

PSF

U.S. Senate (1938-1939)

Subject File

Box 189

Box 189

GEORGE W. NORRIS
NEBRASKA

United States Senate

WASHINGTON, D. C.

N/X

January 7, 1938

*file
personal*
PSF: *Senate*

My dear Mr. President:

I hope you will pardon me for taking some of your valuable time in a brief discussion of the Supreme Court situation. The entire country is so vitally interested in the selection of a successor to Justice Sutherland, it is extremely important that no mistake be made.

No one knows more fully than you do how much the progress of our country has been impeded by the fact that our courts have been dominated by reactionary judges. The country expects, even your enemies expect, that you will select a liberal to fill this vacancy. Of course, it goes without saying, the man should be honest, able, and courageous. In addition, he should be one who sincerely believes our Constitution is not only sacred, but that it is also a living, growing instrument, which should be construed in the light of our present-day civilization, and not in the fading light of 150 years ago.

The appointee should be a man who believes in, who stood for, and who fought for these progressive principles of government from the beginning--which means that he stood for them before you became President of the United States, when there was no possibility of any ambition he might have in that direction controlling his attitude. Such a man who was right then and is right now, would remain so, long after you and I have passed on. You have an opportunity to mould the history of our country, not only of today, but of the future. There are men now who are loyal to you and to your policies who would become reactionaries, when your wonderful influence with the people will perhaps have been replaced by some temporary reactionary wave of public sentiment.

Page 2
1/7/38

Last summer, from my sick bed in Wisconsin, I sent you a telegram expressing the belief that Governor Phil LaFollette of Wisconsin possessed the qualifications enumerated above, and expressing the hope that you would appoint him to the Supreme Court. Most earnestly and respectfully, I beg leave to renew that hope. I have never talked with Governor LaFollette on this subject. I am writing this letter entirely of my own accord, without having been asked to do so by any person. I am moved only by a sincere wish, with which I know you agree, that you should be actuated entirely by the welfare and honor of our common country.

I would be pleased to discuss this with you in person at your convenience.

Sincerely yours,

G. W. Norris

Honorable Franklin D. Roosevelt
President of the United States
The White House.

The South has ever been loyal to the Democratic Party. It took religious prejudice, which throughout the ages has influenced the thoughts of mankind, to cause the South even to waver in its party loyalty; but, even then, I assert the Democrats of South Carolina proved their loyalty. In 1928 the people of the South were not in favor of the nomination of Al Smith for President. In the first place, the majority of the voters had voted for prohibition. Governor Smith was opposed to prohibition. In addition, there were those who believed that while Governor Smith had an intimate grasp of State affairs, he did not possess sufficient acquaintance with national and international affairs to make him the best possible candidate. There were some who were not favorably impressed by his speeches, and then there were those—too many—who permitted their religious views to influence their political views. Notwithstanding the fact that the delegation from my State had voted against his nomination, once he was nominated, the Democrats of South Carolina supported him with the same loyalty and, if anything, greater zeal than they had accorded any previous Presidential candidate. When during the campaign the poken distributors of both parties attacked Smith because of his religious views, it caused the active support of men who never before had taken an active part in politics. The wounds of that campaign remained for a long while, but certainly in South Carolina the Democrats won the support for Smith by recalling that the Democrats of New York City, in particular, had stood by the South in all the fights that had ever been waged to injure the South. Upon every stump there was recalled the defense of Jefferson Davis by the brilliant O'Connor, of New York. While religious prejudice was victorious elsewhere, in South Carolina Governor Smith was given 9 out of every 10 votes cast in the State. Political gratitude was more potent than bigotry and intolerance.

But today what a difference! The greatest change in the political history of America has taken place. In the Senate there are 93 votes, and 76 Senators are registered as Democrats. Proponents of this bill claim 70 votes. I know of two or three Republicans who are disposed to vote against it. I must believe if the poll announced by the advocates of the bill is correct, that 55 out of the 76 Democrats of this body are counted in support of the bill. The lone voice coming from the North thus far in defense of the South and in opposition to this bill is that of the Republican Senator from Idaho (Mr. BORAH).

I would lose respect for the South should the day ever come when southerners fail to remember that speech and be grateful to him for it. I hope other Republicans will be found voting against the bill. But, Mr. President, we have no claims upon them. If they vote against this bill, they will do it only because they believe the bill to be unconstitutional and unwise.

Democrats of the South have no justification for an appeal to the Republicans of the North. Southern Democrats have never voted for a Republican candidate. They have never learned how to scratch a Democratic ticket. It undoubtedly is true that the unity of the white people in the South in supporting the Democratic Party has been due to the belief that when problems affecting the Negro and the very soul of the South arose, they could depend upon the Democrats of the North to rally to their support.

Mr. President, southern Democrats may as well realize now the change that has taken place. If statements of Democratic Senators on political conditions in their States can be accepted as true, today 90 percent of the Negroes of the North, instead of voting for Republican candidates, are voting for Democratic candidates. The Negro has not only come into the Democratic Party, but the Negro has come into control of the Democratic Party. One Negro, whose name has heretofore been mentioned in the debate—Walter White, secretary of this Association for the Advancement of the Colored People—has ordered this bill to pass. If a majority can pass it, the bill will pass.

On the opening day of the special session of the Congress, when the President submitted his legislative plan for the session, the majority leader of the Senate was anxious to proceed with the President's program. The proponents of this bill would not agree. They insisted upon the consideration of the bill. I know that the majority leader pleaded with them in behalf of the President's program; but the appeal was in vain. The Democratic leader of the Senate abandoned the plan of asking for consideration of the reorganization bill only because he knew that if he made the motion, and the Senator from New York moved as a substitute that the antilynching bill be taken up, the administration would be defeated in the very first vote of the session. Under the circumstances, I think he did the right thing. He had to maintain some control of the majority of this body.

If Walter White, who from day to day sits in the gallery, should consent to have this bill laid aside, its advocates would desert it as quickly as football players unscramble when the whistle of the referee is heard.

But, Mr. President, we of the South must look to the future. My years of experience in the House and the Senate have taught me the ways of lobbyists. For years this man White has worked for this bill. Now that he has secured the balance of the voting power in so many States, he can order its passage. But, Mr. President, he would be less than human if he were willing to stop there. His job would be at an end. I do not criticize him. He would be doing only what every white lobbyist I have ever known or heard of has done. He must advance to retain his leadership and his compensation.

What legislation will he next demand of the Congress of the United States? I do not know. Will he demand that Congress enact legislation to punish officials of a State who fail to protect Negroes in the right to stop at hotels where white persons are entertained, following the law the Negroes recently had enacted in Pennsylvania? Will he demand the enactment of laws providing for the supervision of elections within the States? I do not know; but I know he will make other demands, and that those who are willing to vote for this bill because he demands it will acquiesce in his subsequent demands.

Mr. President, politically the South has been an outcast. It matters not what attainments a Democrat of the South might possess; since the War between the States no southerner who still resides in the South has had a chance for serious consideration for a Presidential nomination. We have been content to fight the battles of the party as privates in the ranks, without ever daring to seek to lead our party. In every campaign the Democratic candidate has known that he had in the electoral college a block of southern votes without his ever making a speech in a southern State or spending a dollar for the purpose of organization. The South has been willing to furnish in each political campaign the best of its talent; and, though relatively poor, the South has furnished financial aid to carry on the campaign in the States of the North.

Today, the South may just as well know that because of its policy it cannot appeal to the Republicans of the North, and that it has been deserted by the Democrats of the North. Daily we hear of the influence of the Negro voter in the North. Into that section there have gone many Southerners. I wish it were possible that every one of them, wherever he resides today, could read the speech of the distinguished Senator from Idaho (Mr. BORAH). I hope they will read it; and, when they do, I hope their eyes will turn to the land that gave them birth, that their thoughts will turn to the people they left in that land, and who, if this legislation is passed, will need their help in the days to come. I hope they will remember those in the Senate who today stand by the South, and also remember those who seek to humiliate the white people of the South, and, intentionally or unintentionally, arouse race hatreds in a land where today there is only peace and good will.

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

The PRESIDING OFFICER (Mr. HERRING in the chair). The clerk will call the roll.

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

Andrews	Duffy	McNary	Schwellenbach
Berry	Gulley	Miller	Sheppard
Borah	Harrison	Moore	Stewart
Brown, N. H.	Hatch	Neely	Thomas, Okla.
Bulkeley	Hayden	Norris	Thomas, Utah
Bulow	Herring	Pittman	Truman
Burke	Hitchcock	Pope	Vandenberg
Byrnes	Holt	Reynolds	Wagner
Connally	Johnson, Colo.	Russell	Walsh
Dieterich	Lewis	Schwartz	

The PRESIDING OFFICER. Thirty-nine Senators having answered to their names, there is not a quorum present. The clerk will call the names of absent Senators.

Mr. CONNALLY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. Did the Chair announce that there was not a quorum present?

The PRESIDING OFFICER. Yes.

Mr. CONNALLY. Under the rules, there is nothing to be done except to call the names of the absent Senators or adjourn.

Mr. BARKLEY. Mr. President, was the announcement made by the Chair the result of the second roll call?

The PRESIDING OFFICER. The first call.

Mr. BARKLEY. Automatically the clerk will call the roll the second time.

The PRESIDING OFFICER. The clerk will call the names of the absent Senators.

The Chief Clerk called the names of the absent Senators, and the following Senators entered the Chamber and answered to their names when called: Mr. Adams, Mr. Ashurst, Mr. Austin, Mr. Bailey, Mr. Bankhead, Mr. Barkley, Mr. Bilbo, Mr. Bone, Mr. Bridges, Mr. Brown of Michigan, Mr. Byrd, Mr. Capper, Mrs. Caraway, Mr. Chavez, Mr. Clark, Mr. Copeland, Mr. Donahay, Mr. Ellender, Mr. Frazier, Mr. George, Mr. Gerry, Mr. Gibson, Mr. Gillette, Mr. Glass, Mr. Hale, Mr. Hill, Mr. Johnson of California, Mr. King, Mr. La Follette, Mr. Lodge, Mr. Logan, Mr. Lorigan, Mr. Lundeen, Mr. Maloney, Mr. McAdoo, Mr. McCarron, Mr. McGill, Mr. McKellar, Mr. Minton, Mr. Murray, Mr. O'Mahoney, Mr. Overton, Mr. Pepper, Mr. Radcliffe, Mr. Shipstead, Mr. Smith, Mr. Tydings, Mr. Van Nuys, and Mr. Wheeler.

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, there is a quorum present.

Mr. CONNALLY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. How many Senators are present?

The PRESIDING OFFICER. Eighty-eight.

Mr. CONNALLY. Will the Chair assure the continued presence of these 88 Senators?

The PRESIDING OFFICER. Absolutely. [Laughter.]

The question is on agreeing to the amendment offered by the Senator from Illinois (Mr. Lewin) to the amendment of the committee in the nature of a substitute.

Mr. RUSSELL. Mr. President, when the historian of the future comes to study this period a hundred years from now he will be bewildered and confused by the sorry page which is being written here today. He will find page upon page of the great metropolitan dailies thundering from both editorial and news columns the strident demand that the Congress forthwith and without debate enact an antilynching law to punish the crime of lynching. He will find that radio commentators and dozens of periodicals join the press in bitter denunciation and abuse, if not defamation, of those who have had the temerity on the floor of this body to resist the passage of the pending measure. He will find page upon page of the Congressional Record devoted to the remarks on this bill of those of us who play our brief part on this stage.

I am sure, Mr. President, that that student will conceive that at the time this measure was pending there was some great wave of crime in the form of lynchings sweeping over this country, threatening the lives and happiness of the people of the United States, so serious as to demand that the

Congress of the United States, in this very critical period of reconstruction after a great depression, should shove into the background every measure dealing with the economic problems of the Nation, every measure dealing with the future advancement and progress of the Nation, and attempt to legislate to stamp out the awful crime of lynching, which no one condones and approves, and all clear-thinking citizens condemn.

Then, Mr. President, if that student should turn to study the annals of crime at this period, his bewilderment would know no bounds. He would find that the Congress of the United States saw fit to stall the wheels of legislation in an attempt to address itself to a bill which does not purport to cover but 8 of the 12,000 murders which are committed in this country each year. Murder in any form is abhorrent. It will be in the United States a hundred years from now as it is today. But it would be impossible for the unbiased mind of the student to conceive of any rhyme or reason for the Congress seeking to cull out and single out 8 of the 12,000 murders and make them the subject of national legislation.

Mr. President, if this student should then go to the trouble of reading this indefensible monstrosity, which is presented here masquerading as a bill to punish the crime of lynching, his confusion would become worse confounded. He could study this bill line by line, phrase by phrase, paragraph by paragraph, page by page; he could examine it topside and bottom, and he would not find one single word or phrase which attempted to provide for the punishment of those who band themselves together to commit a crime of violence or to deprive any person of his life.

Ah, Mr. President, there has been some misrepresentation about the terms of the bill. Thousands of good citizens of this country, good people living both North and South, have been led to sympathize with this measure on the theory and on the representation, implied, at least, that it is a bill which seeks to punish an abhorrent form of murder. The report has been spread throughout the country that under the bill the great machinery and power of the Federal Government will be set in motion to punish those who are guilty of banding themselves together for the purpose of taking human life without due process of law.

In the imagination of some people—and this has been asserted in some of the newspapers—they have seen the "G-men," the representatives of the Federal Bureau of Investigation, going into the various communities of the Union with all of their skill and daring, uncovering the perpetrators of the crime, and bringing to justice the members of what are called lynching mobs. Whether through ignorance or deliberate attempt at unfairness I do not know, but the press and the professional agitators for this measure have never been fair enough to make it clear to the people of the United States that if the bill should be passed, and if it should become a law, not one single member of a mob guilty of murder in the form that is commonly called lynching can ever be haled before a Federal court and punished for his crime.

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

Mr. RUSSELL. I yield.

Mr. McKELLAR. The Senator recalls that neither the authors of this bill nor anyone who is in favor of it has ever explained its provisions even to the Senate, and not a single soul has risen in this body to defend it up to this hour.

Mr. RUSSELL. The Senator from Tennessee is eminently correct. It is the most amazing performance that these halls have ever witnessed. Here is a measure brought into the Senate, and it is proposed to ram it through in the spirit of the mob merely because its proponents say they have the force and the votes to pass it, without the authors of the bill taking the floor to defend its constitutionality or to point out any pressing necessity for the putting away of other legislation, humanitarian and economic, in order to deal with this bill.

Mr. President, it is an amazing proposition. The authors of the bill have confined their remarks to a few brief statements without attempting to justify the presentation, much less the passage of this piece of legislation.

PSF: *Senate*

THE WHITE HOUSE
WASHINGTON

1/12/38

MEMORANDUM FOR THE PRESIDENT

This is part of Byrne's speech

McAdoo spoke to you about.

*Lib
Personal*

*Lib under
Byrnes
FDR*

MEM

Mr. BYRNES. Mr. President, I well remember that speech, and it was because it came back to my mind that I stopped to emphasize the name. Few of us who ever heard that speech will forget it, and certainly men who live in the South will not forget Mr. Hersey.

Amongst others who voted against the bill who were then in the House of Representatives were Jones, of Pennsylvania; Kelly, of Michigan; Kincheloe, of Kentucky; Thomas, of Kentucky; Rouse, of Kentucky; Cantrell, of Kentucky, or rather he was paired against it; and Barkley, of Kentucky; Luce, of Massachusetts; Parker, of New Jersey; Sinnott, of Oregon; and Stafford, of Wisconsin, who joined with the Democrats in the House of Representatives in an effort to prevent the passage of the bill.

At that time there were not eight lynchings as in 1937. No; in 1921 when the present Vice President of the United States, the Senator from Kentucky (Mr. BANKLEY), the Senator from Texas (Mr. CONNALLY), the Senator from Mississippi (Mr. HARRISON), who were then Members of the House, and others were fighting against the bill, there were 62 lynchings in the United States. There might have been some excuse for talking about the nonenforcement of law at that time. Did these men oppose the bill because they favored lynching? No. They knew not only that the bill was unconstitutional but they knew it was unwise. They knew that the States of the South should be left to work out their own salvation. They urged that the States of the South be given a chance to enforce their laws.

Mr. President and Members of the Senate, the history of events has demonstrated the wisdom of the course they advocated, for, contrasted with 1921, with its record of 62 lynchings, we had in 1937 only 8 lynchings throughout the country.

Mr. President, that bill came over to the Senate, and when it reached here Oscar W. Underwood was the Democratic leader of this body. He was as distinguished a statesman, as patriotic an American as ever served in the House or the Senate. He was against this measure, and, with the support of his associates, announced his intention to filibuster against it. The filibuster succeeded; Underwood was followed by the Democrats of this body, and the South was enabled to continue its successful efforts to prevent lynchings.

Oh, Mr. President, I know now that a different condition exists in this country. In that earlier period, in 1930, and in the years succeeding it, when a bill such as this was first heard of, it came not from Democrats; it came from Republicans. It was proposed by Dyer, a Republican from Missouri, just as the Force bill in the years previous had come from the Republican side of the Congress. When the Force bill was pending in the Senate it was filibustered to death. The Senators from the South then had the assistance of northern Democrats. In the memorable debate upon the Force bill southern Democrats knew that they could hear the voice of Voorhees, of Indiana, of Turple, of Blodgett, and McPherson, of New Jersey, of Gray, of Delaware, and of others from the border States who joined southern Senators in the long fight, which finally succeeded and enabled the South to work out its own destiny. The assistance of these Democrats from the North was cheerfully given and never forgotten.

PSF

MEMORANDUM FOR THE PRESIDENT

You wanted to take this up with the Postmaster General at Cabinet today.

1938

file personal

*PSF: Senate folder
Br 189*

Senator Pepper of Florida called me today to say that he had learned through a mutual friend, named Treadway, former head of the State Highway of Florida, that Governor Shultz was fishing around for an opportunity to run against Pepper for Senatorial nomination in Florida. Shultz had previously spoken to Mr. Farley and got a non-committal answer which gave him to understand that the Administration would not object if Shultz entered the Primary against Pepper.

Shultz has an office in Washington where he can be reached at any time.

Pepper fears that Shultz' intervention in the Primaries will make real trouble and hopes that the Administration will think it worthwhile to make it clear to Shultz through Mr. Farley when he returns on Friday to Washington, that the Administration will not be happy about ^{opposition} of this kind to Pepper in addition to the old deal opposition Pepper will get from Mark Wilcox.

T.G.C.

1/12/38

This will supplement the memorandum you
have from Paula.

T.G.C.

1/7/38

Senator Pepper telephoned following message:

"When I got home during the holidays I found out that former Governor Scholz of Florida, who has professed in his recent gubernatorial aspirations a friendship for the President, but who has been a very keen opponent of mine all along was threatening to run in my race. I have found out in confidence that Scholz is representing to his fellows that the President is not going to take any part in the campaign but that Farley will aid him due to the fact that they have long been comrades in Elldom. I had a talk with Farley yesterday and he admitted that he had not come straight out and told Scholz that the Administration would support me and oppose Scholz or anybody else who was my opponent. Farley said that he had discouraged Scholz from running but that he wanted to talk to the President about it before he came to any conclusion. Farley told me that it was easier for him in view of his long friendship with Scholz for the President to be the one to come to the conclusion instead of Farley. He said he had no doubt about what conclusion the President would come to. I told Farley that Scholz, as well as myself, was entitled to know in a straightforward way what Farley was going to do.

"Farley is going to take this subject up with the White House and I want to be sure that he gets their instructions as to what to tell Brother Scholz in no uncertain terms.

"If there are any gratuitous messages to be delivered on behalf of the Junior Senator from Florida, this one is in order -- that as long as Hades has a reputation of being hot, he has Pepper's good wishes for a permanent residence there."

United States Senate

WASHINGTON, D. C.

PSF: To
Senate
✓

January twenty-ninth
1938

P.F.

Dear Mr. President:

Upon my return to the Capitol yesterday and upon inquiry, I found that the subcommittee to hold hearings and study the O'Mahoney-Borah bill had been appointed some days ago.

