agricultural, cooperative, and similar non-profit-making associations in the granting of radio licenses; to the Committee on Merchant Marine, Radio, and Fisheries.

3801. Also, petition of Frances J. Shroup and numerous other citizens of Butler and Herman, Pa., favoring the amendment to Senate bill 2910 to eliminate monopoly and to insure equality of opportunity and consideration for educational, religious, agricultural, cooperative, and similar non-profit-making associations in the granting of radio licenses; to the Committee on Merchant Marine, Radio, and Fisheries.

3802. By Mr. TREADWAY: Resolution adopted by the General Court of Massachusetts, memorializing Congress in favor of direct loans to industry by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

3803. By the SPEAKER. Petition of the American Society for Pharmacology and Experimental Therapeutics; to the Committee on Interstate and Foreign Commerce.

3804. Also, petition of California Progressives, regarding the cancelation of air-mail contracts; to the Committee on the Post Office and Post Roads.

3805. Also, petition of the Vera Cruz Council, No. 647, Knights of Columbus; to the Committee on Merchant Marine, Radio, and Fisheries.

SENATE

THURSDAY, APRIL 12, 1934

(Legislative day of Wednesday, Mar. 28, 1934)

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

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum and ask for a roll call.

The PRESIDENT pro tempore. The clerk will call the roll.

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

Adams	Couzens	Kean	Pope
Ashurst	Cutting	Keyes	Robinson, Ind.
Bachman	Davis	King	Russell
Bailey	Dickinson	La Follette	Schall
Bankhead	Dill	Lewis	Sheppard
Barbour	Duffy	Logan	Shipstead
Barkley	Erickson	Lonergan	Smith
Bone	Fess	Long	Steiwer
Borah	Frazier	McCarran	Stephens
Brown	George	McGill	Thomas, Okla.
Bulkley	Gibson	McKellar	Thomas, Utah
Bulow	Goldsborough	McNary	Thompson
Byrd	Gore	Metcalf	Townsend
Byrnes	Hale	Murphy	Vandenberg
Capper	Harrison	Neely	Van Nuys
Caraway	Hastings	Norbeck	Wagner
Carey	Hatch	Norris	Walcott
Clark	Hatfield	Nye	Walsh
Connally	Hayden	O'Mahoney	
Copeland	Hebert	Overton	
Costigan	Johnson	Pittman	

Mr. LEWIS. I announce the absence of the Senator from Arkansas [Mr. ROBINSON], who has been detained by a rather serious illness in his family. I ask that this announcement stand for the day.

I also announce the absence of the Senator from California [Mr. MCADOO], the junior Senator from Florida [Mr. TRAMMELL], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Maryland [Mr. TYDINGS], the Senator from Alabama [Mr. BLACK], the Senator from Massachusetts [Mr. COOLIDGE], the senior Senator from Florida [Mr. FLETCHER], the Senator from Virginia [Mr. GLASS], and the Senator from North Carolina [Mr. REYNOLDS], who have been called away on official business.

I regret to announce the absence of the Senator from Montana [Mr. WHEELER], occasioned by illness.

Mr. HEBERT. I wish to announce that the Senator from Pennsylvania [Mr. REED] and the Senator from Missouri [Mr. PATTERSON] are necessarily absent.

The PRESIDENT pro tempore. Eighty-one Senators having answered to their names, a quorum is present.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate a memorial of several citizens of Muskogee, Okla., remonstrating against the passage of the bill (S. 2926) to equalize the bargaining power of employers and employees, to encourage the amicable settlement of disputes between employers and employees, to create a National Labor Board, and for other purposes, which was referred to the Committee on Education and Labor.

Mr. WALSH presented a petition of sundry citizens of Springfield, Mass., praying for such amendment of the pure food and drug laws as will assure the public of the continued professional protection of legally responsible registered pharmacists wherever drugs and medicine are supplied, distributed, or offered for sale, which was referred to the Committee on Commerce.

