravagance, and rank incompetence." Nor having "so intimidated the people that its tyrannical power is a menace to a free nation."

These unsubstantiated accusations are embodied throughout Mrs. Meyer's violently political outburst. It is well to remember in reading them that prejudice is vagrant opinion without any visible means of support; and a choice must be made between the statements of a person obviously biased and bitter, having no official position, and a public official chosen for outstanding and well-known qualifications and in full possession of actual facts.

RANDOLPH PERKINS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, those of us who linger upon this "bank and shoal of time" were made sad, indeed, this morning when we beheld the flag at half-mast and learned that it indicated the passing of our beloved and distinguished colleague, Hon. RANDOLPH PERKINS, of New Jersey.

It brought a keen and peculiar sadness to me because of our intimate association over a long period of years. We came to Congress at the same time—the Sixty-seventh Congress—and served together on the same committee for many years. There grew up between us one of those friendships

which has been referred to as the flowers that overhang the walls of party politics.

He was one of the best, truest, and ablest Members I have ever known.

The Sixty-seventh Congress, together with President Harding, came in on a Republican landslide. The Republicans captured more seats that year, if I am not mistaken, than have ever changed at one time in the history of the American Congress. Strange to say that Mr. PERKINS was the only one of that number remaining in the House at the time of his death.

The country and the world have undergone many changes and the political vicissitudes have been devastating, but he so held the confidence of the people of New Jersey that he was able to weather the storm, when all his colleagues on his side of the House who came in with him had either been defeated, died, or retired.

During the time that we served together on the same committee we passed through many exciting and a few bitter ordeals; but I never knew him to lose his temper or to utter a harsh or an unkind word. Yet he was firm in his convictions and did not hesitate to retain his position, regardless of pressure or criticism.

He was a profound scholar and an able lawyer. He was probably the ablest trial lawyer in either House of Congress. He was an ornament to the bar, as he was to this House.

I knew him in the intimacy of his home. I never met a more loving and loyal husband and father.

RANDOLPH PERKINS had courage, both moral and physical. Shakespeare says that—

Cowards die many times before their deaths;  
The valiant never taste of death but once.

RANDOLPH PERKINS never tasted death but once. He is gone—never to be replaced. The position he occupied in this House, and especially in the affections of his fellow Members, can never be refilled.

Others will eulogize him in more fitting terms at some other time, but I could not resist the temptation to come in my feeble way to pay this humble tribute of respect, and with the hand of unfeigned friendship to place a wildflower upon his bier.

#### ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 8069. An act for the relief of Mr. and Mrs. A. S. Mull;

H. R. 8599. An act to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board, and increase efficiency in administration of the steamboat-inspection laws, and for other purposes;

H. R. 8766. An act to authorize municipal corporations in the Territory of Alaska to incur bonded indebtedness, and for other purposes;

H. R. 11747. An act extending the time for making the report of the commission to study the subject of Hernando De Soto's Expedition; and

H. J. Res. 439. Joint resolution authorizing the erection in the Department of Labor Building of a memorial to the officers of the Immigration and Naturalization Service and Immigration Border Patrol, who, while on active duty, lost their lives under heroic or tragic circumstances.

#### THE LATE REPRESENTATIVE RANDOLPH PERKINS

Mr. LEHLBACH. Mr. Speaker, it is with deep personal grief that I have to announce to the House the death of our able and distinguished colleague from New Jersey, Hon. RANDOLPH PERKINS.

On another occasion doubtless the House will note his life and services.

In the meantime I offer a resolution, which I send to the desk.

The Clerk read as follows:

#### House Resolution 524

*Resolved*, That the House has heard with profound sorrow of the death of Hon. RANDOLPH PERKINS, a Representative from the State of New Jersey.

*Resolved*, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

*Resolved*, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER appointed the following members on the committee: Mr. LEHLBACH, Mrs. NORTON, Mr. McLEAN, and Mr. POWERS.

#### ADJOURNMENT

The SPEAKER. The Clerk will read the remainder of the resolution.

The Clerk read as follows:

*Resolved*, That as a further mark of respect this House do now adjourn.

The resolution was agreed to; accordingly (at 12 o'clock and 15 minutes p. m.) the House adjourned until tomorrow, Tuesday, May 26, 1936, at 12 o'clock noon.

#### COMMITTEE HEARING

##### COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands of the House Tuesday, May 26, at 10:30 a. m., to discuss various bills pending before that committee.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CROWE: Committee on Public Buildings and Grounds. House Joint Resolution 450. Joint resolution authorizing the erection of a memorial building to commemorate the winning of the Oregon country for the United States; without amendment (Rept. No. 2776). Referred to the Committee of the Whole House on the state of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BEITER: Committee on War Claims. H. R. 12144. A bill for the relief of the Federal Enameling & Stamping Co.; with amendment (Rept. No. 2775). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BACON (by request): A bill (H. R. 12839) to extend the status of veterans of the World War to persons enlisted and serving on United States Shipping Board vessels during the World War in war zones; to the Committee on Naval Affairs.

By Mr. BLAND (by request): A bill (H. R. 12840) to extend the laws governing inspection of vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BREWSTER: A bill (H. R. 12841) to provide for the establishment of a Coast Guard station on the coast of Maine at or near Frenchboro, Hancock County, Maine; to the Committee on Merchant Marine and Fisheries.

By Mr. JOHNSON of West Virginia: A bill (H. R. 12842) to complete the Point Pleasant Battle Monument, Point Pleasant, W. Va.; to the Committee on Military Affairs.