Mr. O'Mahoney is Chairman of the subcommittee.

I thought, in view of our conversation, I should advise you of this fact. I did not recall the subcommittee had been appointed when I was at the White House.

With great respect, I am

Sincerely,

To The President,
The White House.

Wm E Borah

PS F. Senate
note

February 1, 1938.

My dear Logan:-

I want you to know how fine I think your statement of Monday was. The Governor put you and Alben and me into a most disagreeable situation and wholly without any necessity therefor.

I want you to know that the Governor came to see me yesterday, repeated the same proposition and seemed surprised when I told him that you and I would be the last people in the world to traffic in judicial appointments in order to satisfy the ambitions of one office seeker.

You deserve all the credit in the world for the splendid and unanswerable and unselfish position you have taken.

Very sincerely yours,

Hon. M. M. Logan,
United States Senate,
Washington, D. C.

*file
personal*

PSF: Senate

United States Senate

WASHINGTON, D. C.

February 7, 1938

THE WHITE HOUSE

FEB 8 9 35 AM '38

My dear Mr. President:

When I received your letter of February first, touching on the efforts of Governor Chandler to have me appointed to the Circuit Court of Appeals for the Sixth Circuit so that he might succeed me in the Senate, a warm pleasurable glow passed through my soul.

I appreciate your remarks very deeply and shall cherish your letter throughout my life.

Respectfully,

M. M. Logan

The Honorable Franklin D. Roosevelt
President of the United States
Washington, D. C.

PSF: Senate folder
February 15, 1936.

Dear Carter:-

Thank you for your letter of February eleventh in regard to the subject of the Item Veto.

Referring to action by me, it seems to me that the position of the President has been made abundantly clear in my Message of January 3, 1936, transmitting the Budget. In that Message I call attention to the fact that the great majority of our States give Item Veto authority to the Governor; that this grant of power is considered a consistent corollary of the power of the Legislature to withhold approval of Budget items. Then I go on to say: "A respectable difference of opinion exists as to whether a similar item veto power could be given to the President by legislation or whether a constitutional amendment would be necessary. I strongly recommend that the present Congress adopt whichever course it may deem to be the correct one".

The result of all of this is that I have put a definite recommendation before this Congress, i.e., that it proceed by legislation or constitutional amendment to provide the Item Veto. The matter seems, therefore, to be fairly and squarely in the lap of the Congress, and especially of the two Chairmen of the Appropriations Committees.

As ever yours,

Hon. Carter Glass,
United States Senate,
Washington, D. C.

CARTER BLISS, VA., CHAIRMAN
 BENNETT MC KELLAR, TENN.
 ROYAL S. COPELAND, N. Y.
 CARL HAYDEN, ARIZ.
 ELMER THOMAS, OKLA.
 JAMES F. BYRNES, S. C.
 MILLARD E. TYDINGS, MD.
 RICHARD B. RUSSELL, JR., GA.
 ALVA B. ADAMS, COLO.
 PATRICK MC CARRAN, NEV.
 JOHN H. OVERTON, LA.
 JOHN H. BARNES, ALA.
 JOSEPH C. O'MAHONEY, WYO.
 WILLIAM BIRDS MC ADAMS, CALIF.
 HARRY S. TRUMAN, MO.
 F. RYAN DUFFY, WIS.
 EDWARD R. BURKE, ILL.
 HERBERT E. HITCHCOCK, S. DAK.
 THEODORE F. GOWEN, N. H.

KENNEDY F. REA, CLERK
 JOHN W. H. SMITH, ASST. CLERK

United States Senate

COMMITTEE ON APPROPRIATIONS

February 11, 1938

CONFIDENTIAL

The President,
 The White House,
 Washington, D. C.

Dear Mr. President:

I had left my office when your confidential memorandum of February 10 reached there and I did not receive it until last night at my hotel; hence the delay in this response.

For many years I have favored a constitutional amendment giving the President the right to veto items in appropriation acts, and while Secretary of the Treasury I made such suggestion to Congress. However, the Woodrum amendment to the Independent Offices Appropriation Bill is a very different proposition, and the statement of the Acting Director of the Budget concerning this amendment is replete with inaccuracies. My information is that the amendment was projected in the House without authority whatsoever from the House Appropriations Committee and when there were not more than thirty members of the House on the floor. Being proposed by the chairman of the Sub-Committee on the Independent Offices Bill, I am told the supposition was he was speaking for the Committee and no opposition was made to the proposal and, upon inquiry, I find that the real effect of the amendment was not generally understood. The House Appropriations Committee, almost immediately after being apprized of the situation, took the unprecedented course, by a vote of twenty to thirteen, of repudiating the action of its Sub-Committee Chairman.

The statement by Mr. Bell that the Senate Appropriations Committee, "as a courtesy to the House Committee," voted to strike out the amendment to the House bill, is totally inaccurate. As a matter of fact, every member of the Senate Committee, with a single exception, had expressed opposition to the amendment before any action was taken by the House Committee; and, after discussion, every member of the Committee, with a single exception, voted to eliminate the amendment. The one member here referred to thought of proposing a severe modification of the proposition, but did not persist.

I know nothing of any poll of the Senate about which Mr. Bell speaks. It may be that many Senators who earnestly favor the constitutional right of the President to veto items in appropriation acts were under the misleading impression that this was the meaning of the Woodrum amendment and were not given to understand the true meaning of the proposal. I do not for a moment believe that there are as many as twenty nine Senators in favor of the Woodrum amendment, which precludes Congress from reviewing a veto by the President of Appropriations; but, even if Mr. Bell's poll might be regarded as accurate, twenty nine Senators are less than one-third of the Senate. Although chairman of the sub-committee as well as chairman of the full Senate Committee on Appropriations, I have not been told by a single member of the Senate that he favors the Woodrum amendment, but have been explicitly told by many members of the Senate that they were glad to have noted the action of the Senate Committee in eliminating it.

The Senate Committee was of the conviction that the Woodrum amendment practically abrogated the right of Congress to review any veto action of the Executive and that it was unconstitutional in the form adopted. Besides, it constituted a vital legislative rider on a general appropriation bill, which is usually regarded by the Senate with absolute disfavor. My own opinion, which I have reason to assume is shared by my associates of the Senate Appropriations Committee, is that you would make a grievous mistake to favor the Woodrum amendment instead of specifically urging a constitutional amendment giving the Executive the right to veto items in an appropriation bill and reserving to the Congress its constitutional right to pass upon a veto by the Executive. I venture respectfully to urge you to give serious consideration to this view.

Sincerely yours,

Walter Glass
+

PSF: Senate

Ret. To Paul

March 16, 1938.

Dear Mac:-

I have given much thought to the suggestion you made in our conversation a few days ago that you really desired to return to private life and be a "free man" once more. The more I think of it the more convinced I have become that you ought to seek re-election.

Because of our long association, dating back to 1911, I am qualified to say that few men in public life today have had anything like the extensive experience of public service that you have had. You began with the construction and operation of the tunnels under the Hudson River; as Secretary of the Treasury for many years you directed the financial operations of the Government during the whole period of the World War; and in addition when the transportation system failed to meet the extraordinary demands imposed on it by the War, you served as Director General of the railroads.

These past five years in the Senate have added to the wide knowledge you had already gained in serving the country. All of this experience has fitted you peculiarly for the serious and important work that lies ahead of us, and I do not need to tell you that I have always appreciated the fine support you have given to my Administration. Therefore, your retirement from the Senate would be a distinct loss to the public and all I can say is that I earnestly hope that you will run again.

As ever yours,

Honorable William Gibbs McAdoo,
United States Senate,
Washington, D. C.

These men, once more, the role I played in the
history of the United States and the
the one conversation with the man who was
I have given much thought to the subject

DEAR MR. ROOSEVELT:-

MARCH 16, 1938

copy

THE WHITE HOUSE
WASHINGTON

March 16, 1938

Dear Mr.:-

I have given much thought to the suggestion you made
in our conversation a few days ago that you really desired to
return to private life and be a "free man" once more. The
more I think of it the more convinced I have become that you
ought to seek re-election.

Because of our long association, dating back to 1911, I
am qualified to say that few men in public life today have had
anything like the extensive experience of public service that
you have had. You began with the construction and operation
of the tunnels under the Hudson River; as Secretary of the
Treasury for many years you directed the financial operations
of the Government during the whole period of the World War; and
in addition when the transportation system failed to meet the
extraordinary demands imposed on it by the War, you served as
Director General of the railroads.

These past five years in the Senate have added to the
wide knowledge you had already gained in serving the country.
All of this experience has fitted you peculiarly for the serious
and important work that lies ahead of us, and I do not need to
tell you that I have always appreciated the fine support you
have given to my Administration. Therefore, your retirement
from the Senate would be a distinct loss to the public and all
I can say is that I sincerely hope that you will run again.

As ever yours,

FRANKLIN D. ROOSEVELT

Honorable William Gibbs McAdoo
United States Senate,
Washington, D. C.

President

March 16, 1938

Dear Mac:

I have given some thought to the suggestions you made in our conversation a few days ago of your desire to return to private life but the more I have considered the matter the more convinced I have become that it would be unfortunate for California and the nation if you should retire from the Senate. I hope very much that you will give up the idea of being a "free man" once more, as you expressed it, and seek reelection.

Your long record of public service and wide experience qualifies you in a high degree for the post you now occupy. Few men in public life today have had such an extensive experience as yourself. Your notable achievement in the construction and operation of the tunnels under the Hudson River between New York and New Jersey, many years ago, first brought you into national prominence. President Wilson made you his Secretary of the Treasury in 1913 and you directed the financial operations of the government with great ability prior to as well as during the period of the World War. When in the midst of that great war the transportation system of the country failed to meet the extraordinary demands imposed upon it, President Wilson appointed you Director General of all the railroads of the United States. These great responsibilities were added to those with which you were already burdened as Secretary of the Treasury. These rare tasks were managed by you with exceptional ability.

Your past five years in the Senate have added to the wide knowledge you had already gained in the service of your country and fit you peculiarly for the serious and important work which lies ahead of us. I have always appreciated the strong support you have given to my administration. Your retirement from the Senate would be a distinct loss to the public. I earnestly hope that you may run again.

Sincerely yours,

United States Senate

MEMORANDUM

*file
personal
PSF: Senate
n*

FOR THE PRESIDENT:

Dear "Boss":

I have today sent the original of this letter to Cordell. In view of its contents, I thought that you might be interested in a copy, so herewith for your information.

I might add that this man Valle is one of the most reliable men I have ever known. He has been District Attorney along the Border for thirty-six years.

Faithfully,

W. T. Garner

JOHN A. VALLS
District Attorney
LAREDO? TEXAS

COPY
May 25th, 1938

Honorable John N. Garner,
Washington, D. C.

Dear Mr. Garner:

Permit me to relate the following matter to you and which might be of interest to the State Department.

I returned yesterday from Carrizo Springs where I had been in attendance on the District Court. Immediately upon my arrival the Mexican Consul, Efrain Dominguez, called on me and informed me that during my absence from Laredo Ernest Von Merick, a naturalized Mexican, had been here for three days in the interest of General Cedillo conferring with Los Dorador - the Gold Shirts. A spy of the Mexican Government working for the Consul reports that Von Merick showed him three letters written in green ink signed by General Cedillo and addressed to the Presidents of Guatemala, Honduras and Salvador. Von Merick when he left Laredo went to McAllen where he met Nicolas Rodriguez, the leader of the Gold Shirts.

This afternoon the Consul called on me accompanied by Eliseo Ruiz Russek, a confidential agent of the Mexican Government and posing as a follower of Cedillo, and Russek reported that Von Merick had shown him the same three letters written on Cedillo's stationery, signed by Cedillo and addressed to the Presidents of those Central American Republics, Russek states that in those letters Cedillo introduces Von Merick "as a Brigadier, worth of all his confidence and fully cognizant of the matters we have in hand."

Russek said that Von Merick had left San Antonio yesterday for New Orleans where he will take a steamer for Central America.

I wish I had been in Laredo at the time. I would have seized those letters from Von Merick and sent them straight to you. It is possible that Germany and Italy are mixed up with affairs in Guatemala, Honduras, Salvador etc.

Of course you understand that these matters come to my knowledge owing to my friendship and my relations with General Hay and the Mexican Government. I will not permit violation of the neutrality laws in my district.

This letter requires no answer whatever.

With warm regards and all good wishes.

Sincerely your friend,

/s/ John A. Valls

Congressional Record

SEVENTY-FIFTH CONGRESS, THIRD SESSION

Vol. 83

WASHINGTON, SATURDAY, MAY 28, 1938

No. 110

HOUSE OF REPRESENTATIVES

SATURDAY, MAY 28, 1938

The House was not in session today. Its next meeting will be held on Tuesday, May 31, 1938, at 12 o'clock noon.

SENATE

SATURDAY, MAY 28, 1938

(Legislative day of Wednesday, April 20, 1938)

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

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Friday, May, 27, 1938, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Copeland	Hughes	O'Mahoney
Andrews	Davis	Johnson, Calif.	Overton
Austin	Dieterich	Johnson, Colo.	Pepper
Bailey	Donahay	King	Pope
Bankhead	Duffy	La Follette	Radcliffe
Barkley	Ellender	Lee	Russell
Bilbo	Fraser	Lewis	Schwartz
Borah	George	Lodge	Schwellenbach
Brown, Mich.	Gerry	Logan	Sheppard
Brown, N. H.	Gibson	Long	Shipstead
Bulkeley	Glass	Lundeen	Thomas, Okla.
Bulow	Green	Maloney	Thomas, Utah
Burke	Guffey	McAdoo	Townsend
Byrd	Hale	McCarran	Truman
Byrnes	Harrison	McCall	Tydings
Capper	Hatch	McKellar	Vandenberg
Caraway	Hayden	McNary	Van Nuys
Chaves	Herring	Miller	Walsh
Clark	Hill	Minton	Wheeler
Connally	Hitchcock	Murray	White
	Holt	Norris	

Mr. LEWIS. I announce that the Senator from Arizona [Mr. ASHURST], the Senator from New Jersey [Mr. SMITH], and the Senator from Oregon [Mr. REAMER] are detained from the Senate because of illness.

The Senator from Tennessee [Mr. BERRY], the Senator from Iowa [Mr. GILLETTE], the Senator from New Jersey [Mr. MILTON], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEWBY], the Senator from Nevada [Mr. PITTMAN], the Senator from North Carolina [Mr. RAYMOND], the Senator from South Carolina [Mr. SMITH], and the Senator from New York [Mr. WAGNER] are detained on important public business.

Mr. McNARY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of the death of his wife.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1307. An act for the relief of W. F. Lueders;

S. 3092. An act for the relief of the Georgia Marble Co.; and

S. 3522. An act authorizing the President to present the Distinguished Service Medal to Rear Admiral Reginald Vesey Holt, British Navy, and to Capt. George Eric Maxia O'Donnell, British Navy, and the Navy Cross to Vice Admiral Lewis Gonne Eyre Crabbe, British Navy, and to Lt. Comdr. Harry Douglas Barlow, British Navy.

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

S. 1585. An act for the relief of Sallie S. Twilley;

S. 2417. An act for the relief of Samuel L. Dwyer; and

S. 3113. An act for the relief of the Congress Construction Co.

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

H. R. 599. An act for the relief of W. J. Steckel;

H. R. 733. An act for the relief of George E. Tlitter;

H. R. 736. An act for the relief of Mallery Toy;

H. R. 858. An act for the relief of the estate of Dr. David O. Clements, deceased;

H. R. 1141. An act for the relief of J. W. Beams;

H. R. 1744. An act for the relief of Grant H. Pearson, G. W. Pearson, John C. Rumohr, and Wallace Anderson;

H. R. 1861. An act for the relief of the firm of Schmidt, Garden & Martin, architects, of Chicago, Ill.;

H. R. 2149. An act for the relief of Capt. Guy L. Hartman;

H. R. 2487. An act for the relief of Thomas J. Allen, Jr.;

H. R. 2650. An act for the relief of Veracruz O'Brien Allen;

H. R. 3225. An act for the relief of Roland Stafford;

H. R. 3655. An act for the relief of Clarence D. Schiffman;

H. R. 3747. An act for the relief of George O. Wills;

H. R. 4232. An act for the relief of Barber-Hoppen Corporation;

H. R. 4260. An act for the relief of C. J. Murrill;

H. R. 4830. An act for the relief of Mrs. D. O. Benson;

H. R. 4864. An act for the relief of Helen Rauch and Max Rauch;

H. R. 4941. An act for the relief of Rogowski Bros.;

H. R. 5597. An act for the relief of Luigi Mazza;

H. R. 5615. An act for the relief of Capt. B. B. Barbee;

H. R. 6081. An act for the relief of Edward Malm;

H. R. 6186. An act for the relief of Moses Red Bird;

H. R. 6296. An act for the relief of Dr. A. C. Antony and others;

H. R. 6306. An act to authorize the cancellation of deportation proceedings in the case of Henrietta Vendemmia;

H. R. 6327. An act for the relief of Edward J. Thompson;

H. R. 6374. An act for the relief of Lena R. Burnett;

H. R. 6461. An act for the relief of William F. Bourland;

H. R. 6508. An act for the relief of Gladys Legrow;

H. R. 6710. An act conferring jurisdiction upon the United States District Court for the Eastern District of Louisiana to hear, determine, and render judgment upon the claims of Anna Lee Hebert and Mrs. Nicholas Hebert;

H. R. 6713. An act for the relief of Genesee Brewing Co., Inc.;

H. R. 6842. An act for the relief of Frank M. Schmitt, Antonio Salas, Victoria Griego, and Victor Coco;

H. R. 6994. An act for the relief of Alfonso Luigi Tartaglione;

H. R. 7012. An act for the relief of J. Anse Little;

H. R. 7039. An act for the relief of Paul Hirschmann;

H. R. 7119. An act for the relief of Victoria Maghee;

H. R. 7168. An act for the relief of Louis Samolski, Rebecca Samolski, and Martin Samolski;

H. R. 7297. An act for the relief of Gordon L. Cheasley;

H. R. 7344. An act for the relief of Eddie Walker;

H. R. 7357. An act for the relief of Giovanni Raffa;

H. R. 7429. An act for the relief of Muriel C. Young;

H. R. 7460. An act for the relief of Mr. and Mrs. Roy Blessing;

H. R. 7659. An act to authorize the cancellation of deportation proceedings in the case of Jacob Tabah, wife Esther, and daughters Bertha, Dora, Rosa, and Angela;

H. R. 7761. An act for the relief of Sibbald Smith;

H. R. 7793. An act for the relief of Nicholas de Lipski;

H. R. 7817. An act for the relief of C. G. Bretting Manufacturing Co.;

H. R. 7855. An act for the relief of Frieda White;

H. R. 7883. An act for the relief of Stefano Pagliaro;

H. R. 7890. An act for the relief of Brooks-Callaway Co.;

H. R. 7960. An act for the relief of Wilma Artopoulos;

H. R. 8193. An act for the relief of the Long Bell Lumber Co.;

H. R. 8241. An act for the relief of Fred J. Christoff;

H. R. 8275. An act for the relief of Stanley Koltzoff and Marie Koltzoff;

H. R. 8375. An act for the relief of Roscoe B. Huston;

H. R. 8567. An act for the relief of Margaret B. Nonnenberg;

H. R. 8589. An act for the relief of Pasquale Lobrano;

H. R. 8643. An act for the relief of Kate Durham Thomas;

H. R. 8678. An act for the relief of Albert Saint Clair;

H. R. 8683. An act for the relief of Gus Vakas;

H. R. 8743. An act for the relief of Louis Michael Bregantic;

H. R. 8744. An act for the relief of J. G. Bucklin;

H. R. 8858. An act for the relief of Joseph Brum and Gussie Brum;

H. R. 8916. An act for the relief of N. W. Ludowese;

H. R. 9200. An act for the relief of Filomeno Jiminez and Felicitas Dominguez;

H. R. 9214. An act for the relief of C. O. Hall;

H. R. 9374. An act for the relief of the Robert E. Lee Hotel;

H. R. 9400. An act for the relief of Adolph Arendt;

H. R. 10275. An act to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point and Dauphin Island, Ala.;

H. R. 10459. An act to amend certain provisions of law relative to the production of wines, brandy, and fruit spirits so as to remove therefrom certain unnecessary restrictions; to facilitate the collection of internal-revenue taxes thereupon; and to provide abatement of certain taxes upon wines, brandy, and fruit spirits where lost or evaporated while in the custody and under the control of the Government without any fault of the owner; and

H. J. Res. 146. Joint resolution granting insurance payments to Hugh H. Newell.

DISTRICT OF COLUMBIA TAXATION

The VICE PRESIDENT. Prior to taking a recess yesterday afternoon the Senate adopted an order—not that the order is binding on the Chair, although it is morally so, at least—under which it would be his duty to recognize the Senator from Mississippi (Mr. HARRISON) on the convening of the Senate today for the purpose of addressing the Senate.