He also presented a resolution adopted by the Manufacturers' Textile Association, Worcester, Mass., protesting against the passage at the present time of the so-called "Wagner bill", being Senate bill 2280, providing for unemployment insurance, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Massachusetts State Council of Carpenters, favoring a speedy termination of the C.W.A. relief program, and that in place thereof the original P.W.A. program be immediately expedited, which was referred to the Committee on Finance.

He also presented a petition of citizens of Worcester, Mass., being members of the congregation of the First Church of Christ, praying for the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

He also presented the memorial of the Massachusetts Indian Association, Boston, Mass., remonstrating against the passage of the bill (H.R. 7902) to grant to Indians living under Federal tutelage the freedom to organize for purposes of local self-government and economic enterprise, to provide for the necessary training of Indians in administrative and economic affairs, to conserve and develop Indian lands, and to promote the more effective administration of justice in matters affecting Indian tribes and communities by establishing a Federal Court of Indian Affairs, which was refered to the Committee on Indian Affairs.

He also presented a resolution adopted by the City Council of Revere, Mass., favoring the passage of the bill (H.R. 7986) to amend the Radio Act of 1927, approved February 23, 1927, as amended (44 Stat. 1162), which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Manufacturers' Textile Association Worcester, Mass., protesting against the passage of the so-called "Capper truth-in-fabric bill", which was referred to the Committee on Interstate Commerce.

He also presented the petition of members of Pioneer Lodge, No. 238, Brotherhood of Railroad Trainmen, of Springfield, Mass., favoring amendment of the Railway Labor Act and the passage of legislation providing for the 6-hour day and other matters for the benefit of trainmen, which was referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by the Woman's Home Missionary Society of Watertown; the Worcester Better Films Council, of Worcester; and the Woman's Christian Temperance Unions of Springfield, Spencer, and Worcester, all in the State of Massachusetts, praying for the passage of the so-called "Patman motion-picture bill", being House bill 6097, providing for higher moral standards for films entering interstate and foreign commerce, which were referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by the Central Political and Social Club, of Boston, Mass., favoring the adoption by the House of Representatives of a resolution submitted by Representative DE PRIEST, of Illinois, to pre-

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vent alleged racial discrimination in a restaurant operated in the House wing of the Capitol, which were referred to the Committee on Rules.

RECIPROCAL TARIFF AGREEMENTS—DUTY ON LACES

Mr. HEBERT. I send to the desk a memorial signed by about 500 lace operatives of Rhode Island protesting against the reciprocal tariff bill now pending before Congress. I shall not ask that it be embodied in the RECORD, but I wish to have it noted therein.

The PRESIDENT pro tempore. The memorial will be received, noted in the RECORD, and appropriately referred.

The memorial presented by Mr. HEBERT from about 500 citizens, being lace operatives, of the State of Rhode Island, remonstrating against the passage of the bill (H.R. 8687) to amend the Tariff Act of 1930, especially as it might affect the tariff duty on laces, was referred to the Committee on Finance.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. SCHALL. Mr. President, I ask leave to insert in the RECORD some petitions, numerously signed, sent me by the United States Veterans and Civilians, Inc., of the State of Minnesota, praying for the immediate cash payment of the adjusted-service certificates of ex-service men, and ask that they be referred to the appropriate committee.

There being no objection, the petitions were referred to the Committee on Finance, and the body of one of them was ordered to be printed in the RECORD, without the signatures, as follows:

UNITED STATES VETERANS AND CIVILIANS, INC.,
Minneapolis, Minn.

Petition to Seventy-third Congress of the United States of America:

We, the undersigned veterans and civilians of Minnesota, do hereby petition the Seventy-third Congress of the United States for the immediate cash payment of the adjusted-service certificate, or so-called "bonus bill." We, the undersigned, believe that the immediate passage of this bill will not only greatly aid and stimulate industries throughout the Nation, but will also cause a general resumption of employment, which will greatly benefit the agricultural sections. The immediate payment of the bonus bill will automatically take many thousands of men now on C.W.A. and on State and Government relief off of this form of Government aid, which has been such a great strain on State and National treasuries.