By Mr. WITHROW: A bill (H. R. 12843) authorizing the State of Wisconsin to construct, maintain, and operate a free highway bridge across the Mississippi River at or near

La Crosse, La Crosse County, Wis.; to the Committee on Interstate and Foreign Commerce.

By Mr. CANNON of Wisconsin: Joint resolution (H. J. Res. 595) providing for an investigation of the abuses prevalent in the insurance business in the United States; to the Committee on Rules.

By Mr. RAMSAY: Joint resolution (H. J. Res. 596) to enable the States of Pennsylvania, Ohio, Illinois, Indiana, West Virginia, Kentucky, and Tennessee to conserve and stabilize the coal-mining industry within said States; to the Committee on the Judiciary.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELL: A bill (H. R. 12844) for the relief of Fred W. Ross; to the Committee on Naval Affairs.

By Mr. COX: A bill (H. R. 12845) for the relief of John Benton Jones; to the Committee on Military Affairs.

By Mr. JOHNSON of West Virginia: A bill (H. R. 12846) granting an increase of pension to Mary A. Stagg; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

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

10965. By Mr. BEITER: Resolution passed by the housing committee of the Buffalo City Planning Association, Inc., approving of the objectives of the Wagner housing bill (S. 4424) to place housing on a permanent basis, and opposing certain provisions of the measure, especially the lack of inclusion of personnel under civil service; to the Committee on the Civil Service.

10966. By Mr. COLDEN: Resolution adopted by the Board of City Planning Commissioners of the City of Los Angeles, Calif., asking favorable consideration of the Wagner housing bill (S. 4424); to the Committee on Banking and Currency.

10967. Also, resolution of Office Employees' Local Union, No. 15251, of Los Angeles, Calif., urging the passage of the Wagner-Ellenbogen housing bill (S. 4424 and H. R. 12164); to the Committee on Banking and Currency.

10968. By Mr. WELCH: Resolution of the San Francisco Labor Council, protesting against unlawful and unsafe methods of drilling carried on by the United States Bureau of Reclamation in the seven tunnels at Kenneth, Calif.; to the Committee on Mines and Mining.

10969. By the SPEAKER: Petition of the International Ladies Garment Workers' Union, Local No. 8; to the Committee on Banking and Currency.

10970. Also, petition of the International Ladies Garment Workers' Union, Local No. 101; to the Committee on Banking and Currency.

10971. Also, petition of the Chicago Federation of Labor; to the Committee on Banking and Currency.

10972. Also, petition of the International Ladies Garment Workers' Union, Local No. 189; to the Committee on Banking and Currency.

10973. Also, petition of the city of Chicago; to the Committee on Banking and Currency.

10974. By Mrs. ROGERS of Massachusetts: Petition of the City Council of Cambridge, Mass., requesting early enactment of the United States Housing Act of 1936, Senate bill 4424 and House bill 12164; to the Committee on Banking and Currency.

10975. By Mr. GOODWIN: Petition of the New York State Legislature, memorializing Congress not to reduce the tariff duty on coconut oil below a minimum of 3 cents a pound; to the Committee on Agriculture.

10976. Also, petition of the National Board of Young Women's Christian Association of the United States of America, affirming support of the Costigan-Wagner antilynching bill in the Senate and House; to the Committee on the Judiciary.

## SENATE

TUESDAY, MAY 26, 1936

(Legislative day of Tuesday, May 12, 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 Monday, May 25, 1936, was dispensed with, and the Journal was approved.

#### MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on May 22, 1936, the President approved and signed the act (S. 4594) to supplement the act of June 25, 1929 (ch. 41, 46 Stat. L. 41), which authorized and directed the Attorney General to institute suit against the Northern Pacific Railway Co. and others.

#### CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Clark	King	Radcliffe
Ashurst	Connally	La Follette	Reynolds
Austin	Coolidge	Lewis	Robinson
Bachman	Copeland	Lonergan	Russell
Bailey	Couzens	Long	Schwollenbach
Barkley	Davis	McAdoo	Sheppard
Benson	Donahay	McGill	Shipstead
Bilbo	Duffy	McKellar	Smith
Black	Fletcher	McNary	Stelwer
Bone	Frazier	Maloney	Thomas, Okla.
Borah	George	Metcalf	Thomas, Utah
Brown	Gerry	Minton	Townsend
Bulkley	Gibson	Murphy	Truman
Bulow	Glass	Murray	Tydings
Burke	Guffey	Neely	Vandenberg
Byrd	Hale	Norris	Van Nuys
Byrnes	Hatch	Nye	Wagner
Capper	Hayden	O'Mahoney	Walsh
Caraway	Holt	Overton	Wheeler
Carey	Johnson	Pittman	White
Chavez	Keyes	Pope	

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], and the Senator from Nevada [Mr. McCARRAN] are absent because of illness, and that my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Oklahoma [Mr. GORE], the Senator from Kentucky [Mr. LOGAN], and the Senator from New Jersey [Mr. MOORE] are unavoidably detained from the Senate.

I further announce that the Senator from Mississippi [Mr. HARRISON] is absent because of illness.

Mr. AUSTIN. I announce that the Senator from New Jersey [Mr. BARBOUR], the Senator from Iowa [Mr. DICKINSON], and the Senator from Delaware [Mr. HASTINGS] are necessarily absent.

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

#### DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Archivist of the United States, transmitting, pursuant to law, a list of certain papers and documents on the files of the Department of the Interior which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking toward their disposition, which, with the accompanying list, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. NORBECK members of the committee on the part of the Senate.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the City Council of Brainerd, Minn., favoring the