Mr. KING. Mr. President—

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Utah?

Mr. HARRISON. I yield to the Senator from Utah.

Mr. KING. Mr. President, a few days ago a revenue bill for the District of Columbia was passed by the Congress. At some stage in the progress of the bill, after its terms had been agreed upon, several words in one of the sections were omitted, and with such omission the bill was enrolled and signed by the President. The omission was discovered after the bill had reached the White House and had been considered by the President. It was deemed best, however, to have the bill acted upon by the President in the form in which it reached him, with the understanding that a joint resolution would be promptly passed to correct the omission.

Accordingly House Joint Resolution 687 was introduced and passed in the House of Representatives and referred to the Senate Committee on the District of Columbia. That committee ordered the joint resolution to be favorably reported. I now report it, without amendment, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 687) to amend title VI of the District of Columbia Revenue Act of 1937, was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc. That subsection (b) of section 7 of title 6 of the District of Columbia Revenue Act of 1937, as amended, is amended to read as follows:

"(b) Any tax on tangible personal property (other than motor vehicles) levied against and paid by the taxpayer to the District, within the time prescribed by law for the payment of such tax by the taxpayer, shall be allowed as a credit against the tax imposed by this title for the taxable year in which such tax on tangible personal property is paid."

TAX REVISION

Mr. HARRISON. Mr. President, nothing is more distasteful to me than to become involved in a controversy with any member of my own political party; certainly it is even more unpleasant for me to differ with my own President. I grew up in that atmosphere of Democracy in which party disloyalty was considered to be almost treason. I have felt that through cooperation and counsel and common understanding the party's interest is best promoted, and I know that is true so far as promoting the welfare of the country is concerned. So I apologize today for occupying the floor, but I think the subject matter is of such importance as to demand my saying a few words concerning it. I do not know why I should delegate to myself the task of speaking on this question. I know, however, that I had very strong views with reference to recent tax legislation, and I had some modest part in its preparation and enactment. Certainly, I and my colleagues in the Senate and in the House, and especially those upon the respective committees of the two bodies which framed and formulated revenue legislation, had but one view, and that was to be fair to the taxpayers of the country, and to frame a measure which would

raise the revenue required for the economical administration of the Government, and which would not abandon American and governmental principles of long standing. We wanted to write such legislation as, in the present economic stress and crisis which affect every hamlet and pervade every nook and corner of our country, would do something, if a tax factor could do it, to assist in dispelling fear in the hearts of our people and restoring confidence in the mind of the American businessman and of the country generally, and give some impetus to this great, powerful, wonderful, and resourceful country to resume its march on the road to recovery.

So the tax bill was written, and the tax bill was approved—approved in the House of Representatives, after it was finally agreed upon in conference, by more than 90 percent of the chosen representatives of the American people who compose the Democratic membership of that body; approved in the Senate of the United States, so far as I know, without a dissent from any Democratic Senator. Indeed, the bill met such approval and commendation that there was not even a roll call in the Senate, either on the bill as it originally passed or upon the question of adopting the conference report.

Of course I appreciate and you appreciate that there were certain parts of the legislation with which, perhaps, other Senators did not wholly agree. Some amendments had been stricken in conference that some Senators no doubt had hoped would have been written into the law. But I say to you, Mr. President, that a conference committee never worked harder or more diligently than did that one to frame a fair bill that would help the country, without abandoning any fundamental principles of taxation.

The President on yesterday stated his position regarding the bill, as he had every right to do. I concede to none of my Democratic brethren a greater degree of loyalty to the President than I. God knows I have shown it. I do not know many other Democratic Senators who have faced the breastworks and the fire of battle to carry out administration policies more often than I. In the future, as in the past, I shall resolve every doubt in favor of administration policies, and vote for them. But when my judgment leads me in a different direction, I shall not permit a statement to be made without at least some defense that I was a part of a group and a body that abandoned important principles of American taxation.

There was much in the President's address which was inspiring and with which I am in complete accord. I listened to it. I know no one whose voice I would rather hear over the radio than that of the President. I love to sit in his captivating presence. He is one of the most striking personalities with whom I have come in contact. In speaking to the children at the Arthurdale School and to others who were gathered there, the President said:

If I sign the bill—

Speaking of the tax bill—

and I have until midnight tonight to sign it—many people will think I approve the abandonment of an important principle of American taxation.

By so doing—

That is, if he should let the bill become a law without his signature—

I call the definite attention of the American people to those unwise parts of the bill I have talked to you about today—

The capital-gains tax and the undistributed-profits tax—
one of them which may restore in the future certain forms of tax avoidance and of concentrated investment power, which we had begun to end, and the other a definite abandonment of a principle of tax policy long ago accepted as a part of our American system.

I can understand how the casual reader or listener, not versed in taxation, might gather from the President's address the impression that the tax bill which we passed here was a monstrous bill, and that the President refused to sign it because we were trying to provide some opportunity for large

taxpayers to avoid the payment of their legitimate taxes; so that fact prompts me to speak today.

When the President said—

one of them which may restore in the future certain forms of tax avoidance—

He was alluding to the undistributed-profits tax. I have heard no voice lifted in Congress or elsewhere to defend the undistributed-profits tax as it was in the law until yesterday. Thank God, it is not in the law today.

What happened under that law of yesterday? It discriminated against the little corporations of the country, and those which were in debt were unable to pay their debts, or had to incur a penalty, if they did so, on the profits which accrued. The law did not take care of the impairment of capital. Many States in this country had laws to the effect that an insolvent corporation could not distribute a dividend; yet by that law we said, "You must distribute dividends, or we will impose a penalty upon you"; and the maximum tax rate when no dividends were distributed was 32 percent. So we wanted to get rid of that, and we have gotten rid of it.

Someone will say, "Well, you helped to write the former law." I must offer some excuse as to that. At the time the 1936 act went into conference, I became ill and was forced to go to bed, and could not serve on the conference committee; and I asked the President of the Senate to appoint, among other conferees, my distinguished colleague, my friend, the leader of the Democratic Party in the Senate (Mr. BARKLEY) on the conference committee. When the undistributed-profits tax measure came from the House to the Senate, it compelled a complete distribution of all earnings. I pleaded with the gentleman who represented the Treasury at the time—and he was representing the administration—to permit us to get together, so that we might compromise the matter, and permit a reserve of 30 percent to be built up by corporations before distribution of dividends and imposition of the penalty. I received no sympathetic cooperation; the committee received no sympathetic cooperation; but the program was made, and there had to be a complete distribution.

I have here the statement of this distinguished gentleman who represented the Treasury before the House Ways and Means Committee, in which he opposed any provision for taking care of debts or the impairment of capital. So the Senate committee at that time imposed a penalty of 7 percent. They framed a bill which greatly modified the House bill. They went into conference with Members representing the House, and did the best they could; yet the President, in his speech of yesterday, made this statement:

In principle our objective, was right but in practice the act as finally worked out in the Senate undoubtedly did prevent many small corporations from normal and reasonable business expansion.

I think it is somewhat unfair to say in a great broadcast to this country that the Senate is responsible for the result. The House was just as responsible as the Senate, because the bill as finally enacted was worked out in conference by representatives of both bodies.

Every member of the Finance Committee will recall, as I recall, that when the debt provision of the 1936 House bill came to the Senate, the representatives of the Treasury, as well as every tax expert of the Government and joint committee and legislative counsel appearing before the committee said it was unworkable and ineffective and unfair, because it failed to provide for future debts.

I may say that the revenue bill of 1938 as it passed the House contained no debt or deficit provisions. When that bill came to the Senate there was a provision for a 4-percent penalty on undistributed profits. The House did not take care of the fellow who was in debt or who had impaired capital. They were going to subject him to a tax on his retained profits. If he did not distribute his profits, he had to pay a penalty, no matter how much debt he had to pay, no matter to what extent his capital was impaired. But when the bill came from conference we took care of that matter, we did reduce the rate, and made the differential 2½ percent.

We tried to strike out the undistributed-profits tax provision of the law because we thought it had injured many small corporations of this country. Our action was conscientiously taken, and I am sure that the mail of every Senator reflected the fact that the business people of the country—large and small—were against the undistributed-profits tax as written in the 1936 act. But be that as it may, it is retained in the law which goes on the books today, which the President refused to sign. There is a 2½-percent differential, from 16½ percent up to 19 percent. I do not think that is enough to injure business in this country. I hope it will be helpful in causing the distribution of dividends.

I trust that when the 2 years shall have expired, it will have proven so beneficial and workable that we can continue it. But if it does not, as we have written it, with the debt and deficit provisions in it, so that one can take care of his debts and take care of impaired capital without being penalized even to the extent of 2½ percent, if the country is aroused about it and we find that it does not work, then I shall be in favor of going back to the old, time-honored, well-established principle of the flat corporation tax. So much for the undistributed-profits tax.

The President in his speech alluded to the closely held corporations of this country, and referred to the avoidance of taxes through this corporate arrangement. It will be recalled that when the present bill was pending in the House one of the major issues presented was over title I-B, which applied to closely held corporations. The House committee imposed a penalty on these corporations, and they had difficulty in getting it through the committee, because there was tremendous opposition to it. Finally those in charge of the bill agreed to raise the amount of the exemption from \$25,000 to \$50,000, and then to \$75,000. Then they added the debt provision to relieve more of them, then a provision relating to the impairment of capital was also included. But when the bill came before the House of Representatives, title I-B was voted down, and never in the Senate committee or on the floor of the Senate or anywhere else did I ever hear of a proposal to restore title I-B to the bill, and I dare say that if a vote had been called for in this body such a proposal would not have received as many votes as there are fingers on my hand.

Mr. President, I am not opposed to closely held corporations, created for the purpose of carrying on legitimate business. In my section of the country closely held corporations have built up many communities. And that is true all over the country. A man goes into business and is successful, later he takes in his boy as he grows up, and other members of his family, his business grows, and he builds up a little surplus, because he thinks it is good business to build up a surplus. He wants to provide against some rainy day, some depression which might occur, such as that which appears to be approaching us now.

Do not be misled into believing that all closely held corporations are the great and powerful corporations. Of course, some of the big corporations are closely held. There is no doubt, however, that there are many hundreds of small corporations family held or closely held.

There is no question but that when we penalize closely held corporations doing legitimate business in this country we are discriminating against them in favor of the big corporations of the country which have built up enormous surpluses, and have their enormous reserves, because the latter can distribute their dividends and pay no penalty tax, while the closely held corporations, if they have no surplus or insufficient reserves, have to make distribution of their earnings or pay the penalty tax.

The President says the taxing of capital gains and undistributed profits is in accordance with a great American principle. When was the first time we ever heard of the undistributed profits tax? It was proposed a few years ago by a colleague of ours, the late Senator Jones, of New Mexico, but the tax was small.

But in a case where we impose a corporation tax of 15 percent and an undistributed-profits tax graduated from 7 percent to 27 percent we are hurting somebody, and the business of this country cannot stand it at all. So there is no great American principle involved.

The proposal was made in 1936. Mr. Oliphant, representing the Treasury, was very zealous and persistent about it. I presume he had sold the idea to the President. I was sold to some extent, as were others. It was a beautiful thing in theory. Everyone wants to see a corporation distribute as much of its profits as are not necessary in the conduct of its business. Many corporations in this country have piled up unreasonable surpluses, it is true. There is not a Senator here, nor is there a Member of the House, who believes in condoning or protecting that practice, and we have not done so.

There is in the present law, and we have strengthened it in the law which goes into effect today, a provision which we have had since 1913. Allusion was made to it by the President, and I congratulate him on having made reference to it.

Where a corporation accumulates unreasonable surpluses for the purpose of avoiding the payment of taxes upon the part of its shareholders, a penalty is imposed, and it is a very high penalty. About 19 cases have been brought under that provision of the law, and in a majority of them the Government has won; but never until last week had the Supreme Court of the United States upheld section 102 of the revenue law. The object of placing section 102 in the law was to reach the very corporations against which the President complains, namely, the corporations which build up unreasonable surpluses for the purpose of tax avoidance.

So anxious were we to strengthen that provision of the law that on the first day the Committee on Finance met to consider the new bill, I asked the Treasury experts and our draftsmen to frame such legislation as they thought might strengthen the law. We worked on it and finally adopted the provision which is in the law, and we made it so strong that we even put the burden of proof upon the taxpayer, when it is shown that there is an unreasonable accumulation beyond the needs of the business, to prove that the accumulation is not for the purpose of avoiding the payment of taxes upon the part of its shareholders. Never was such a strong law written with relation to unreasonable surpluses to avoid the payment of taxes, as in the law which goes into effect today. So much for that.

The President talked a great deal about capital gains and cited some illustrations in his criticism of our action. He cited the case of a man who makes \$5,000 from capital gains and another who makes \$500,000 from capital gains, stating that we do not recognize the old democratic theory of taxing according to the ability to pay.

Let me give a little history of the attempt to tax capital gains. The first law affecting capital gains was written in 1861, during the Civil War, as a war measure. The law provided, in effect, that capital gains should be taxed as ordinary income when the property was held for less than 2 years, and under that law when property and assets were held more than 2 years no capital-gains tax was imposed. That was the law until 1870, when the whole thing was repealed.

The next attempt to write an income-tax law was in 1894, and it was provided that capital gains on property held less than 2 years should be taxed as ordinary income, but when the gains were obtained on property held more than 2 years, no tax at all should be imposed. So it is not an old American principle that we are abandoning.

In 1913, in the income-tax law a 1 percent normal tax was imposed, with an exemption from surtax up to \$20,000, but above that there was to be a 6-percent surtax. Six percent was the maximum. When we compare that 1 percent normal tax and the 6-percent surtax, with a \$20,000 exemption, in 1913, with the present law, with an exemption of only \$4,000

in respect to surtax and with a surtax going as high as 75 percent, plus the 4 percent normal tax, which makes 79 percent, it may be realized that we are taxing some people a little more than we used to, and we are taxing them on the theory of ability to pay. I shall not discuss that, but I think our present surtax rates are too high. I do not think the Government can take away everything that a man makes, and at the same time encourage business, and encourage a man to go into industry. Encouragement cannot be given in that way, and that is one of the reasons for the troubles we are having today.

With reference to the illustration which the President gave, he was just misinformed. I have no doubt about that, because I know the President is sincere in his utterances. I know he is sincere in his views. I have come to that stage in life when I do not find myself in personal estrangement with those who have studied questions simply because they have a different view from mine. I know that persons of sincere ideas can differ in their opinions, and I find no fault with anyone for that. That is all right. That represents the old American idea of freedom of thought, freedom of action, and freedom of speech, and I find no fault with those fundamental principles, which have made our country great.

But when information has been given to the President of a nature that misinforms him on a set of facts bearing upon a question which is so close to the American people as the tax bill which is just going into effect, the consequence of which may be good or bad, I think it is time to speak up and give the facts. I have shown them with reference to the statement concerning our abandonment of an important principle of American taxation. There is no abandonment of an important American principle.

Let us take the illustration which the President gave. For instance, the President said:

In other words, if you or I sell stocks which we have held for a few years, at a profit of say \$5,000, we have to pay a tax of 15 percent on that profit; whereas the man who has made a profit of \$500,000 on stocks he has owned is required, under this new bill, to pay a tax of only 15 percent, just as you and I would.

All right. The President concludes from this example that—

Nobody, by any stretch of the imagination—

As he says—

can say that this new provision maintain the principle of payment in proportion to ability to pay.

I could agree with the President's conclusion if the example correctly stated the results secured under the bill. Unfortunately, this is not the case. The President, as I have stated, has apparently been misinformed.

For example, if you and I are married persons, and have a capital gain of \$5,000 on stock or securities held over 2 years, and no other income, we will not pay a tax of 15 percent. We will then pay no tax at all. Get that to the people. Tell it to the American people. Let the experts look into it. Let somebody deny it. If we have no other income and we sell an asset which we have held over 2 years, and we have a capital gain of \$5,000, then under the law which goes into effect today we pay no capital-gain tax.

Very well. That is explained because of the fact that a married man is exempt up to \$2,500. If he has no other income, and he makes \$5,000 on the capital-gains transaction, under the provisions of the bill which goes into effect today, he only has to be taxed on one-half of the \$5,000, which is \$2,500, and under this law to that amount he is exempt from taxation. Therefore, he pays no tax. I hope I have made myself plain on that.

If we have a salary of \$5,000, and the \$5,000 capital gain in addition, our tax will be \$220. The tax on a \$5,000 salary alone is \$60. So, our tax has been increased by \$140 on account of the \$5,000 capital gain, and the rate of tax on that gain is therefore less than 3 percent.

The capital-gains tax alone in the bill, on the individual who has a \$500,000 profit, would be 15 percent of the \$500,000, or \$75,000; and if he had some other income, which

would place him in the higher brackets, then, in addition to that \$75,000 of tax, he would pay the other income tax also. I hope I have made myself plain on that matter.

In the same way, if we had a salary of \$10,000 and a capital gain of \$5,000 in addition, we would find that the rate of tax on the capital gain would be less than 5 percent; whereas in the case of the \$500,000 capital gain to which the President made reference, it would be 15 percent of the \$500,000, or \$75,000. Thus, we do have, under the new law, progressive taxation on capital gains, and, in fact, the little fellow gets a better deal in respect to his tax on capital gains than he has received since 1913.

It should be noted that under the Revenue Act of 1936, which expired last night, the maximum rate on capital gains in the case of property held over 10 years was only 23½ percent. That was the maximum under that law if the property was held over 10 years; and under the recent House bill which came to us, in the case of property held over 5 years, the maximum capital-gains tax was only 16 percent.

Yet there is a great deal said about the gains from transactions in stocks and bonds. It is said that 80 percent of all the transactions in which there are capital gains are transactions in stocks and bonds. How are you going to build up a little new industry somewhere? Take, for example, my own State, which offers wonderful advantages for the manufacture of print paper from wood pulp. Let us say that a manufacturing organization is established with a capitalization of a million dollars. The organization needs more money. It tries to borrow a million dollars on some kind of security from someone in New York or some other State. Of course, the man who purchases these new securities may have to sell some of his old securities in order to get the cash. You do not know how much of this money that is traded in, in stocks and bonds and other securities, to which the President has called attention, even though the transactions take place on the stock market, goes into industry. But I know and you know that unless some encouragement is offered to those who have money to invest in new enterprises, so that more people can be employed, so that we can put a stop early, or some day, to this spending program that we are considering in the Senate now—\$4,000,000,000 this year, and so many billions some other year, and so on—we are not going to get anywhere.

What communities are there out in your country of the West that have a great many rich people? There are none in my country. You have to obtain capital if you are going to go into new industry. You cannot build it on mud. And we must offer some encouragement to capital. That is what we have done in this new law. We have said to one who has money to invest, "If you want to make an investment, put your money into industry, and aid in giving employment to the people of this country; then if you hold property for 2 years and sell it, and make a profit, your capital gains tax shall not be more than 15 percent."