——— ———.

HOME FINANCING

Mr. OVERTON. I send to the desk a resolution adopted by the executive committee of the United States Building and Loan League at a meeting recently held in Washington, D.C., and ask that it may be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

Resolution

Whereas the resumption of home-financing activities is a necessary part of the business recovery program of the country; and

Whereas the bulk of the funds for such activities must come from the thrift and savings of the American people to finance the buying, repairing, maintaining, owning, and building of homes; and

Whereas the United States Building and Loan League represents approximately 4,000 thrift and home-financing institutions which in their existence have financed over 8,000,000 American homes, and which today hold on behalf of their members 65 percent of the small home loans in the country; and

Whereas the executive committee of the league, including representatives of 42 States, are formally assembled in Washington, D.C., in response to the call of President Lieber; and

Whereas it is the judgment of the committee that a comprehensive program is desirable, looking to a resumption of activity on the part of thrift and home-financing institutions: Therefore be it

Resolved, That the committee propose and offer its complete cooperation to the President of the United States in carrying out the following program:

(1) A guarantee of the principal of Home Owners' Loan Corporation bonds, with a clear-cut legislative definition of policy as to the citizens entitled to this relief financing, which should be confined to economically unfortunate persons involuntarily in default. (Item covered in S. 2999.)

(2) Additional capital in the aid of employment should be allocated to the Home Owners' Loan Corporation to completely modernize and maintain properties upon which it has made advances. (Estimated at $100,000,000.) (Item covered in S. 2999.)

(3) In the further stimulation of employment growing out of home repairs, home maintenance, and home building provision should be made for the liberal purchase of shares in Federal savings and loan associations and in institutions affiliated with and under the supervision of the Federal home loan bank system. (Estimated at $300,000,000.) (Item partially covered in S. 2999.)

(4) Additional funds should be provided for the Federal home loan banks in order that they may continue their expanding services. (Estimated at $200,000,000.) (Item covered in S. 2999.)

(5) Insurance of savings and loan shares for such institutions affiliated with the Federal home loan bank system as desire to purchase this protection for their investing members. This proposal would result in an increased confidence in thrift and home-financing institutions and divert at least a portion of the savings of the people into these institutions by giving them similar protection to that enacted for banking institutions. One of the reasons for the scarcity of home-mortgage capital has been large inactive savings in banks which do not make home-mortgage loans. (Estimated at $100,000,000.)

(6) Establishment of a system of boards of conciliation to serve without pay as a part of the Home Owners' Loan Corporation to increase its services to home mortgagors and home mortgagees. (No cost.)

(7) A small fund to be used by the Federal Home Loan Bank Board in encouraging home maintenance, home buying, and home owning under sound supervision and planning. (Estimated, $500,000.) (Item adequately covered in S. 2999.)

This program, involving $600,500,000, could begin to operate broadly in every part of the country without encouraging speculative building excesses. Carrying on the program through existing institutions would be both timely and efficient, especially where advances are made leading to the employment of labor. The program would also put thousands of local institutions into activity and the funds made available by the Government would be substantially augmented by thrift savings. The projects, being self-liquidating, would repay the Government, amply secured, its entire cost of capital.

I hereby certify that the above is a true and correct copy of a resolution adopted by the executive committee of the United States Building and Loan League at a meeting held in the city of Washington, D.C., on the 27th day of February 1934.

H. F. CELLARIUS,
Secretary-Treasurer.

THE STEEL CODE

Mr. DUFFY. I ask unanimous consent to have printed in the RECORD and to lie on the table a very brief letter pertaining to the steel code. The writer has given a great deal of attention to social and industrial problems and, I think, presents an interesting viewpoint.

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

ALLIS-CHALMERS MANUFACTURING CO.,
Milwaukee, Wis., March 29, 1934.

Senator F. RYAN DUFFY,
Senate Office Building, Washington, D.C.

DEAR RYAN: We understand that Senator BORAH has recently introduced a resolution directing the Federal Trade Commission to investigate the steel code with reference to the subject of effect of the code upon the "little fellow."