Mr. President, is there anything unusual about that? In the present law it is provided that capital gains made on the sale of property held up to 12 months is subject to a tax on 100 percent of the gain. We say that when people trade in stocks and bonds, and gamble in them, speculate in them, that they shall pay on 100 percent of the profits, under the ordinary income-tax rates. However, we went beyond the House proposal in respect to that matter. We have extended the time to 18 months.

If a man trades in stocks and bonds or any other capital asset and has a gain within a year and a half from the time he obtained the property, he must declare that gain as ordinary income and pay on it the tax he pays on ordinary income. If he holds the property longer than 18 months, and up to 2 years, and sells it and has a gain, he pays a maximum tax of 20 percent. His gain is then considered a capital gain. We have given him that advantage.

If he holds the property 2 years or longer and then sells and has a gain, he pays a 15-percent tax if he is in the high brackets, or he is taxed on one-half the gain at ordinary rates if he is in the lower brackets.

Mr. President, in my opinion, the new law will release much of the frozen credit of this country. It ought to be most helpful in getting some industries started and in relieving the distress caused by the unemployment situation in this country. So much for that.

I was delighted with that part of the President's speech where he said:

We should adopt tax policies which will encourage men to venture and to build new productive wealth.

That was the motivating idea in the formulation of the 1938 act.

Mr. President, the thing I fear about the law which goes into effect today is not that we have abandoned any American principle, because we have not. The thing I fear is that we will not be able to obtain as much revenue under the law as we had hoped, and which the Treasury had estimated.

The Treasury estimates were made in November, and all know, unless they are blind to a fact, that economic conditions have gradually grown worse since November. More persons are out of employment and more industries are closed. There is less carloading on the railroads. We have not the degree of prosperity which we had at that time, and the situation is not improving. So I fear that the law may not raise as much revenue as we had hoped unless there is a renewed activity in business.

I am sorry the President did not sign the bill. I should have much preferred if he had said "All right; I do not like the abandonment of American principles in the undistributed-profits and capital-gains taxes," and vetoed it. I have no doubt what would have happened in the American Congress.

You and I and the Members in the House have felt that the more ungrudgingly we could give business a little lift at this time the better it might be for the economic welfare of the country.

I hope that the high intention and aspirations of the American Congress in framing this tax legislation to help business and employment will not be affected, and that what we had expected will not be dampened and thrown away by the remarks which the President made yesterday in his memorable speech.

We shall need another tax bill next year. Many of the nuisance taxes expire next year. The corporation tax and the undistributed-profits taxes expire at the end of 1939, so we will need new taxes. But be not deceived. We have not abandoned the American principles of taxation. We have tried to be fair and just to the country.

I probably have said more than I ought to say about this matter. I may have said too much. In closing I wish to paraphrase some remarks which I made a few years ago upon a great occasion. I was speaking to a great gathering of Democrats:

Let us remember that too much is at stake for the hideous form of friction to frown upon us. Our guns, and all our guns, against the common enemy of depression. Nothing must happen here or elsewhere to divide our counsels or dampen our ardor. The hope of the American people lies in our common and united action. There must be no skulking, reprisals, charges of crimination, or recrimination. A great duty and a high responsibility rests upon all of us in this solemn and critical hour of the Nation's life. Far better is it for the American people and the welfare of our country that we deny to ourselves some vaunted expression, or surrender some temporary advantage, that we may succeed in our efforts to dispel fear and restore confidence, happiness, and prosperity to our people.

Mr. KING subsequently said: Mr. President, I intended to state at the close of the observations made by the Senator from Mississippi (Mr. HARRISON) a fact which perhaps some Senators have forgotten; namely, that when the revenue bill came from the House it carried a tax upon corporations considerably less than that which was imposed upon them in the Senate bill. The bill which the Senate Committee on Finance reported imposed upon corporations a greater tax to the extent of \$60,000,000 than did the House bill. So

it cannot be said that the Senate Committee on Finance, or the Senate itself, was too tender of corporations.

REPORT OF THE FEDERAL HOUSING ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the Administrator of the Federal Housing Administration, transmitting, pursuant to law, the fourth annual report of the operations of the administration for the calendar year 1937, together with a statement of statistics of insuring operations, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Council of the City of New York, N. Y., favoring the enactment of pending legislation affecting the Home Owners' Loan Corporation so as to meet present needs and difficulties of home owners in New York City and elsewhere, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by the recent Democratic State Convention of South Carolina, endorsing the policy of tariff adjustment with other nations through the negotiation of reciprocal trade agreements, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the Board of Commissioners of St. Louis County, Minn.; the Board of Supervisors of the County of Riverside, Calif.; and the County Board of Outagamie County, Wis., favoring the prompt enactment of House bill 4199, the so-called General Welfare Act, which were referred to the Committee on Finance.

He also laid before the Senate a radiogram from the Governor of Hawaii embodying a resolution adopted by the Board of Supervisors of the City and County of Honolulu, T. H., favoring the according of the same treatment to the Territory of Hawaii in the use of funds allocated for W. P. A. activities as to other political subdivisions, and also protesting against the taking of W. P. A. employees from civil projects in Hawaii and transferring them to military projects in the Territory, which was referred to the Committee on Territories and Insular Affairs.

REPORTS OF COMMITTEES

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3312) to add certain lands to the Ochoco National Forest, Oreg., reported it without amendment.

Mr. POPE, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 4076) to amend the Federal Crop Insurance Act, reported it without amendment.

Mrs. CARAWAY, from the Committee on the Library, to which was referred the bill (S. 3926) to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its purposes and powers," approved February 25, 1929, as amended, reported it with amendments and submitted a report (No. 1917) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 3919) to authorize the Secretary of War to proceed with the construction of certain public works in connection with the War Department in the District of Columbia, reported it with an amendment and submitted a report (No. 1918) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 2854) conferring jurisdiction upon the Court of Claims to hear and determine the claims of certain Indians of the Prairie Band of Pottawatomie Indians against the United States, reported it with amendments and submitted a report (No. 1919) thereon.

BILLS INTRODUCED

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

By Mr. TYDINGS (by request):

A bill (S. 4109) creating the Puerto Rico Water Resources Authority, and for other purposes; to the Committee on Territories and Insular Affairs.

*file
personal*

PSF: *Senate*

THE WHITE HOUSE
WASHINGTON

June 6, 1938

MEMORANDUM FOR THE PRESIDENT:

When Miss Perkins left, she assigned Lubin to get the list of delegates complete to go to Europe to study the British Trade Agreements, etc. and to report to you.

I am advised that you were most desirous that Senator Norris go as a member of this commission. Lubin saw the Senator today. The Senator pleaded ill health. The Senator's secretary later gave Lubin the impression that the Senator was highly complimented to receive the invitation -- to know that you wanted him to serve --and he believed the Senator would go, with the permission of his physicians, IF YOU PERSONALLY ASKED HIM TO SERVE AND TO GO FOR YOU.

Lubin hopes very much that you will either see the Senator and make this request or will telephone him.

Otherwise, Lubin says the list is about complete and he has reasons to believe that John Lewis' C.I.O. men, despite the Lewis action as stated in the published letter, will serve.

Will you consider seeing or telephoning Senator Norris? Please let me know.

STEPHEN EARLY

PSF: *Senate*
COPY

Dear George:-

Do please go on that trip to England to check on their labor and social problems. It would help me a lot -- and you are sure of cool weather and two quiet weeks at sea -- and England is not really hot as we know heat.

As ever yours,

F. D. R.

Honorable George W. Norris,
United States Senate,
Washington, D. C.

PSF: Senate # 2 Senate

THE WHITE HOUSE
WASHINGTON

PRIVATE

June 14, 1938.

MEMORANDUM FOR

THE VICE PRESIDENT

The Monopoly Investigation
Bill calls for three Senators.
Have you thought of Logan or Neely --
both of them are on Judiciary.
Norris' health will not permit him
to serve. I really think Borah
should be made to serve. This is
his pet hobby anyway.

F. D. R.

PSF: *Senate*

Hyde Park, N. Y.,
June 23, 1938.

Dear George:-

Many thanks for that mighty nice note of yours. I am sorry you cannot go abroad but I sincerely hope you will get a real rest this summer and take care of yourself. There are so many things "popping", or about to "pop", that we must all of us keep on our toes. And I do not need to tell you that you count for a lot more in the picture than your modest self will ever admit.

My best wishes to you,

As ever yours,

Honorable George W. Norris,
United States Senate,
Washington, D. C.

GEORGE W. NORRIS
NEBRASKA

PSF: Senate

United States Senate

WASHINGTON, D. C.

June 18, 1938.

N/B

THE WHITE HOUSE
JUN 20 9 13 AM '38
RECEIVED

My dear Mr. President:

I have given very serious thought and consideration to your request that I be one of the committee to go to England to study the labor and social problems. Under any ordinary circumstances I would be very glad indeed to study these problems in Great Britain where they seem to have made remarkable headway in the settlement of them and I likewise dislike very much to decline your very persuading invitation but I feel under all the circumstances that I cannot and must not undertake this work. It is impossible to explain fully and satisfactorily in a letter my reasons and it is difficult to express my ideas even to your messenger but I am convinced in my own mind and heart that I must respectfully decline. I desire to express to you my heartfelt thanks for the honor you would thus bestow upon me and to say that in declining your urgent request I sincerely feel that you will have no difficulty in filling the place with one who would do much better work than I would be able to perform under all the circumstances.

Yours very truly,

G. W. Norris

Honorable Franklin D. Roosevelt,
The White House.

*Advised this by
wire 6/20/38*

ELLISON D. SMITH, S. C., CHAIRMAN
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 C. A. LAWTON, CLERK

United States Senate

COMMITTEE ON
 AGRICULTURE AND FORESTRY

July 6, 1938.

PSF: Senate

file
 Personal
 in folder

Honorable Franklin D. Roosevelt,
 President of the United States,
 The White House,
 Washington, D.C.

Personal and Confidential

My dear Mr. President:

I tried to see Harry Hopkins but on account of a temporary illness, he could not come to the office. I understand that he will see you tonight, or before you leave on your tour. I had a conference with Aubrey Williams and told him that it was your wish that someone be appointed in the place of Roland Wall as Administrator of the Works Progress Administration in Mississippi. I urged Mr. Gladney, or Mr. Capts, who is in Harry Hopkins' office. Either one would be a safe appointment. Mr. Williams says that he and Mr. Hopkins will be ready to act at once if you say the word. Please let me urge you to tell Mr. Hopkins to make this appointment tomorrow. This is important owing to the present session of the Legislature of Mississippi which convened today.

Stay with me on these matters and I assure you that I will deliver one hundred per cent.

Your friend,

Thos. J. Bibb
 U.S.S.

P.S.

My colleague, Pat Harrison, has owned and controlled, from top to bottom, the WPA in Mississippi for over two years. Between twelve and fifteen hundred of my friends, without rhyme or reason, without any regard as to their need, have been thrown out for political purposes. In all fairness, I think there should be a reorganization that would give my destitute and hungry friends an even break.

T.G.B.

KEY PITTMAN, WY., CHAIRMAN
PAT HARRISON, MISS.
WALTER F. GEORGE, GA.
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CLAUDE PEPPER, FLA.
THEODORE F. WHEELER, N. L.
ALBURN W. BAUSLEY, KY.

COMMITTEE ON FOREIGN RELATIONS

Washington, D. C.,
July 7, 1938.

Mr. Marvin H. McIntyre,
Secretary to the President,
The White House,
Washington, D. C.

Dear Mac:

I herewith enclose memorandum that I promised you today at noon that I would submit to you.

Sincerely,

R. A. Mearns

MEMORANDUM

Understand you will leave Salt Lake City at 6 a.m. First town of any size you will strike in Nevada will be Elko, Nevada. It is about 250 miles from Salt Lake. You should be at Elko between 10:30 and 12 o'clock noon depending upon the speed of the train. Streamline trains do not stop at Elko. The Overland Limited stops there about 3 minutes. All fast passenger trains take on ice, water, and so forth, at Sparks, Nevada, in the western part of the State, which is in the suburbs of Reno. Sparks is a big railroad division. Fast passenger trains after leaving Sparks stop at Reno about 5 minutes. Apparently, therefore, there are only 3 places where the President might appear in the State; namely, Elko, Sparks, and Reno.

Elko. Elko County is the richest County in the State per capita. Elko is the only large town in the County. The County was originally settled by Texas cattlemen and has always been a Democratic County. This is still the home of Charles B. Henderson, former Senator and now a Director of the Reconstruction Finance Corporation. About 6 years ago the richest copper camp in the United States was opened up in the northern part of the County at a place called Mountain City. The County is still more sensitive in the livestock industry than anything else, notwithstanding the rich copper mine. After 40 years experience grazing rights on the Forest Reserves have been satisfactorily settled by the Forestry Department and the people all opposed the changing of this situation. With the exception of some of the lawyers, professional men, and ultra-legalistic individuals, they know nothing about the Court question. They are behind the President 90%. They would be pleased to be reminded of the President's speech at Denver when the President stated that both the livestock industry and the mining industry were primary major industries.

Through the Reconstruction Finance Corporation the mining industry has been lent money to build mills for the reduction of mineral ores when private banks were afraid to make good loans. Through the Farm Credit Administration loans of the defunct banks have been taken up, foreclosures prevented, and additional money lent to restock good ranches and ranges.

Sparks. Main railroad center of the State. 90% of the people are with the President. They are loyal to the railroads but they think it was unfair for the railroad companies to ask loans from the Government, at the same time declaring that they intended to seek to reduce wages of employees. I think it would be well for the President here to state that he had advocated Government loans to railroads to meet the emergency, but that the railroads could not expect such loans unless they were fair with their employees and with the public; that the railroads, like other industries, could prosper without the reduction of wages and the standard of living; and that they must cooperate with the Government in maintaining wages and the standard of living

If they expected Government aid. The Government is willing to aid any worthy industry where it could not obtain private credit so long as such aid reacted for the benefit of labor and the general public. In times of stress and emergency when industries are seeking the favors of the National Government, they should cooperate to the fullest extent by bearing some of the hardships, reducing large salaries, and economizing in every possible way.

- 2 -

Reno. Reno is the metropolis of the State. It has been exceedingly prosperous and is even now growing rapidly. It is the beneficiary of the prosperity of the State. For that reason its citizens are interested in the prosperity of the primary industries which are mining, stock raising, and the development of the water resources of the State. There is a rich valley adjacent to Reno, 40 miles down the river is the Newlands Project, known as the Truckee-Carson Irrigation District, and was one of the first projects inaugurated under the Reclamation Act in the United States. The water available was overestimated by the Army Engineers and there has, therefore, been a fight between Reno Valley and the Government Reclamation Project over the scarcity of water. The Reclamation Project has just started the building of another reservoir above Reno on the Truckee River which will furnish ample water supply to all the farmers. The Government also placed a big reservoir on the Humboldt River which has been of great benefit. This last reservoir was put in by grants and loans as the land below the reservoir was owned by private interests. That is at a place called Lovelock, which is a place where you will not stop.

I simply state this to show what the Government has done for the conservation of water and reclamation in Nevada. Through the WPA it has concentrated the flow of springs, developed artesian flowing wells, and, in places where artesian flowing wells could not be developed, it has put in windmill pumping plants. As stock can range only about 5 miles from water, this has enormously increased the capacity of range for livestock in Nevada. The Federal Government has done wonders for the building of roads in Nevada on the basis of the proportion of Government owned land and private owned land, which means that the Government has put up its money in the ratio of about 8 to 1 of that put up by the State.

The people of Reno were generally for the Reorganization Bill, but insisted that exceptions should be made in favor of maintaining grazing on Forest Reserves in the present Forest Service.

Also all of the ex-Service men in the State, having adjusted their differences with the Veterans' Administration, desire to be assured that that Administration will not be changed. The people of Reno are divided with regard to the Court proposition, which is the same as they are in the rest of the State. Most of the lawyers and professional men and ultra-legalisticians were against the Court proposition. The rest of the people knew nothing about the Court proposition but were willing to trust the President. The President's statement that the 3 branches of the Government, namely the Legislative, Judicial, and Executive, must cooperate or prosperity cannot be restored will meet with the approval of 90% of the people of Nevada.

It would seem to be appropriate in Nevada to make a few statements that will be carried throughout the West with regard to what the Administration has done for the livestock industry, the mining industry, and the development and conservation of water. This is the only place in the Inter-Mountain area where the President will have an opportunity probably of making these statements. In California of course his speeches will be general. He may, of course, make some of these statements in Colorado. It will do no harm, however, to repeat them in some form of short, positive statements in Nevada. The press will again carry them. May I say that the people of the Inter-Mountain country are very grateful to the President for continuing his proclamation with regard to the purchase of American produced silver, even though he did reduce the price 13¢ an ounce. This price on silver has prevented a number of marginal mines from closing down. The President was not obligated to make such proclamation as the Treaty with London with regard to silver expired on the 31st day of December, 1937. He continued the proclamation because he was convinced that many mines which produced lead, copper, and zinc had to depend upon the price of silver to continue to operate. I regret to say that my prediction with regard to the reduction of the price of silver 13¢ an ounce would cause some mines to close came true. About 50,000 people have been thrown out of work by the reduction in the price of silver. I don't think it is necessary to mention this. The facts will be submitted to the President later in statistical form.

I have already discussed the political situation in Nevada. Governor Richard Kirman, although he has never been a politician, has made a very successful Governor and will have no opposition in the primaries. He will be overwhelmingly elected. He is now and always has been 100% for the President. This may seem strange as he was a banker for 40 years. However, he sold out all of his banking interests.

It would be a nice thing if the President could speak to William Boyle at Reno. Boyle is the most devoted and efficient supporter of the President in the State. He was Farley's representative in the State in the President's pre-convention campaign. He has had charge of the most of the functions in connection with Warm Springs and the reducing of the deficit of the National Committee. The Mayor, Mayor John Cooper, although a Democrat is more or less identified with the anti-Court fight. I don't think the President should mention any names in Nevada except in response to Governor Kirman if he should happen to present the President. He does not need to mention my name because everyone in the State knows of the personal friendship existing between the President and myself. Anything that the President says in Nevada would apply to the whole Inter-Mountain country.

The Democratic nominee for the Senate not having any strong opposition, will be nominated, but I am advised on my recent trip that former United States Senator Tasker L. Oddie will probably be the Republican nominee for the United States Senate. If he is nominated, Senator McCarran will have a hard fight; in fact, it is very doubtful as to the result. Congressman Scrugham will be overwhelmingly elected. He has no primary opposition. Governor Kirman will have no primary opposition and will be overwhelmingly elected.

From Elko to Sparks is a distance of 300 miles so you should reach Sparks, Nevada, depending upon the speed of the train, somewhere between 4 and 5 o'clock in the afternoon.

Now read this carefully, Mac, and you will have all the advice about the State I could give you if I went on the train. It is probably better that I am not on the train. I would enjoy, of course, traveling with the President through the State. It is not only a great honor but a supreme pleasure.

Oh, just let me remind you that the big copper companies that closed down about 2 months without making provisions for their employees have announced that they will open up on the 1st of August. They are not doing this by reason of sympathy for anybody, but because of the inevitable prosperity that is now moving rapidly onward.

Give my love to the President.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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PRESIDENT

HERSCOMB CARLTON
CHAIRMAN OF THE BOARD

J. G. WILLIAMS
FIRST VICE-PRESIDENT

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SECRETARY CARE PRESIDENTS TRAIN C.IN=

FIVE HUNDRED THOUSAND ON PAGE THREE OF MEMORANDUM

SHOULD BE FIFTY THOUSAND=

KEY PITTMAN=

PSF: Senate

PERSONAL

Aboard the Presidential Special

July 13, 1938.

Dear Key:-

This is dictated on the train between Carlin and Inlay. I am having a grand trip. The Governor and Scrugham are with me and your colleague pops in and out!

Your memorandum has been helpful and it seems to me that things on the whole are going pretty well in Nevada.

Nothing doing on that silver business -- Scrugham tells me they have found a new manganese process and that at the next session we will pass a bill demonetizing silver and substituting manganese. That will give variety to our currency and a nation-wide political issue! Not only will the United States Treasury be saved but so will Brazil. That is why the Chairman of the Foreign Relations Committee will introduce it and call it "The Pittman World Currency Act of 1939".

Take care of yourself -- and if you are in the East when I get back from my cruise, do run in and see me.

As ever yours,

Hon. Key Pittman,
X~~XXXXXXXX~~, United States Senate,
X~~XXXXXXXX~~. Washington, D. C.

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United States Senate
 COMMITTEE ON FOREIGN RELATIONS

Washington, D. C.,
 July 23, 1938.

PSF: Senate

THE WHITE HOUSE
 JUL 25 8 59 AM '38
 RECEIVED

*File
 Personal*

My dear Mr. President:

I am very happy by reason of the receipt of your letter of July 13th, written to me while aboard the Presidential Special. I have read, of course, press accounts relative to the trip. I have lately talked to a number of the reporters who were on board your train. They all agree that your popularity has not waned. This confirms my own opinion even though such confirmation is not needed. It is certainly a triumphal march to the sea. Let Congress have a little credit. You were helped by those who opposed you as well as those who supported you. I see the poor fish are getting it on the sea as well as on the land.

The recession has at last ended. I believe that it has ended for good, at least for a long period of time, unless Morgenthau and Eccles, in their great fear of another boom, again crimp credit, and unless they have another nightmare that there is going to be inflation while twelve million people are idle. There has never been any inflation that I can see under your Administration. You did not use the power granted you under the Thomas amendment to issue and circulate three billions in Treasury notes. You did not use our increased gold as currency, or the basis of currency issue. The depreciation of the contents of the gold dollar was only so many words, as far as our domestic economy is concerned. It is true that it depreciated the value of our currency with relation to foreign exchange so as to meet depreciation abroad. To such extent it tended to maintain our exports. It did not result in cheapening our money at home because it provided no additional money. Silver currency was only issued to the extent of the purchase price of silver. There is a power of inflation under the Federal Reserve Act, but this power is entirely under the control of timid bankers. The power has not been used by the banks to meet the present depression. It demonstrates perfectly that the country should have an adequate currency not subject to retirement. You have only increased the currency of the country by the circulation of silver certificates to the extent of \$1,508,000,000, and by the issuance of a small amount of subsidiary coin. There can never be currency inflation, in my opinion, so long as there is a dollar's worth of gold and a dollar's worth of silver behind all of our circulating currency.

I am very much amused by your statement: "Nothing doing on that silver business." Numerous charts that I am having prepared by a statistician from records of Government Departments disclose that our exports have gone up and down with our imports of silver, and

The President

- 2 -

7-23-38

that such rise and fall have also been affected by the rise and fall in the price of silver. In other words, we received imports of silver and paid for the silver by export of goods. I can't see that we have lost anything by having purchased silver at an average of sixty cents an ounce. We have paid Government debts to the extent of \$1,508,000,000, and at the same time have made a profit of \$446,000,000 in seigniorage. No matter what we have paid for silver, we needed it in our circulating media, and we will constantly need more of it. Maybe there will be nothing doing in silver, but you will have to say that a lot of times between now and the close of next session.

I do not know whether it would help Jim Serugham or not to quote from your letter what he said to you about manganese. I do not intend to quote it, however, as I consider your letter confidential. Silver producers and silver advocates would not be complimented by your comparison of silver to manganese. Of course, it was not your suggestion, but in your letter you might have seemed to approve it.

I deeply appreciate your kind invitation to visit you if I return to Washington between now and the convening of Congress. I expect to fly back two or three times, and I will be very happy to avail myself of your invitation.

As ever and sincerely,



The President,
The White House.

File
Personal

PSF: Senate

THE WHITE HOUSE
WASHINGTON

Spuck

Aug 23

Dear Boss:-

Theodore Huntley,
political writer for the Times
and Herald, Wash., D.C., -- now
specializing exclusively on the
Lydings-Lewis Md. Campaigns.
told me today his opinion
of the situation. I asked him
to give me a confidential
report for my information.
Here it is. No one else has
seen it. J.E.

EX-100
THE WHITE HOUSE

PSF: Senate

August 23, 1938

MEMORANDUM FOR MR. EARLY:

As I see the Maryland situation Senator Tydings is an easy winner now but can be beaten in the last three weeks of the campaign if the problem is approached on a practical basis. The three things that must be done to carry this state for Lewis are:

- (1) Win over the farmers.
- (2) Get out the Roosevelt vote in Maryland -- something that can only be done, in my opinion, by a personal appeal by the President himself, urging every man and woman in the state who believes in his policies and who does not want Maryland and the country to revert to the old order which brought about the 1929-33 collapse, to accept it as a personal responsibility to go to the polls on September 12 and to see that his neighbors vote also.
- (3) Swing over Democratic organization elements in the state through the judicious and immediate redistribution of Federal patronage. I know of no one who can handle this problem except the Postmaster General.

Fundamentally, the population of Maryland divides itself almost automatically into three groups: the business group, labor, and the farmers. Of these three Tydings gets the business group almost automatically, and certainly a preponderance of the business interests. Lewis, of course, gets labor. The farmers (there are 44,000 farm families in the state, representing 3 or 4 times that many voters) hold the balance of power politically.

Maryland farmers are fundamentally conservative. They believe in property rights. They are fairly prosperous, independent, descending in the main from old English stock, and on the Eastern Shore particularly are fanatically opposed to the CIO and to labor organization generally. On the Shore there is a vigilante spirit which in the past has lead them to drive out and at times physically injure labor organizers. Senator Tydings' candidacy under these circumstances naturally appeals to them much more strongly than that of Mr. Lewis, first because Tydings is more conservative and second because of Mr. Lewis's tie-up with labor. Tydings has been using the CIO issue effectively all through the Eastern Shore, fanning the flames of fear and prejudice, readily fed by an already existent feeling among the people of that area. In Southern Maryland, in addition, the tobacco farmers are friendly to Tydings, to whom they give credit for having introduced the principle of state autonomy in the last crop restriction act, thus enabling them to control their own crop policy.

Curly Bird would seem to me to be the best man in the state to deal with the farmers and if he is to deal with them effectively will have to move faster than he has so far. Right now soundings taken by politicians and political writers throughout the state show the farmers to be definitely in Tydings' corner in the several important agricultural areas.

As to the patronage problem, the opportunity and the need for quick and effective action are obvious with several high-salaried positions open, with a large number of lesser jobs likewise in the gift of the Administration and with literally hundreds of still smaller jobs in these several government departments and agencies functioning in Maryland subject to change with any change in the people at the top, it should be possible in the next three weeks to carry half a dozen counties in crucial areas, including the Eastern Shore, by the simple process of giving or promising appointments to men who control the organization in these counties. Senator Tydings has the Democratic state and county organizations in most of the counties. The Democratic State Committee and, of course, Senator Radcliffe, National Committeeman, are with him. The Eastern Shore, which for generations has voted habitually as a unit, has been with him. The problem, in this respect, if Lewis is to win, is not to build a rival Lewis organization. It is too late for that, if it ever could have been done. The more practical thing to do is to take the organization away from Tydings through the judicious use of Federal patronage, thus bringing influential leaders into line and letting the lesser fry know that so far as the national administration is concerned, the control of Federal patronage has passed from the hands of those who have controlled it into the hands of others who will work in harmony with the White House.

Beyond all that it will still be necessary to get out a maximum vote on September 12 if Tydings is to be beaten. There are approximately half a million registered Democrats in Maryland. Less than half of this number (243,000 in the last Richie campaign) have ever voted in a primary. The organization always has an advantage in a primary contest in any state. In this case that means that the normal vote will be preponderantly a Tydings vote. It will be seen, however, that with half of the Democratic voters in the state beyond the reach of organization activity, and with a substantial preponderance of these voters supposedly sympathetic with the New Deal (judging from the 158,000 plurality given President Roosevelt in 1936) it must be assumed that most of the votes over the 50% normally cast will be Lewis votes. That is the judgment of one of the keenest political observers in the state who knows conditions in the rural counties as well as in Baltimore and is also my own judgment. I know of no way to get out this vote, in the absence of any effective Lewis organization in Maryland, except by a personal appeal by the President himself, a few days before the primary.

If the farmers can be won over, if the Tydings' hold on the state organization can be broken and if the New Deal vote can be induced to come

out then Lewis can win. I do not think he can possibly win otherwise.

Mr. Lewis himself cannot deal with the problem, being too immersed in day to day developments, in the details of his campaign and in the preparation of speeches.

There is no one in his campaign entourage who is big enough or who can speak with sufficient authority to use the power of patronage in the manner indicated.

It is for these reasons that I think the campaign for Lewis will succeed or fail in proportion to the effectiveness of moves made during the final three weeks by the President, Mr. Farley and Dr. Bird, in collaboration with Allen Goldsborough on the Eastern Shore and friendly organization leaders elsewhere.

PSF: Senate

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August 26, 1938

Personal and Confidential

Hon. Franklin D. Roosevelt
Hyde Park, New York

In re: Senator M E Tydings

Dear Mr. President

Inasmuch as one Senator M E Tydings of Maryland is apparently unable to appreciate the noble efforts which you have put forth to restore prosperity to this Country of ours, I thought you might be interested in a little incident in the life of Senator Tydings which I personally recall.

Back in 1914 or 1915, when I was Captain of Company B, 4th Maryland Infantry of Baltimore, Senator Tydings was a Lieutenant in the 1st Maryland Infantry. If my memory serves me correctly, I sat upon a General Court Martial which was convened for the purpose of trying Lt. M E Tydings for the misappropriation of saddles and bridles belonging to the State of Maryland and the United States Government. The Court acquitted Tydings but the evidence proved that he had taken the property.

With kindest personal regards,

I am

Sincerely yours

PS F: Senate

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United States Senate

COMMITTEE ON MILITARY AFFAIRS

Pressmen's Home, Tennessee
September 1, 1938

The Honorable Franklin D. Roosevelt
President of the United States
White House
Washington, D. C.

My dear Mr. President:

I take the liberty to attach copy of
letter addressed to Honorable Harry Hopkins,
Administrator of Works Progress Administration,
which is self-explanatory.

Very respectfully yours,

George L. Barry

(Tenn.)

Enc. - 1

COPY

Pressmen's Home, Tennessee
September 1, 1938

Honorable Harry Hopkins, Administrator
Works Progress Administration
Washington, D. C.

My dear Mr. Administrator:

I have given answer to your letter presented to the Honorable Morris Sheppard, Chairman of the Senate Committee on Primary Campaign Investigations, etc. the contents of which you are perhaps familiar with.

I take this means of addressing you directly to say that your declaration that the undersigned attempted to take over the Tennessee Administration of WPA "bag and baggage" is untrue in its every detail, and I am amazed that you would disregard the facts and impose a false statement upon the public as it relates to my attitude. In all the period I have served in the United States Senate I have made but one request for an appointment in the WPA through your office, and that occurred by reason of the definite statement to me by your Deputy Administrator that a Mr. Clift, holding an administrative position in WPA in Tennessee, would be dismissed, and it was suggested that I offer a name. I offered one name and that is all. If you call that representing a process by which I attempted to take over "bag and baggage" the Tennessee WPA, then I submit you have stretched your imagination beyond its limitation.

To the end that the records may be perfectly clear, there is one other person whom I suggested through a letter of recommendation and introduction to Mr. Aubrey Williams, Deputy Administrator, and that was Mr. Miles Byrns, brother of the late Speaker of the House of Representatives. Thus you will see that my request for the appointment of one person out of approximately forty thousand makes utterly ridiculous and emphasizes the basis of untruth asserted by your letter that I attempted to take over Tennessee WPA "bag and baggage."

COPY

Honorable Aubrey Williams

-2-

Sept. 1, 1938

My position from the very beginning has been that I sought solely to divorce WPA in Tennessee from its political activities, to require that men who received money from the Federal Government adjust themselves to the work assigned to them. This has been a consistent and persistent course, and any statement made by you to the contrary is without a scintilla of foundation and nobody knows this better than you unless you have been erroneously advised.

In respect to the important position you hold you owe it to the public at least, if not to me, to withdraw your unfair and untrue declaration made in your letter to Senator Sheppard. I have been consistent in not asking for patronage in Tennessee since I have been in the Senate. I abhor the patronage-monger attitude which constitutes the basis of statesmanship.

Repeating, all I have asked from the beginning, with the exception of the one instance referred to in the foregoing, is that WPA be kept out of politics, but all the warnings that I gave to you and to your assistant, Mr. Aubrey Williams, over a period of many months prior to the primary was of no avail, and the results show that in the month of July 1938, in the heat of the campaign, thousands of additional WPA workers were placed upon the payroll in Tennessee and the compensation rates were increased in the month of July, in the midst of the campaign, and all manners of intimidations and coercions to make it a perfect job were resorted to -- the result that more than forty thousand who received these benefits and increases in wages were aligned against me, and assessments upon their earnings augmented the conspiracy. It is assumed that at least of the forty thousand had one vote in addition to his own, and I venture that at least eighty thousand of them participated in the primary. Thus, you and your administration have the honor of being responsible for the defeat of the undersigned in the so-called Democratic Primary in the State of Tennessee. It is a result in which I venture to say your conscience will not find great satisfaction, pride or consolation.

Very truly yours,

GEORGE L. BERRY

March r Germany sessions



SLOVAKIA
rt as It Departs from Eger
ard Looking On.

REICH'S ARMY WAITS ORDERS

(Continued from First Page)
and soldiers to "restore order" in
Czechoslovakia.

Henlein Call to Arms

A Sudeten "call to arms" was
issued by Henlein at Asch yester-
day, D. N. B. said. The agency as-
serted that Henlein, disregarding
a warrant issued for his arrest
as a traitor, went to his home
city of Asch and issued this procla-
mation:

"President Benes is letting
loose Bolshevik hordes on defense-
less Sudeten Germans.

"We, therefore, assume the right
which free peoples have always
exercised in times of extreme
need to take up arms and form
a volunteer corps."

Henlein's call applied only
to Sudeten Germans outside Czechoslova-
kia and was not tantamount to
the declaration of civil war by the
Sudeten element in the republic.

NYE CRITICIZES ROOSEVELT'S POLICY ABROAD

States 'Queen Mary's' Speed
Run Was in Preparation for
Transporting U. S. Troops

NEW YORK, Sept. 17 (U.P.).—
Senator Gerald P. Nye, (R.), N. D.,
a member of the Senate Foreign
Affairs Committee and chairman
of the Munitions Investigating
Committee, criticized the foreign
policy of the Roosevelt adminis-
tration tonight and warned the
United States against becoming
embroiled in the European crisis.

He remarked that he had
learned on "good authority" that
the recent record speed run of the
Queen Mary was in reality a speed
test for war emergency when the
ship would be converted into a
troop transport vessel for the
movement of American soldiers.

Addresses Steuben Society

In a speech before the Steuben
Society, Nye called for a stricter
neutrality act with less power de-
legated to the President, and recom-
mended legislation to require a
popular referendum before this
country could declare war.

He said that he "rejoiced" to
learn that the United States has
decided to remain "aloof" from
the Czechoslovak disturbance, but
remarked:

"We cannot forget a bridge
dedication speech at Chicago last
fall in which our President re-
vealed a Government entertaining
strong sympathy with the cause of
international collectivism, parallel
action and quarantine involving a
policy of choosing the aggressor.
Uncle Sam watch your step."

Cites 'Financial Club'

"We cannot be ignorant of the
absence of a challenge by our
Government to the dangerous club
which other nations hold over our
heads, a club in the form of tre-
mendous foreign holdings in our
own financial and securities mar-
ket."

"We certainly cannot shut our
eyes to what seems to be an assur-
ance in some lands that if those
lands are plunged into war,
America can be definitely counted
upon to assist them."

Nye criticized as "utterly in-
sane" the Administration's national
defense program, which he said
was obviously a program for en-
gagement in a foreign war. He
also deplored the "insistence" of
the State Department that it be
informed of "every move by cer-
tain European powers and the con-
cern with which those powers
seem to seek our approval of their
steps."

All Urged to In Prayers World Peace

Right Reverend J.
Freeman, Bishop of
London, last night issued
an invitation to the people of
Washington to join in
prayer for peace in the world.
Services will be held
in the Cathedral today at
9:30 and 11 a. m., and a
special service at 4 p. m.
The special service the
bishop will preach on "God
and World Crisis."

Men and women of all
denominations are invited
to attend.

Belgium Reaffirms Her Independence

BRUSSELS, Sept. 17

An official communique
stated that the government was
in summoning parliament
for a declaration of indepen-
dence. The government,
the communique said, "is
resolved to apply with un-
flinching firmness the principles
of independence which it
previously stated."

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PSF
Senate

d-2-

Hyde Park, N. Y.,
October 6, 1936.

Dear Pat:-

I have just received from Mississippi a newspaper clipping which I am enclosing because I feel sure that you have been misquoted. I am sure you know that in speaking of the poll tax as a general proposition I voiced merely my own opinion -- that the poll tax is largely a relic of the past and has been gradually disappearing from State laws for a period of many years. You doubtless also knew that at no time and in no manner did I ever suggest Federal legislation of any kind to deprive States of their right, directly or indirectly, to impose the poll tax.

That being the simple fact, I hope you were misquoted when you said that you have "no apologies to make for differing with my President as to the right of the federal government to dictate to the states that the poll tax should be abolished". Nor do I believe that you could have been correctly quoted when you say "while I conceded to the President the American right to his opinion on that question, I say to you, ... that I shall always oppose with every power I can command the enactment of any federal law, etc."

In view of the simple clarity of my expression of opinion in regard to the advisability of poll taxes, with no even remote

United States Senate

implication of federal legislation, I hope that you will clarify the statement attributed to you in this newspaper clipping.

Would you be good enough to send it back to me for my files, as it is the only one I have?

Always sincerely,

Honorable Pat Harrison,
Gulfport,
Mississippi.

Sincerely yours,
Glenn F. Bailey

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United States Senate

COMMITTEE ON
 AGRICULTURE AND FORESTRY

October 4, 1938

President Franklin D. Roosevelt
 Hyde Park, New York

My dear President:

I trust you will take a minute from your many duties and read the enclosed clipping and letter from Doctor Harvey F. Garrison, President of the State Medical Association, and one of the outstanding physicians in Mississippi.

I want you to read this letter because it gives a true picture of the situation in Mississippi.

Won't you please get in touch with Mr. Harry Hopkins and do something about the WPA situation. It grows worse every day. If you will do this and pardon Mr. Billups for the remaining three months of his sentence, I can make some headway.

Sincerely yours,

Thos. G. Bick
 U. S. S.

TGB:he

HARVEY F. GARRISON, M.D.

HARVEY F. GARRISON, JR., M.D.

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JACKSON, MISSISSIPPI

September
29
19 38

Can find out

Senator Theodore G. Bilbo,
United States Senate Building,
Washington, D.C.

My dear Senator:

The inclosed clipping is interesting for several reasons some of which it might be well to get over to the President. This question has been talked of in this State for several years, but is it not strange that "Our Pat" has never seen fit to openly oppose it until the President saw fit to suggest it?

It would seem that "Our Pat" avails himself of every opportunity to oppose many great reforms and new ideas that the President suggests. This is the same Pat who was elected because he saw "Eye to Eye" with the President. "Upon what meat doth this our Caesar feed, that he is grown so great?" Would it not be well to get this idea over to the President; that if Pat continues to control all the Federal Patronage in Mississippi that it will mean that he will elect his Governor, then get control of the State Democratic Convention, control the Delegates to the National Democratic Convention, and then oppose the President in all his ambitions?

It seems to me that the President could see that it is very evident that Pat is "out to get him". Of course you know better than I, that it is just another question like the little boy that was "after the Preacher"; that YOU are the REAL "GUY" that Pat and his Gang are after. There is not the slightest doubt but that the President is aiding Pat every day that he permits him to control the Federal Patronage in Mississippi. It does look as though he could be made to see that this fact is very evident and certainly he can supply the necessary remedy.