In code experience I have come to the conclusion that a proper definition of a "little fellow" is one who is smaller than a competitor. Thus, although we are regarded as a large corporation in the Wisconsin picture, nevertheless we are distinctly a little fellow in the national picture.

In view of that fact it seems proper for us to advise you that the steel code has not worked to our disadvantage in competition with our larger competitors. On the other hand, we feel we have the assurance that we are on a parity with all competitors in the purchase of materials covered by the code in question.

With best regards, I am very truly yours,

H. W. STORY, *General Attorney.*

REPORTS OF COMMITTEES

Mr. DUFFY, from the Comittee on Military Affairs, to which was referred the bill (S. 1338) for the relief of John F. Patterson, reported it without amendment and submitted a report (No. 709) thereon.

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 1978) to assure to persons within the jurisdiction of every State the equal protection of the laws, and to punish the crime of lynching, reported it with amendments and submitted a report (No. 710) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 2972) for the relief of John N. Knauff Co., Inc., reported it without amendment and submitted a report (No. 711) thereon.

He also, from the same committee, to which was referred the bill (S. 2431) for the relief of the estate of Joseph Y.

Underwood, reported it with amendments and submitted a report (No. 712) thereon.

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 3335) for the relief of Joanna A. Sheehan, reported it without amendment and submitted a report (No. 713) thereon.

He also, from the Committee on Claims, to which was referred the bill (S. 2725) for the relief of the legal beneficiaries and heirs of Mrs. C. A. Toline, reported it with amendments and submitted a report (No. 714) thereon.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 3264) for the relief of Muriel Crichton, reported it with an amendment and submitted a report (No. 715) thereon.

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

S. 3128. An act to pay certain fees to Maude G. Nicholson, widow of George A. Nicholson, late a United States commissioner (Rept. No. 716);

H.R. 1418. An act for the relief of W. C. Garber (Rept. No. 717); and

H.R. 2337. An act for the relief of Harry L. Haberkorn (Rept. No. 718).

Mr. BULKLEY, from the Committee on Foreign Relations, to which was referred the bill (S. 380) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature, reported it without amendment and submitted a report (No. 719) thereon.

Mr. COPELAND, from the Committee on Immigration, to which was referred the bill (S. 2692) relating to the record of registry of certain aliens, reported it with amendments.

He also, from the same committee, to which was referred the bill (S. 3346) to amend the naturalization laws with respect to records of registry and residence abroad, reported it without amendment.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 11th instant that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 193. An act to amend section 586c of the act entitled "An act to amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions", approved March 2, 1929;

S. 194. An act to change the name of B Street SW., in the District of Columbia;

S. 1820. An act to amend the Code of Law for the District of Columbia;

S. 1983. An act to authorize the revision of the boundaries of the Fremont National Forest in the State of Oregon;

S. 2006. An act for the relief of Della D. Ledendecker;

S. 2057. An act authorizing the sale of certain property no longer required for public purposes in the District of Columbia;

S. 2509. An act to readjust the boundaries of Whitehaven Parkway at Huidekoper Place in the District of Columbia, provide for an exchange of land, and for other purposes;

S. 2545. An act to extent the times for commencing and completing the construction of a bridge across the Columbia River at or near Astoria, Oreg.;

S. 2571. An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes;

S. 2675. An act creating the Cairo Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the Ohio River at or near Cairo, Ill.;

S. 2857. An act to amend an act entitled "An act to incorporate the Mutual Fire Insurance Co. of the District of Columbia", as amended; and

S.J.Res. 15. Joint resolution extending to the whaling and fishing industries certain benefits granted under section 11 of the Merchant Marine Act, 1920, as amended.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. NEELY, from the Committee on the Judiciary, reported favorably the nomination of Howard L. Robinson, of West Virginia, to be United States attorney, northern district of West Virginia, to succeed Arthur Arnold, term expired.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Bernard R. Duncan to be postmaster at Linden, Tenn., in place of Eva Shelton.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

BILLS INTRODUCED

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

By Mr. JOHNSON:

A bill (S. 3349) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.; to the Committee on Claims.