In a conversation with the Attorney General today, I learned that he will or has already advised that the Highway Department can not legally aid in securing either the Natchez or Greenville Bridges. This is just as I thought and wrote you that his decision would be. Thus their whole machine, both State and Federal is working perfectly to their ultimate GOAL: YOUR DEFEAT.

I heartily approve your suggestions about "War and Cash and Carry".

With every good wish, I am,

Sincerely your friend,

Harvey F. Garrison
Harvey F. Garrison, M.D.

HFG:K

PSF: Senate

PERSONAL

My dear Cabot:-

I am writing you unofficially and as a personal friend because I am confident that in your note of October seventh, about the New England hurricanes, you did not mean to send me a political document for future political use.

If you will go back in history you will realize that in every generation various parts of the nation have been devastated by hurricanes, floods, earthquakes and fires. Relatively speaking, i.e., in proportion to the wealth of the time, damage in the earlier days was as great as in the present period. Nevertheless, in those earlier days it was felt by many Congresses and many Presidents that relief of the sufferers and preventive measures against the future were matters of local and state concern rather than of Federal appropriations.

It is only in our lifetime that the Federal Government has made great appropriations for relief and prevention. In the case of relief the sums voted in the past twenty years have been confined to medical aid and temporary shelter and to feeding hungry people. The Red Cross has greatly supplemented the purely human needs in a generous way. During the past five years, because of the existence of the CCC and of the WPA, we have in several instances of disaster been able to provide immediately a large man-power to clear away debris to the protection of property, to the opening of highways and railroads and similar

immediate needs. Finally, by Act of Congress, the Federal Government has extended generous help, by way of loans from the RFC, for the rehabilitation of property.

You are doubtless familiar with all of this record. Examples are the great flood on the Mississippi and Arkansas, which President Hoover handled in splendid shape; the more recent earthquake in Long Beach and vicinity; the drought disasters of 1934 and 1936; the New York, New England and Pennsylvania floods of two years ago; the great Ohio and Upper Mississippi flood, and, finally, this year the New England hurricane and ten days ago the small but very destructive Charleston hurricane.

In the case of the New England flood, the immediate mobilization of Federal man-power was proportionately greater than in any previous case -- the Red Cross is doing splendid service and the communities and states in New England are also doing their bit. Furthermore, the RFC has made available \$12,000,000 for immediate loans -- an amount which Chairman Jones tells me should be entirely adequate at least until the Congress meets in January.

I am sorry that you suggest that the flood of 1936 was apparently unheeded. As a matter of chronology, you will remember that the so-called New England compact came before the Congress in June, 1937. If it had been ratified work on the acquisition of land and the beginning of work on the dams could not have been undertaken until many months later, and if the work had started then, it could not, of course, have affected the flood situation by September, 1938.

-3-

As a matter of fact, a good many reservoirs in New England have been completed -- reservoirs begun before the 1938 flood and completed since then. They have rendered splendid service this past month.

I appreciate to the full the very great destruction of buildings and of trees in New England. Frankly, the Federal Government has never undertaken, and I hope never will undertake, the reimbursement of the private owners of private buildings and private timber in the event of destruction by the forces of nature. I do think that the Federal Government ought to continue its contribution to the building of reservoirs and check-dams and reforestation of the upper slopes. This the Federal Government is doing today and I hope it will continue the good work.

I have written you thus at length because I do not think that you want to play politics with human misery or personal hurricane losses -- and I hope that you will go along with me in trying to work out a better ordered system of public works based on national planning. I hope you and I can cooperate to this end at the next session -- but we must remember that the public purse has a bottom to it and that we have to think in terms of the whole nation.

With my sincere regards,

Faithfully yours,

Honorable Henry Cabot Lodge, Jr.,
Beverly,
Massachusetts.

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 THEODORE F. GREEN, N. I.
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 JOHN W. R. SMITH, ASST. CLERK

United States Senate COMMITTEE ON APPROPRIATIONS

Beverly
 Massachusetts
 October 7, 1938

THE WHITE HOUSE
 OCT 10 9 18 AM '38
 RECEIVED

The Honorable
 Franklin Delano Roosevelt
 President of the United States
 The White House
 Washington, D. C.

Dear Mr. President:

Every passing day increases our knowledge of the damage being suffered by residents of Massachusetts due to flood, hurricane and tidal wave. Although material assistance has been rendered by several federal agencies, indications grow that current appropriations will not adequately repair the damage or make real preventive measures possible. Insofar as floods are concerned it is noteworthy that the menace is still a real one in spite of the fact that the terrible flood of this year was preceded by the apparently unheeded warning conveyed by the flood of 1936.

The situation may be said to have a truly national aspect since all of New England and a large part of the Middle Atlantic States were struck by the hurricane. A blow to so large a segment of the United States cannot be a matter of indifference to the rest of the country.

I pray you therefore to call a special session of Congress at once so that steps may be speedily taken to repair the damage and, insofar as is humanly possible, prevent its recurrence.

Respectfully yours,

H. C. Lodge, jr.

H. C. Lodge, jr.

Senile
J-2

THE WHITE HOUSE
WASHINGTON

PSF: *Legate*
file
personal

October 12, 1938.

MEMORANDUM FOR

S. T. E.

Will you get in touch
with Senator Brown and explain
that Winant is now back and I
will ask him to help Brown in
the New Hampshire campaign?

F. D. R.

Memo for the President.
Do you want to call
Governor Winant about
this? *S.*

MEMORANDUM FOR THE PRESIDENT
S. T. E.
October 15, 1938
THE WHITE HOUSE

PSF: Senate

THE WHITE HOUSE
WASHINGTON

October 6, 1938

MEMORANDUM FOR THE PRESIDENT:

I have just sent Tom Corcoran the following memorandum:

"Reference your statement regarding Senator Brown's desire to have Governor Winant return from Geneva ~~xxx~~ to help him in his campaign -- I attempted today by trans-oceanic telephone to talk to Governor Winant, this at the President's suggestion. I find that Governor Winant is aboard the Normandie, scheduled to arrive in New York, Monday. Suggest you advise Senator Brown to contact Winant upon arrival."

S. T. E.

PSF: Senate

United States Senate

OFFICE OF THE SECRETARY
LIBRARY

Personal
and Confidential.

Washington, D. C.,
2 November, 1938.

Hon. Franklin D. Roosevelt,
President of the United States,
Hyde Park, N. Y.

My dear Mr. President:

Because I know that it is a subject nearest your heart, I am taking the liberty of sending you a memorandum concerning the Social Security and Old-Age Pension Program, substantiated by the New York Times, which I have carefully read and cited. It touches Senator Bulkley, whom I have assisted in every way within my power, sending him all available material which might help him.

It looks like Senator Bulkley is in danger of defeat, and it is because of my anxiety to help him, and also you, that I have taken the liberty of sending the material to him. I have sent him a copy of the digest I send you.

Faithfully yours,

Ruskin M. Middle

Inclosures.

(Librarian of the Senate).

ROBERT A. TAFT AGAINST OLD AGE PENSIONS.

The NEW YORK TIMES of May 1, 1936, reporting the speech of Robert A. Taft, candidate for the Republican nomination for President in 1936, said —

"In advocacy of a system of old-age pensions subsidized by the Federal Government, he (Mr. Taft) called for a radical change in the present Social Security Program, which he said would pile up a reserve of \$35,000,000,000. He declared payroll taxes to be a device for payment of the national debt in addition to payment of old-age pensions, and these would create a fund which would be the plaything of every inflationist and politician in the United States."

In connection with this statement of Mr. Taft, reference is also made to an article by the New York economist, John T. Flynn, which was printed in the Temporary edition of the Congressional Record of April 6, 1938, pages 8444-8445; permanent edition of the Record, Appendix volume, page 1354, - in which Mr. Flynn "Tells Why United States Never Will Pay Back Millions 'Borrowed' from Pension Funds."

There is attached hereto copy of a letter written by Mr. Herbert Gaston, Assistant Secretary of the Treasury, to the New York Herald Tribune, which is an answer to another criticism, but also provides an answer to Mr. Flynn's criticism.

A copy of this letter from Mr. Gaston, together with other material has been mailed to Senator Bulkley today.

COPY

TREASURY DEPARTMENT
Washington

October 5, 1938.

To the New York Herald Tribune:

I want to take the liberty of expressing some comments to you on the subject of Edward Angly's story on the American Federation of Labor convention in Houston, which appeared on Tuesday.

Mr. Angly writes: "The New Deal's habit of taking money out of the social security fund to meet running expenses of the government drew the first fire from the floor today at the opening session of the American Federation of Labor's fifty-eighth annual convention. Arthur J. Altmeyer, chairman of the Social Security Board, into whose coffers more than forty million Americans are making monthly contributions for protection in their old age, was put through quite a quiz when he had finished his speech this afternoon."

Now the Treasury has the responsibility of administering the fiscal provisions of the social security act. It is not "taking money out of the social security fund to meet running expenses of the government" and, of course, the Social Security Board does not collect social security taxes, nor receive any funds except those that are appropriated to it and paid over to it by the Treasury Department.

The expressions used in this Herald Tribune story, however, are mild compared with such terms as "stealing," "embezzlement" and "looting" which have been used by less responsible publications.

There are three accounts in the Treasury that might be called "social security funds." They are the unemployment trust fund, the old age reserve account and the railroad retirement account. Transfers to each of the latter two funds are made on the authority of specific appropriation acts of Congress. It is mandatory under both acts that except for such sums as may be needed to meet current claims the funds so transferred shall be invested in obligations of the United States. They are all so invested. If there is any fault whatever in the scheme of the reserve accounts it is not in their administration but in the laws themselves. Whether the present reserve account system is the best possible system is another matter on which, of course, there can be difference of opinion.

A fact which many people do not seem to be able to grasp, although it is very plain in the law and has been repeatedly pointed out, is that the taxes levied under the social security act and under the railroad retirement act are revenue taxes, which pass into the general fund of the Treasury,

REVENUE DEPARTMENT

605A

- 2 -

just the same as do all other revenue receipts. Of the three funds mentioned only the unemployment trust fund consists of moneys received in trust. As in the case of the other two funds, however, it is mandatory that it shall be invested in United States government obligations.

The effect of this manner of investment of all three funds in a time of deficit spending is, of course, to relieve the Treasury of the necessity of borrowing equivalent amounts in the open market, while in a time of a balanced budget or a surplus the effect will be to reduce the amount of the outstanding debt in the hands of the public.

To those who object to the investment of these reserves in United States government obligations and who at the same time admit the desirability of creating reserves, the alternative would be to suggest some better plan of investment.

The alternative to abandoning the reserve plan entirely would be to increase the future tax load in order to lighten the present burden.

Very truly yours,

(Signed) Herbert E. Gaston

Assistant to the Secretary.

ROBERT A. TAFT AND JOHN D. M. HAMILTON

Join Their Efforts To Discredit And Defeat All Social Progress
And Return To The "Old Order."

Mr. Taft "Willing To Mislead The People On Fundamental Questions."

In a speech before the Women's National Republican Club at the Hotel Astor, in New York City, January 19, 1936, (a) Mr. Robert A. Taft sought to excite fear in the minds of the people in general, and the employers of the Nation in particular, by charging that the Social Security Act and old-age pension law would "inevitably lead to Socialism." In the same speech, Mr. Taft accused President Roosevelt of "wilfully misleading the nation on fundamental economic problems."

At another time, in his address before the American Youth Congress, in Cleveland, July 5, 1936, (b) interpreting a speech in high praise of President Roosevelt, Mr. Taft said (amid jeers from his audience) that the speaker lauding the President "had made it clear that if President Roosevelt is not a communist today, he is about to become one."

Thus, Mr. Taft was "willing to mislead the people on fundamental economic problems," — to use his own words applied to Mr. Roosevelt — and to arouse in them vague fears that their Government is embarking upon a course of "socialism" and "communism"; and, therefore, Mr. Taft was guilty of doing the very same thing that he charged the President of the United States had done.

In that same speech, Mr. Taft threatened the working man and the beneficiaries of social security and the old-age pension law by declaring that "the people who suffer will not be the wealthy or the indigent, but the ordinary working man;" he repeated his threat in his speech before the New York State Young Republicans, at Jamestown, May 15, 1936, (c) when he belittled "the idea that social security would raise the American standard of living," and said that it was "untrue."

In his Jamestown speech, Mr. Taft told the young republicans, in effect, that, in order to provide pensions for the aged and the indigent, the NEW DEAL "won't rob from the rich to give to the poor but it will rob from the poor to give to the rich." This is simply another way of saying that the wealthy employers, or certain selfish groups among them, do not intend to bear their share of the cost of supporting the old-age pension plan; and that if the law requires them to do so they,

(a) New York Times, Jan. 19, 1936, Part II, page 1, column 5:

(b) New York Times, July 5, 1936, page 12, column 5.

(c) New York Times, May 16, 1936, page 1, column 5.

Robert A. Taft And John D. M. Hamilton, ----- (2).

"the rich," will see to it that their part of the burden is passed on to "the poor," - passed on in the form of higher costs of living, higher prices for their food and clothing, and for the necessities of life. But, acting through their Senators and Representatives in the Congress, the American people, no doubt, will be equally alert to see that these selfish groups shall not be permitted to realize their sordid aims. In his New York City speech, already mentioned, Mr. Taft complained that "the people cannot enjoy social security without paying for it in increased taxation and a reduced standard of living."

All through his remarks, Mr. Taft seems to be vastly more concerned about the cost of social security, — more possessed of fear that somebody might be "robbed", or that vested interests might suffer some inconvenience or loss of profit, — than he is in the great objectives of the social security and old-age pension program intended to alleviate human suffering and want and provide for the aged and the infirm.

"Taking money away from other people," "expecting to receive other people's property," "rob the rich," "not to lose sight of property rights," — these, and numerous other such phrases punctuate Mr. Taft's gloomy and doleful predictions.

In his speech at Concord, New Hampshire, April 30, 1936, (d) Mr. Taft said he favored "moderate old-age pensions," but in the same breath, according to the New York Times, he "called for a radical change in the present Social Security Program." Mr. Taft did not explain the "radical change" he would make, nor did he offer any substitute for the present law. The only thing of which we are certain — and that he makes crystal clear — is that Mr. Taft would do everything in his power to bring about repeal of the Social Security law passed under the Administration of President Roosevelt. If Mr. Taft could have his wish, and the present Social Security Act were repealed, and to him were delegated the responsibility of drafting a substitute law embodying his so-called "moderate proposal," does anybody familiar with Mr. Taft's antecedents and business affiliations doubt the denatured, futile gesture that would follow?

In his New York City speech, already referred to, Mr. Taft seemed greatly disturbed because, as he claimed, the people were only too eager to find a magic formula which would "draw wealth out of the air." From these statements, it would seem that Mr. Taft's partizanship got the better of him and that he actually was sorry that Mr. Roosevelt had been able to instill new hope and confidence in a distressed people.

But it would be fairer to Mr. Taft, and perhaps nearer the facts, to say that what really worried Mr. Taft so much was not that money needed to relieve the destitute and the starving might be "drawn out of the air," but

Robert A. Taft And John D. M. Hamilton, — (3)

that it might be drawn out of the coffers of great corporate wealth with which he was and is so closely and profitably associated. That was the cause of Mr. Taft's mental agitation in 1936; that is the cause of it in 1938; that will continue to be the cause of it just so long as the Social Security Act remains on the statute books and Mr. Taft's business affiliations continue to be what they have been and are now.

In the same New York City speech, Mr. Taft complained of what he called "government extravagance in which the New Deal is enjoying itself," — he complained because it was necessary to spend large sums of money to relieve the suffering and distress growing out of the worst depression in the Nation's history, which occurred under the tragically inept leaderless administration of President Herbert Hoover.

In every statement and address that Mr. Taft has made, in which he has touched upon the subject, it is only too obvious that he is against any genuine social security and old-age pension system such as that embodied in the Social Security Act of 1935, — the existing law; and that he is now, and has been since its adoption, opposed to that act; and that he is opposed to any similar law of the sort needed to properly provide for the indigent and the aged.

Hamilton And Taft Assume Responsibility For Republicans
Of "Restoring Honesty To Politics"

In the New York City speech referred to, Mr. Taft joined hands with John D. M. Hamilton, chairman of the Republican National Committee, in questioning the sincerity and the honesty of the President and the Administration under whose leadership the great social security law was passed, — the first and only such law in the history of the American government. Sitting side by side, on the same platform, they joined their efforts to try to show that all of the many measures enacted by the Roosevelt Administration for the economic and social betterment of the Nation were tinctured with "socialism" and "communism." They declared that "the Republican Party should assume the obligation that the times have laid upon us to meet a national crisis by restoring honesty to politics." (e)

What sort of "honesty" in "politics" could these gentlemen have been referring to? Surely it could not have been the sort of "honesty" that resulted in the disgraceful Teapot Dome Oil Scandal, through which Nation's Naval Oil Reserves were bartered away, and a number of unspeakable scamps were sent to the penitentiary? It could not have been the sort of "honesty in politics" that caused the Republican Party while in power to withhold from the people, — from labor, agriculture, from business, from all classes, the economic and social relief which were so badly needed? Certainly it could not have been the sort of "honesty in

Robert A. Taft and John D. M. Hamilton, — (4)

politics" that brought forth the Payne-Aldrich Tariff Act of 1909, approved by Mr. Robert A. Taft's father, - the lamented President William Howard Taft (who, regardless of politics was beloved by his people) - the Smoot-Hawley Tariff act of 1930, and the many other iniquitous and discriminatory tariff measures enacted by the Republican Party?

All of the men who were responsible for these discriminatory and unfair laws, or for failure to enact remedial laws necessary for the general welfare, have been repudiated from time to time as the electorate get their true measure. Their defeat has not come because they are lacking in patriotism or devotion to duty as they see it, - but they have failed, and they will continue to fail, because they are the exponents of a system inimical to concepts of republican government; which takes no account of human needs or the general welfare; whose adherents worship more at the Temple of Mammon than at the Shrine of God; and which diverts the instrumentalities of Government from their highly ordained and duly constituted purposes to selfish and unjust ends. It is this wrong and indefensible system, virtually abolished from our Government, which drove from power those who maintained it, and which will prevent the return to power of those who would perpetuate it.

PSF: Private

Enroute to Washington
December 5, 1938.

Dear Jack:-

I am delighted that you will get to Washington the morning of the seventeenth. Why don't you lunch with me at the White House (not the Office) that day at one o'clock?

I am dictating this on the train north from Warm Springs -- saw Jimmy Byrne at Columbia this morning and I asked him to run up to Washington a day or two the week before Christmas.

As ever yours,

The Honorable
The Vice President,
Uvalde,
Texas.

File personal

THE VICE PRESIDENT'S CHAMBER
WASHINGTON

Uvalde, Texas
December 10, 1938

THE WHITE HOUSE
DEC 13 9 03 AM '38
RECEIVED

Dear Mr. President:

Your letter of December 5th, to Mr. Garner, written on the train north from Warm Springs, is received, but finds him in the country. I can assure you, however, that he will be happy to take lunch with you at one o'clock in the White House on the 17th; that is, if the train gets in on time.

He is on a last visit to the woods.

With warm personal regards for you and Mrs. Roosevelt, I am

Sincerely,

E. R. Garner
E. R. Garner

Secretary to the Vice President

President Franklin D. Roosevelt,
The White House,
Washington, D. C.

PSF: *Senate*

THE WHITE HOUSE
WASHINGTON

December 7, 1938.

MEMORANDUM FOR T. G. CORCORAN:

Will you let me have a check on Walter George's votes and especially on some of his utterances in the Senate during the past four or five years.

F.D.R.