By Mr. OVERTON:

A bill (S. 3350) for the relief of Mrs. G. A. Brannan; to the Committee on Claims.

By Mr. ERICKSON:

A bill (S. 3351) to authorize the Secretary of the Interior to turn over to a water users' association or unit thereof or other proper organization the operation of the several units of the irrigation project on the Blackfeet Indian Reservation, Mont., and for other purposes; to the Committee on Indian Affairs.

By Mr. DICKINSON:

A bill (S. 3352) granting a pension to Emily D. Spencer; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 3353) for the relief of the heirs of George Spybuck, deceased; to the Committee on Claims.

A bill (S. 3354) providing for the distribution of funds awarded in judgment to the Creek Nation of Indians; to the Committee on Indian Affairs.

By Mr. BARKLEY:

A bill (S. 3355) to authorize the coinage of 50-cent pieces in commemoration of the two hundredth anniversary of the birth of Daniel Boone; to the Committee on Banking and Currency.

By Mr. NYE:

A bill (S. 3356) to prohibit the carriage of articles and commodities in vessels of the United States in certain cases; to the Committee on Commerce.

By Mr. BAILEY:

A bill (S. 3357) authorizing the adjustment of the claim of the Moffat Coal Co. (with accompanying papers); to the Committee on Claims.

By Mr. WALSH (for Mr. TRAMMELL):

A bill (S. 3358) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes; to the Committee on Naval Affairs.

By Mr. BYRD:

A bill (S. 3359) for the relief of the D. F. Tyler Corporation and the Norfolk Dredging Co.; to the Committee on Claims.

REVISION OF AIR-MAIL LAWS—AMENDMENT

Mr. McCARRAN submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 3170) to revise air-mail laws, which was ordered to lie on the table and to be printed.

COMMITTEE TO GREET THE PRESIDENT

Mr. CONNALLY. Mr. President, the senior Senator from Arkansas [Mr. ROBINSON] is detained from the Senate because of illness in his family. He has asked me to announce,

in his absence, that the President will return tomorrow from his vacation, and an informal committee has been appointed to make arrangements to meet the President at the Union Station at 9:30 a.m., a committee on the part of the Senate as well as one on the part of the House. It is composed of the Senator from Arkansas [Mr. ROBINSON], the Senator from Texas [Mr. CONNALLY], the Senator from Connecticut [Mr. LONERGAN], and the Senator from Iowa [Mr. MURPHY], together with the Sergeant at Arms and the Secretary of the Senate. On the part of the House, an informal committee has been named consisting of Representatives GREENWOOD, WOODRUM, BYRNS, DICKSTEIN, and LOZIER, and the Sergeant at Arms.

It is suggested that such Senators as desire to join in welcoming the President—and we hope the minority will be represented by those Senators who can be present—meet in the President's room at the Union Station tomorrow morning at 9:30 o'clock, simply to greet the President on his return. Then they may retire to their offices or to the Senate.

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

Mr. CONNALLY. I yield.

Mr. BORAH. Will the Senator read again the committee appointed from the Senate?

Mr. CONNALLY. I undertook to say that it was not an official committee, that it was purely unofficial. I will read the names if the Senator desires. It is not a committee appointed by the Senate at all, but simply an unofficial company to make arrangements.

Mr. BORAH. I do not understand why the Senator should appoint a committee to meet the President and confine it exclusively to the Democratic side.

Mr. CONNALLY. I had nothing to do with the composition of the committee. As I understand, the Senator from Arkansas selected this informal committee, not giving it the sanction of appointment by the Senate, and there is nothing official about the welcome. I undertook to point out that the committee was to be at the station and that other Senators who desired to come would be welcome.

Mr. BORAH. I still do not understand where this committee comes from. Who appointed it?

Mr. CONNALLY. I said that the Senator from Arkansas selected it.