*file
Sen George
personal*

December 20, 1938

Memorandum for the President:

Senator George has made few speeches in the Senate, and those that he makes are long, legalistic, and not easily quotable. For instance, in the speech that he made on December 13, 1937, against crop reduction in the AAA bill, he spoke as follows:

"So far as cotton is concerned there is, of course, an unusual surplus of cotton. That is our problem. The sensible way might not get many votes, because it does not make much appeal. If we wanted to say to the Government to buy cotton because of this unusual and abnormal surplus this year, and if we put the Government in the field to buy it at or below the cost of production, we would be on a sound basis. Take it off and let economic laws then begin to function. I do not know precisely what the cost of production is, but I know that the price of cotton today is below the cost of production, and the simple and easy way would be to go in and say that the Government proposes to establish as a policy the purchase of unusual surpluses as long as the prices are at or below the cost of production. That we are not going to be concerned about the consequences of a program of that kind, because we are not going to put this cotton back on the market, either in the form of finished or of a raw product, as long as that condition exists."

.....

"That would solve our cotton problem. Establish it as a permanent policy and it would solve the cotton problem. And you would not have to go into the Treasury to do it. You would utilize the banking resources of the country, and you would also call to our assistance the credit of the Government. But the cotton itself, at the cost of production or below the cost of production, is of more value than every ounce of gold owned by the Government. And cotton always will be worth more than gold when it is purchased at and below the cost of producing it; and the banks of the country

can take it off and will take it off and will carry it. And you have only Government credit back of it. You do not have to take a dollar out of the Federal Treasury except to pay the cost of administering the program.

"I said that we must have regard to the law of supply and demand. We have had people in this country who thought that we could disregard that law, and they have figured that it is all wrong; and somehow that you had to abolish it, and they thought they could abolish it. There is a time element in the law of supply and demand that may properly come within the jurisdiction of the Congress. We may for the moment produce more than at the moment can be used or consumed; but, barring the time element, there is not any way to solve the cotton problem that does not take into consideration the law of supply and demand.

"We may flatter ourselves that there is some way around it, but there is not. But when we have an uneconomic condition, brought about by an abnormal production, which may not occur again in many years, may not occur again in 20 years, the Government can step in and can retire the surplus from the market, as long as it buys the surplus, which is the disturbing factor, at the cost of production or below it."

2. Wages and Hours.

In speaking against the Wages and Hours Bill on July 29, 1937, Senator George spoke as follows:

"Mr. President, under the terms of the bill the power of life or death over industry is to be given to the present Secretary of Labor, who long ago had the idea that the children in the South and the people of the South were without shoes, who long ago had the fixed and settled conviction that there was no sense in having a different wage in the same industry in the South as compared with similar industries in other parts of the country, although in reading that conclusion the good souls who generally have written bills of this kind seem to have closed their eyes to all the facts of our economic life. They do not understand why there should be one wage paid in the far South and another wage paid in closely knit and thickly populated New England. They cannot understand it save on one theory, which ought to be repudiated by every southern man, and that is that both our employers and our employees are in the one instance without conscience, and in the other instance without a love of liberty and the power to protect themselves."

.....

"The Secretary of Labor may administer this bill through labor organizations. That provision is in the bill. I am not going to make any assault on labor organizations; I support organized labor in all its legitimate endeavors and activities; but when it is understood that the Secretary of Labor may march into a department store in Atlanta or in Oklahoma City or in Waco, Tex.; when it is understood that the Secretary of Labor may send down her agents to a little packing plant in southern Georgia or southern Mississippi or southern Virginia or North Carolina; when it is understood that into every industry in the country she may send her representatives, and that under the bill she may also send a representative of organized labor, what sort of a picture is presented? What will the bill do to the country?

"Suppose, let us say, that the Secretary of Labor should send Mr. John L. Lewis down into a rayon plant in North Carolina; suppose, let us say, that she should send Mr. Lewis down into a little cotton mill in Alabama or Georgia; suppose that she should even send Mr. Sidney Hillman, a close associate of Mr. Lewis - I am using them merely as examples - suppose she should send them into the mills and factories of the South to look at the books, to examine the private correspondence, to go into all the intimate details of the business, and to make those things public in America - think of it!

"I do not understand how maximum hours and minimum wages may be fixed on any fair basis by people who all during their existence have been fighting upon one side or the other of a given issue. I am not overstating what this bill provides."

.....

"Mr. President, I have just one other observation to make. There is an observable tendency on the part of some of those expert in the drafting of legislation, who have had far more consideration during the last few years than they ever deserved, and far more than they deserve in and of themselves - there is evidence of a tendency to include within the legislative scheme which has been constantly developing the vast populations in the industrial centers in America. I acquit the administration entirely as not desiring to be unfair or to deal unequally with agriculture, but there are unmistakable signs, as I have seen them - and I have tried to see them fairly - of an intent and purpose to bring under Washington, under a bureau at Washington, under an agency at Washington, with vast power, virtually unrestricted and unrestrained, the great populations in the industrial and commercial centers.

"What does it mean? I hope I am wrong, but I think I have seen in it the possibility at least of controlling America through a group of industrial and commercial cities in America, and not the least effective means of control will be agencies at Washington which possess a power which should never be vested in any board or any bureau, or delegated by any Congress, conceding that Congress has all of the power that is sought to be given by the bill.

"Whenever that day comes, Mr. President, in one way or another, through these agencies, and through the power which may be exerted by these agencies and bureaus, it will be quite possible to control a majority of the people of the United States through the control of the great American centers of population. Indeed, it will be quite possible for government in power to exert a political control which ought not to be desired by any party, and which can never be safely delegated or given by the people to any political party in America."

3. Reorganization.

Senator George in 1932 introduced a joint resolution authorizing President Hoover to reorganize the executive agencies of the Government. In introducing the resolution Senator George spoke in the Senate on January 6, 1932, as follows:

"If we are to do more than pay mere lip service to economy at this session of the Congress, it seems to me to be necessary to confer upon the President of the United States blanket authority to consolidate offices and bureaus within the executive department, independent branches of the executive department, and where public service will not be affected thereby, to abolish outright boards, commissions and various executive services both in the executive department and in the so-called independent branches."

When a bill was introduced in the Senate that would have given to a Democratic President the authority which Senator George advocated for President Hoover, Senator George did everything in his power to destroy it. He voted to recommit the bill, and when that was unsuccessful, he voted to defeat it.

4. Social Security.

Senator George submitted an amendment to Title II of the Social Security Act, which establishes the insurance provision for old people. Under the George amendment, all people who were employed by institutions or corporations with less than fifty employees would have been denied the protection of the Act. If the Senator had had his way, half the people who are now receiving the protection of old-age insurance would not have had it. In other words, of the approximately twenty-one millions of workers who now, under the provisions of the Social Security Act, can look forward to reaching the age of 65 with the assurance that at that time the Federal Government will provide funds to help them in their old age, approximately ten and a half million would have been denied this protection by Senator George's proposed amendment.

When the George amendment was defeated in the Senate, Senator Hastings of Delaware proposed an amendment which would have struck out entirely all provisions securing old-age payments. Senator George voted for this amendment; but after this amendment, as well as his own, had been defeated overwhelmingly, he voted for the bill.

5. Relief and Housing.

In March 1935, Senator George voted to cut the relief bill in half - from four billion dollars to two billion. In June 1937 he voted to reduce the amount of money for relief and at the same time voted to require the states and local governments to match the money from the WPA with 25% from local funds. When that was unsuccessful, he voted for the amendment requiring a 40% contribution from local sources. Again in February, 1938, he spoke and voted for an amendment to the relief bill which would have forced the communities to put up 25% of the funds used for relief.

In June 1936, Senator George voted against the Wagner Housing Bill. In 1937 he proposed an amendment which would have limited the housing act to three years. When this was voted down, the Senator voted against the bill entirely.

In 1934 Senator George spoke and voted against bills which would have taxed the wealthy in order to provide necessary funds. In June 1936 he spoke against an amendment to the Revenue Act for taxing undistributed profits, and submitted a report opposing undistributed profits tax.

1933 - Volume 77

March 30 - p. 1039: Speech in favor of relief bill.
April 6 - p. 1350: Voted for Black 30-hour week bill.

1934 - Volume 78

March 10 - p. 4146: Voted against LaFollette amendment to cattle bill providing funds for eradication of Bang's disease.
March 14 - p. 4475: Voted against ratification of Great Lakes - St. Lawrence Waterway Treaty.
April 5 - p. 6087: Speech against high income taxes.
p. 6091: Voted against LaFollette and other amendments.
May 14 - p. 8739: Voted against Johnson amendment for loans-to-industry bill, authorizing RFC to make loans to municipalities to purchase existing light plants. (Vote was 37 to 37.)
May 22 - p. 9244: Voted against Norris amendment to give Federal Government control over primary elections.

1935 session - Volume 79

Jan. 29 - p. 1147: Voted in favor of our entering the world court.
Feb. 21 - p. 2395: Voted against prevailing wage amendment to 1935 relief act (with Administration on this.)
March 7 - p. 3105: Voted to increase strength of regular army from 118,750 to 165,000 enlisted men.
March 19 - p. 3969: Voted to cut relief bill from 4 billion to 2.
March 27 - p. 4526: Voted against LaFollette amendment providing that income tax returns shall be public records. Also spoke against it on previous day.

(1935 session continued)

March 28 - p. 4591: Speech on cotton (Attacking Secy. of Agriculture.)

p. 4614: Voted in favor of repeal of pink-slip law.

May 24 - p. 8161: Voted for navy bill.

June 11 - p. 9053: Voted for Dietrich amendment eliminating so-called death sentence clause from utility holding company law.

p. 9063: Voted for Lonergan amendment.

p. 9065: Voted against utility holding company law.

June 18 - p. 9515: Spoke in favor of Clark amendment to social security act exempting from act companies having private pension systems of their own.

June 19 - p. 9631: Voted for Clark amendment.

p. 9642: Proposed amendment practically emasculating social security act. Defeated.

p. 9648: Voted for Hastings amendment eliminating Title II from the bill. Two other Democrats voted with him; rest were Republicans.

p. 9650: Voted for the Social Security bill.

June 24 - p. 9960: Voted against Farmers' Home Corporation bill, (aid to farm tenants.)

July 12 - p. 11074: Spoke in favor of exempting fruit canners from AAA.

p. 11086: Voted in favor of exemption.

July 16 - p. 11232: Voted against committee amendment on AAA providing for fixing of prices by handlers of agricultural committees.

July 17 - p. 11300: Same.

July 23 - p. 11641: Opposed amendment requiring processing taxpayer to make certain disclosures as conditions precedent to recovery of tax.

(1935 session continued)

- Aug. 8 - p. 12714: Voted against withdrawing right to sue in gold-clause cases.
- Aug. 15 - p. 13210: Voted against LaFollette amendment to income tax law, increasing surtaxes on higher brackets.
- p. 13213: Same.
- p. 13222: Same.
- p. 13245: Voted against Borah amendment providing against future issuance of tax exempt securities.
- Aug. 21 - p. 13982: Voted for Tydings amendment to Guffey-Snyder bill, eliminating taxing features of the act (emasculates the bill.)
- p. 13985: Same, reducing tax from 15% to 5%.
- Aug. 22 - p. 14084: Voted against Guffy-Snyder bill.

1936 session - Volume 80

- March 18 - p. 3932: Voted against Frazier amendment to War Department bill, preventing compulsory military training at colleges receiving aid under the act.
- March 24 - p. 4257: Voted against LaFollette amendment to Agricultural Appropriation act, appropriating funds for elimination of diseased cattle suffering from tuberculosis and Bang's disease. (Page 4254 contains list showing substantial number of Georgia farmers benefitted under the act.)
- March 30 - p. 4584: Voted to recommit bill tightening provisions of Packers and Stockyards Act, S. 1424.
- April 1 - p. 4796: Voted for Connally amendment to P. & S. act.
- June 3 - p. 8808: Spoke against Black and LaFollette amendment to revenue act taxing undistributed profits.

(1936 session continued)

June 16 - p. 9565: Voted against Wagner housing bill.
June 19 - p. 10163: Submitted report opposing undistributed profits tax.

1937 session - Volume 80

March 1 - Appendix: Address delivered on Feb. 28 opposing President's court proposal.
April 5 - p. 3136: Voted in favor of Byrnes amendment to Guffey Act outlawing sit-down strikes.
p. 3141: Voted for Borah amendment.
p. 3145: Did not vote on Guffey bill.
June 15 - p. 5718: Voted conservative on amendment to 1937 relief act. (This would have reduced the relief appropriation.)
p. 6032: Voted for 25% contribution by local agencies before receiving WPA moneys.
June 22 - p. 6033: Voted for committee amendment requiring 40% contribution.
July 26 - p. 7596: Voted in favor of motion to recommit S. 69 to limit freight trains to 70 cars. (Sponsored by railroad brotherhoods.)
July 29 - p. 7784: Spoke against wage and hour bill.
July 30 - p. 7887: Voted to exempt tobacco and cotton warehouses from the act.
p. 7947: Voted to exempt dairy industry.
p. 7948: Voted to exempt agricultural processing industries.
p. 7954: Voted for Maloney amendment.
p. 7954: Voted to recommit the bill.
p. 7957: Voted against the bill.
p. 8196: Voted for Byrd amendment limiting cost of houses under housing act.
p. 8196: Proposed amendment limiting act to 3 years.

(1937 session continued)

July 30 - p. 8373: Voted against housing bill.

Special Session - 1937 - Volume 82

Nov. 18 - p. 118: Spoke against anti-lynching bill.

Dec. 13 - p. 1366: Speech on Coal Commission and on cotton
(amazing economic doctrine.)

Dec. 15 - p. 1528: Voted against committee amendment on
AAA bill.

p. 1560: Voted against Byrnes amendment.

Dec. 16 - p. 1640: Voted against McNary amendment.

1938 session - Volume 83

Jan. 24 - p. 964: Speech on anti-lynching bill.

Feb. 22 - p. 2298: Voted against repeal of Woodrum amendment.

Feb. 23 - p. 2335: Spoke for Bailey amendment to relief bill,
requiring 25% contribution by local commu-
nities.

p. 2337: Voted for Bailey amendment.

March 15 - p. 4524: Voted for Walsh amendment to reorganization
bill.

March 18 - p. 4865: Did not vote on Wheeler amendment.

March 21 - p. 4962: Did not vote on Byrd amendment.

p. 5084: Voted for Clark amendment.

p. 5085: Did not vote on Clark amendment.

March 22 - p. 5101: Did not vote on Byrd amendment.

p. 5103: Did not vote on Clark amendment.

March 24 - p. 5301: Voted for Byrd, Bailey and Burke amendment.

(1938 session continued)

March 28 - p. 5529:	Voted to recommit the bill.
p. 5530:	Voted against the bill.
April 8 - p. 6616:	Voted to repeal tax on sales of produce for future delivery (trading in futures).
April 9 - p. 6753:	Voted against LaFollette amendment to <u>income tax law.</u>
May 3 - p. 8181:	Voted for <u>big navy bill.</u>

PSF: Senate
JST

December 9, 1938.

Dear George:-

I forgot to show this to you today.
I certainly think you ought to answer Senator
Bridges and skin him alive!

As ever yours,

Honorable George W. Norris,
United States Senate,
Washington, D. C.

(Enclosures)

FRED H. BROWN
NEW HAMPSHIRE

PSF: Senate

United States Senate
WASHINGTON, D. C.

THE WHITE HOUSE
DEC 25 12 32 PM '38
RECEIVED

*file
personal*

Somersworth, N. H.
December 24, 1938

My dear Mr. President:

Referring to the matter under discussion at our recent conference, you are advised herewith I shall be pleased to serve in the capacity suggested, providing the opportunity presents itself.

This letter confirms, in effect, a telegram of even date which I have forwarded you.

Respectfully yours,

Fred H. Brown

Honorable Franklin D. Roosevelt
The White House
Washington, D. C.

PSF: Senate

THE WHITE HOUSE
WASHINGTON

December 27, 1938.

MEMORANDUM FOR
SENATOR MEAD

Before you do anything about putting the TVA under the Civil Service Commission, will you be good enough to talk with me about it? I have several suggestions.

Here is a memorandum to me from Dr. Harcourt A. Morgan. Will you bring it with you?

F. D. R.

GEORGE W. NORRIS
NEBRASKA

PSF: ^{U.S.} Senate

United States Senate
WASHINGTON, D. C.

N/K

December 27, 1938

*File
Personal*

My dear Mr. President:

Ever since it was publicly announced that Mr. Cummings was about to retire from the office of Attorney General, I have hoped you would see fit to appoint Mr. Robert H. Jackson to that position. This promotion of Mr. Jackson seems so logical, and has seemed to have the approval of all the Progressives with whom I have come in contact, that I had begun to take it for granted that he would receive this appointment. His exceptional record in the Department of Justice made his appointment as Attorney General, it seemed to me, very appropriate. The opposition to his appointment, when you elevated him to the position of Solicitor General, called attention to his ability and his fitness for the position, and in my opinion makes his appointment to the Attorney Generalship perfectly logical. I believe he has earned this promotion. I believe the country expects you to appoint him as Attorney General, and if fitness for the place and the good of the country alone were to be considered, you could not do otherwise than appoint him.

I have been greatly disturbed, however, today by the rumor which seems to be circulating that you have decided not to take this step. This rumor seems to be founded in part at least upon an article which appeared in the Buffalo Evening Express, under date of December 21, and under a Washington date line.

*Journal of the
American Society
of International Law*

The President
Page 2
12/27/38.

I immediately sent for and obtained a copy of this paper and have read the article referred to. The principal argument made in that article is that Mr. Jackson is from New York, and you already have too many New Yorkers in your Cabinet. If it were a question of geography, and the good of the country and the welfare of your Administration were not involved, such a proposition would of course appeal to me. But coming from the great west, as I do, and in a degree representing that part of the country, this argument does not appeal to me in the least. The duties of Attorney General are such that geography has nothing whatsoever to do with them, and I feel confident the people of the west would be eminently satisfied if Mr. Jackson were to be appointed to that office. His appointment would be a well-earned promotion and I believe the country would look upon it in that light. His ability to fill the place, as well as his honesty, stands unquestioned. They are acknowledged, even by his enemies. I am not so much interested in the party politics involved; I know that politicians would like to keep him out of this place, and they are resorting to subterfuge when they say they are opposed to him because he does not come from the west. The desires of politicians, however, ought to fade into insignificance, as compared with the good of the country and the justness of promoting a worthy public official.

In the article referred to, it is also said that you are going to appoint Governor Murphy. I do not want what I say in favor of Mr. Jackson to be construed in any way as being against Governor Murphy. I have great admiration for him. I would be very glad indeed to see him in your Cabinet, but to displace Mr. Jackson for this purpose is not only uncalled for, but, in my judgment, it is very unwise. No man in public service has had a better opportunity to qualify himself, from his experience and from his official conduct, for the position of Attorney General, than has Mr. Jackson. It is rumored, from apparently well-founded sources, that there will be one or two other vacancies in your Cabinet, where it seems to me geography ought to be given more consideration than in the appointment of an Attorney General, and I would be greatly pleased if Mr. Murphy could receive such an appointment.

The President
Page 2
12/27/38.

I think, Mr. President, you will make a great mistake if you do not appoint Mr. Jackson as your incoming Attorney General, and I sincerely trust he will receive this appointment.

Sincerely yours,

G. W. Norris

The Honorable Franklin D. Roosevelt
President of the United States
The White House.

ROBERT J. BULKLEY
OHIO

UNITED STATES SENATE
WASHINGTON, D.C.

PSF: Senate
file
per [1938?]

Dear Frank,

Your delightful home, your charming guests, and especially your own most convincing hospitality combined to give Ray and me one of the happiest days of a lifetime, and surely neither of us will ever forget. It was most gratifying to be with you to render thanks for the favorable outcome of your most distinguished service to humanity.

With thanks and real appreciation.

Very sincerely,

Roy Bulkeley

United States Senate 1938

MEMORANDUM

PATRONAGE

DEPARTMENT OF AGRICULTURE

Appleby, secretary to Mr Wallace states that Murray is treated just as well as Wheeler.

Wheeler, according to Departments own records, has received thirteen appointments since January 1, 1938.

Chapman appointment. (See Clipping)

Wheeler requested to keep Regnier out of state and Department followed out his recommendation.

Appointments such as Brickett are very bad.

Department appoints those they want and will not recognize the people we are particularly interested in.

*file
H. L. L.*

PSF: Senate folder

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the Ford party when it reached New York, were retailed in this space. Shortly thereafter, Mr. Eccles issued a statement rather openly im-
plying that all the anecdotes of the Ford party were Ford stair-
case wit.

The controversy is not of great historic importance. But when Grace Hall Roosevelt gets around to publishing his memoirs, it will be interesting to see whether Mr. Ford or Mr. Eccles has the more accurate memory.



Disliked though he is by the New Dealers, Senator Burton K. Wheeler still has a knack for getting what he wants in Wash-
ington. Recently Senator Wheeler backed D. W. Chapman, a Wheel-
erite, as Montana director of the new Federal crop insurance ven-
ue. Wheeler's enemies and the White House's friends, Senator Murray
and Representative Jerry O'Connell, backed O. J. Regnier, Murray's
secretary.

On hearing of the Regnier candidacy, Wheeler called the Agri-
culture Department, and was promised that he would be informed
before an appointment was made. Shortly thereafter, the grapevine
brought him news that Regnier had the job and was being instructed
in his duties.

Wheeler promptly called the Agriculture Department again, got a
subordinate official, and was told that Regnier was indeed the man. There-
upon, he blew up so violently that the telephone wire must have been
blistered. The little man at the Agriculture Department bleated and hung
up. Half an hour later, the department telephoned Wheeler to say that
there had been a mistake, that Chapman was to be the Montana director,
while Regnier would have a Washington job. It still pays to be senior
Democratic member of the Senate Agriculture Committee.

(Copyright, 1935, by the North American Newspaper Alliance, Inc.)

the employer is "interfering" with
rights of organization. It is here that
the labor board can stimulate con-
fidence and promote industrial peace,
for if the labor board representa-
tives everywhere made independent

OPERETTA TO BE GIVEN

Pupils of the Hyattsville (Md.) Ele-
mentary School will present the oper-
etta, "Hansel and Gretel," at 1:30 Na

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Grace -
The President gave me this
& said he didn't know why it
had come back to him - that
it could go out - as its signed
OK?

To, Mr.

PSF: Senate folder

United States Senate

MEMORANDUM

Wheeler attack on President's family
followed by article in Washington Merry
Go Round for which you supplied the material.

1938

HE OUGHT TO KNOW

OPENING a recent speech in Boston—the city where Jimmy Roosevelt once conducted a thriving insurance business—Senator Wheeler of Montana remarked:

"I do not have a son who was in the insurance business, nor has one of my sons married a du Pont heiress. . . ."

Concluding his address, the one-time Montana liberal said that he no longer favored Government ownership of the railroads because too long in Washington he had witnessed the evils of "patronage and pap."

According to Government pay rolls, Senator Wheeler is unusually qualified as a witness of "patronage and pap," for they show that:

John Wheeler, one of his sons, holds a well-paying job in the Justice Department.

Edward Wheeler, another son and Harvard student, works in Glacier National Park during the summer.

Robert Wheeler, a third son and Dartmouth student, does the same.

Edwin Colman, son-in-law, is a \$4,400-a-year member of the Securities & Exchange Commission staff.

Mrs. Elizabeth Wheeler Colman, daughter, formerly had a \$3,600 job with the Federal Housing Administration.

Mrs. Alexander Mitchell, Wheeler's sister, is his congressional secretary at \$3,900.

Alexander Mitchell, her son and Wheeler's nephew, is a \$3,800 investigator for the Bituminous Coal Commission.

And Wheeler himself has a private summer home in Glacier National Park in Montana.

NOTE—In the vernacular of Capitol Hill "pap" is nepotism.

*file
PSF: Senate*

Memo to Pres.
From Marvin H. McIntyre

In re-telephone call from Senator Hatch
about Sam Bratton.

SEE-Marvin McIntyre-Special folder-Drawer 2--1938

Winchell vs. Hearst *PSF: Senate*

Troubles between William Randolph Hearst and his ace columnist, Walter Winchell, are nearing a climax. Hearst has criticized Winchell in memos to editors, and Winchell has repeatedly submitted his resignation. Newspaper shop-talk to the effect that Hearst will pigeon-hole Winchell in an "executive" job until his contract expires is baseless; Winchell's unique contract requires that his column regularly be printed in a New York paper. The whole fracas will probably come to a head when Ken magazine shortly publishes an "exposé" of the subject.

1951 Senate
'Cactus Jack' emerges as
administration kingpin



file
PSF: Senate
1938

The Life & Times



Milord Tydings



Published by the Veterans'
League for Davey Lewis

(Authority of Owen E. Ryan, Secretary-Treasurer)



. . . terrapin tales for you and me . . .

Millard's Mansion



THIS is the modest home of Senator Millard Tydings, alleged "great friend of the farmer." It has 26 rooms, a 10-car garage, ten tenant houses and 535 acres of farmland. Nine servants are employed in the dwelling-house alone.

Leading to the mansion is a WPA road, built with \$7,200 of Government funds from a relief bill against which "Milord" voted. "Milord" claims the road is public, but he keeps a large sign warning visitors to keep out. He also has tried to get the Government to dredge a yacht channel from the WPA yacht basin in front of his town house to the dock in front of his country house.

The Tydings Mansion was built for James L. Breese by Stanford White, famous architect, later murdered by Harry K. Thaw. Evelyn Nesbitt, the actress, over whom they quarreled, attended many gay parties here. Another famous actress, Libby Holman, took refuge here when awaiting trial in connection with the death of her husband, heir to the Reynolds tobacco millions.

The house got a reputation for bad luck, and Commodore Leonard Richards, a duPont executive, having acquired it from Breese, sold it. Millard moved in when he married the former Mrs. Thomas Cheeseborough, stepdaughter of Mrs. Marjorie Post Close Hutton Davies, the Post Toasties heiress and aunt of Barbara Hutton.

(Courtesy of Millard's Neighbors—Copyright, September 12, 1938.)

Big Business Ter

(Then are

FOOD

Butler Chain Stores, N. Y. (contributor)
Bohack Chain Stores, Brooklyn (contributor)
U. S. Stores Corp. (contributor)

Best Foods (Mother-in-Law)

Gold Dust
Fairy Soap
Sunny Monday Corp.
Nucoa Butter
2-in-1 Shoe Polish
12 Flour Mills

General Foods (Mother-in-Law)

Postum—Battle Creek
Maxwell House Coffee—Brooklyn,
Jacksonville
Frosted Foods—N. Y. C., Houston, Los
Angeles
Grape-Nuts—Battle Creek
Log Cabin Syrup—Hoboken
Jello—New York, Montreal
Bran—Battle Creek
Post Toasties—Battle Creek
Swans Down Cake—Evansville, Ind.
Bakers Coconut—Dorchester, Mass,
Montreal
Diamond Salt—St. Clair, Mich., Lyons, Kans.
Minute Tapioca—Orange, Mass, Montreal
Sanka—Los Angeles, Montreal
Grape-Nuts—Battle Creek, London
Calumet Baking Powder—Chicago

NOTE—Trademarked food products are heavy beneficiaries under Tydings price-fixing bill.

MILK

Fairfield Western Md. Dairy Co. (law firm)
Phila. Dairy Products (contributor)
National Dairy Products (father-in-law's firm)
Chestnut Farms—Chevy Chase
Rock Creek Dairy
Southern Dairies
And 123 subsidiaries

RA

Balt. & Ohio (throu
Penn. R. R. (throug
Phila. Electric (thrc

NOTE—All of these companies are financially interested in the campaign of M. E. Tydings, through directors' contributions, his law firm or his family.



MILLAR
U.



CONSTRUCTION

Consolidated Eng. Co. (law firm)
General Asphalt Co. (contributor)
Standard Lime & Stone Co. (contributor)
Penn. Glass & Sand Co. (contributor)
Centrifical Pipe Co. (contributor)
Wash. Building Lime Co. (contributor)

Tentacles to Tydings

are his friends!)

RAILROADS

Balt. & Ohio (through law partner)
Penn. R. R. (through law partner)
Phila. Electric (through law partner)

BANKERS AND BROKERS

Maryland Trust (contributor)
U. S. Fidelity & Guarantee (contributor)
Eutaw Savings Bank (contributor)
Safe Deposit & Trust (contributor)
Mercantile Trust (contributor)
Securities Corp., N. Y. (contributor)
Biggs Mohmon, Ltd. (contributor)
Savings Bank (contributor)
Commercial Credit (contributor)
Textile Banking Co. (contributor)

OIL

Mar-Tex Oil Co. (Tydings—director)
Standard Oil of N. J. (law firm in Bel Air)
Standard of Calif. (father-in-law's firm)

UTILITIES

Potomac Edison (contributor, also law partner)
Chesapeake & Potomac Tel. Co. (contributor)
Kentucky Electric (contributor)
Gen. Utilities & Operation Co. (contributor)
International Utilities Corp. (contributor)
Dominion Gas & Electric (contributor)



MILLARD E. TYDINGS
U. S. Senator

NOTE—Contributions are made through directors of firms, as it is against the law for a corporation to contribute.

LIQUOR COMPANIES

Seagrams:
Calvert—Maryland (law firm)
Calvert Distilling Co. (law firm)
Maryland Distillers Ass'n (law firm)
Frank L. Wight Distilling Co. (law firm)
Arrow Beer (contributor)

MANUFACTURERS

Balt. Clothing Manufacturers Association (law firm)
Humphreys Manufacturing Co. (contributor)
Mt. Vernon-Woodberry Mills (contributor)

DRUG COMPANIES

McKesson & Robbins (father-in-law's firm)
National Association of Retail Druggists (law firm)
Baltimore Retail Druggists (law firm)
Maryland Pharmaceutical Ass'n (law firm)

NOTE—Liquor and drug companies profited through Tydings price-fixing bill.

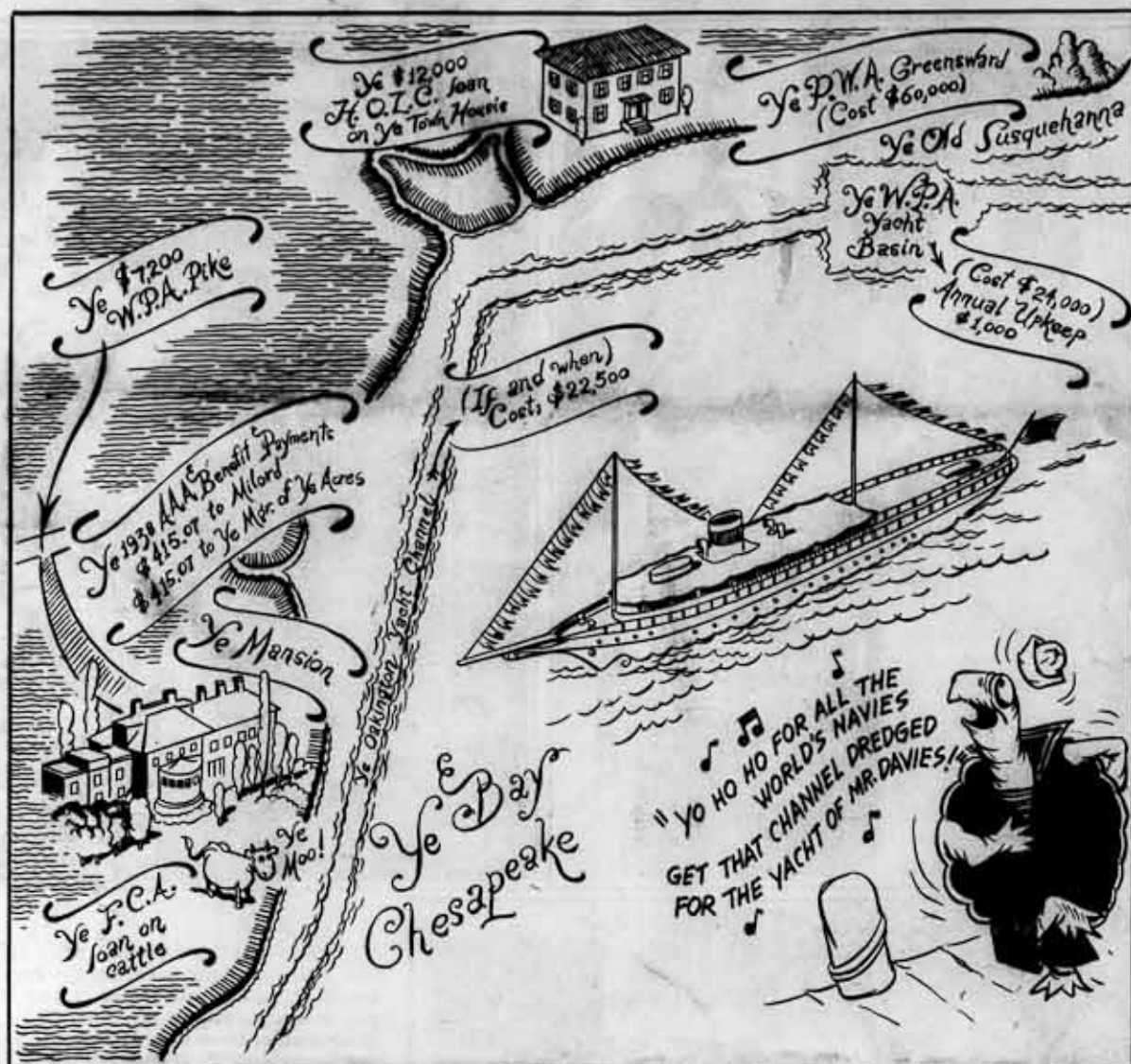
The Royal Family



(1) Millard and his beautiful wife, the former Mrs. Thomas Cheeseborough; (2) Papa-in-law Joseph E. Davies, the father of Mrs. Tydings, and Mama-in-law-law-law Mrs. Marjorie Post Close Hutton Davies, who bounded back into matrimony after Reno divorces within 24 hours of one another; (3) Mr. Davies stepping off speed boat, which has just whisked him from the yacht "Sea Cloud" to shore.



What the New Deal Did for Milord



HERE is a map of the Tydings property in and near Havre de Grace showing how our Senator profited from the Roosevelt Administration against which he voted. On the left is Oakington, the 535-acre estate to which our Senator persuaded the New Deal to build a \$7,200 road out of WPA funds. (Milord voted against WPA.) To purchase cattle for the Oakington estate, Milord also secured a Farm Credit Administration loan.

On the right is the Havre de Grace town house of Milord, now occupied by his sister and father. On this he secured an HOLC loan of \$12,000. In front of the town house is a park improved with PWA funds, also a yacht basin dug with WPA funds totalling about \$24,000. These improvements have so increased the value of Milord's Havre de Grace property that he is ready to sell it.

Between the town house and the country estate is the proposed yacht channel which would cost the Government \$22,500 to dredge and \$1,000 annually to keep up. This was the only piece of cake which Milord failed to get out of the New Deal.

CAN A SENATOR VOTE AGAINST BREAD FOR MILLIONS AND DEMAND CAKE FOR HIMSELF?

Sec. 562, P. L. and R.
U. S. POSTAGE
1c. Paid
Baltimore, Md.
Permit No. 658

Rural, Star Route

or P. O. Boxholder,

LOCAL

The Greatest Bank Disaster

PSF U.S. Senate '38-'39



THE

Baltimore Trust Co

BALTIMORE TRUST

Charge-Offs from August 7, 1934
Of Loans Due to Composition Set

Over \$5.00

		Original Amount
8/27/33	Stetson D. Tailors	\$ 43,368.42
4/20/34	Interstate Cammeries Co.	50,000.00
4/20/34	Joseph E. Shriver	39,158.87
4/20/34	Robert E. Shriver	34,000.00
5/19/34	Charles E. & Edna M. Taylor	9,906.31
6/12/34	Jacob M. Moses	38,107.08
7/3/34	Church of the Holy Nativity	14,500.00
8/4/34	Millard E. Tydings	17,000.00
8/23/34	Walter H. Cook	25,000.00
10/1/34	C. W. Bendley & Co. Inc.	85,000.00
10/1/34	Security Storage Co. Inc.	41,500.00
10/1/34	Elisabeth Carlin	20,569.21
10/1/34	J. Frank Wright	7,500.00
11/9/34	Louise Symington Orriek	50,000.00
12/10/34	Stein Bros. & Boyce Co.	97,502.00
12/26/34	James C. & Martha D. Patterson	7,700.00
12/27/34	National Mortgage Co.	147,477.11
12/29/34	Joseph A. W. Iglehart	383,479.18
12/31/34	S. Viator & Minna E. Jelenko	13,694.89
		\$1,153,005.86

Total of Seventy-two items
under \$5,000.00 each \$ 119,609.35

GRAND TOTAL \$1,262,614.61

WHAT part did Senator Tydings play in the collapse of the Baltimore Trust Company? This is an explanation he owes to the thousands of Marylanders who lost their life savings in this disastrous bank crash.

Senator Tydings was a director of that bank. He also borrowed money from his own bank. And according to the record shown above, his debt was "charged off" to the extent of \$10,000.

Mr. Tydings has an explanation for this. He says that he and two others borrowed \$51,000 for a real estate development at Carpenter's Point. He was a director of the Baltimore Trust and had no trouble getting the money. But when he saw depression clouds on the horizon he went to the bank, persuaded them to split up the note so he would be responsible for only one-third, or \$17,000. Then he paid off \$7,000 and gave real estate bonds for the balance. What these bonds were worth no one knows.

But what is the real explanation? What is the explanation of Tydings' composure as a director of this bank as it built itself into a great pyramid of power only to topple of its own

ster in the History of Maryland

PST
Senate

THE SUN. BALTIMORE. THURSDAY MORNING. OCTOBER 3, 1935

Trust Co. Records Filed In Court By Judge O'Dunne

BALTIMORE TRUST COMPANY

from August 7, 1933 to December 31, 1934
Composition Settlement or Sale of Assets

Over \$5,000.00

Original Amount	Cash Received	New Notes	Investments	C/I	Mortgages	Offset From Guaranty Fund	Charge-Off
\$ 43,368.42	\$ 4,041.39	2nd Divid					\$9,827.08 - Badmptcy
60,000.00	7,980.00						42,070.00
39,158.87	10,291.50						28,867.37
34,000.00	8,107.01						25,892.99
9,908.31	459.45		\$ 804.00				8,942.86
34,107.08	4,272.03		194.00				29,649.00
14,500.00	8,489.87			\$ 518.98			5,491.80
							8,440.82
17,000.00	7,000.00						10,000.00
85,000.00	0,217.28			\$ 079.14		\$ 80,000.00	25,702.91
41,500.00	11,800.00			282.48			30,017.52
20,869.21	2,050.98		\$ 032.03				14,586.20
7,500.00	500.00	\$ 1,200.00	751.00				5,049.00
50,000.00							50,000.00
97,502.00	48,218.78						29,283.27
7,700.00	905.00	1,800.00					5,295.00
147,477.11				764.04	\$ 110,890.00		35,821.08
323,479.14	15,442.57						308,016.88
15,694.82	7,788.72						8,906.17
\$1,183,005.69	\$140,044.67	\$ 2,700.00	\$ 4,485.03	\$ 4,446.81	\$ 110,890.00	\$ 80,000.00	\$ 791,241.18
\$ 119,609.37	\$ 61,469.83	\$ 200.00	\$ 5,587.07	\$ 739.55	\$ 195.40		\$ 58,459.44
\$1,262,514.52	\$230,514.20	\$ 2,900.00	\$ 7,870.03	\$ 5,446.47	\$ 111,085.80	\$ 80,000.00	\$ 844,700.42

on the
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weight? He sat on the inside while it devoured the Century Trust, the International Trust, the National Bank of Maryland and the Atlantic Exchange Bank and Trust Company. He sat on the inside while it took millions of life savings from Marylanders, and all he did to safeguard those savings was to borrow money for himself.

The Baltimore Trust is part of the Old Deal to which Millard Tydings would have us turn back the clock. Shall we vote to turn it back?