Mr. BORAH. I do not understand why the Senator from Arkansas should select a committee of this kind composed entirely of Democrats to greet the President on his return.

Mr. CONNALLY. So far as I am concerned, I will be very glad to include the Senator from Idaho as a member of the committee.

Mr. HARRISON. Mr. President, will the Senator from Texas yield to me?

Mr. CONNALLY. I yield.

Mr. HARRISON. I am quite sure the Senator from Arkansas meant to show no discourtesy to anyone. He merely requested the three Senators named to be sure to be at the station to meet the President and asked the Senator from Texas to extend an invitation to other Members of the Senate who could be there. It does not seem to me that the Senator from Arkansas has shown any discourtesy at all.

Mr. McNARY. Mr. President, I was not present when the statement was made by the Senator from Texas, but in fairness to the Senator from Arkansas I may state that he spoke to me yesterday about the return of the President, and to me he expressed the desire that the Republican Members of the Senate should cooperate in the welcome. I say this in fairness to the Senator from Arkansas, and I thought that he would probably mention it in person today on the floor of the Senate. I am sure that I can say for him that no discourtesy was intended to this side of the Chamber.

Mr. BORAH. I did not suppose any discourtesy was intended, but it seemed to me rather extraordinary to read in the Senate the names of a committee appointed to meet the President, composed entirely of Senators from the Democratic side.

Mr. McNARY. I am not conversant with any committee that has been named, that matter was not discussed, but I can say, in fairness to the Senator from Arkansas, that he did notify me yesterday of the plan to welcome the President on his return.

Mr. CONNALLY. Mr. President, I am acting simply in the absence of the Senator from Arkansas, and I desire to confirm what has been said by the Senator from Oregon [Mr. McNARY]. My understanding is that the Senator from Arkansas conferred with the Senator from Oregon before these arrangements were at all undertaken. It was clearly understood that it was not the appointing of a Senate committee, it was purely a voluntary matter, to notify the Senators to be present. The Senators named were simply requested to see that the arrangements were made for such Senators as desired to be present.

I am sure the Senator from Arkansas did not contemplate or intend any discourtesy to Senators. On the other hand, he expressly requested that Senators on both sides of the aisle be invited to be present, and asked that they be asked to cooperate. That is as clear as I can make it.

Mr. LOGAN. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. LOGAN. By whom were they to be invited, may I ask? If this is purely a private matter, and a private committee, what I want to know is why it is referred to in the Senate at all. Has the Senate appointed anybody?

Mr. CONNALLY. No.

Mr. LOGAN. The Senate has nothing to do with it, and as I understand, the Senator from Texas is merely making an announcement of what has been done by individuals.

Mr. CONNALLY. That is true.

Mr. LOGAN. Inasmuch as there was no action of the Senate, I do not see any occasion for referring to it in the Senate. Anybody who desires can get up a committee.

Mr. CONNALLY. Let me say to the Senator from Kentucky that, instead of sending engraved invitations to each Member of the Senate, I thought it not inappropriate simply to make an announcement of the fact. If that has offended anyone, or if anybody has had his feelings disturbed or ruffled, I am very sorry about it.

Mr. LONG. A point of order.

Mr. LOGAN. I am not offended. I simply did not see why it should be referred to in the Senate.

The PRESIDENT pro tempore. The Senator from Louisiana will state his point of order.

Mr. LONG. Where does all this "hurrally" come in on account of the President coming back to the city? What have we to do with it? Let him go and come when he gets ready.

The PRESIDENT pro tempore. The point of order is overruled.

Mr. LEWIS. Mr. President, I ask for a moment of order while I make an announcement.

Unhappily, this matter has been confused for lack of a complete understanding. I think it is quite evident that some of us can speak knowingly, that the object of the Senator from Arkansas was that in the event of some of the Democratic Senators wishing to go to the station to welcome the President, there should be no uncertainty, each thinking the other might go, and he designated certain Senators on the theory that they possibly would have time. He left to the leader of the opposition, the distinguished Senator from Oregon, to make such suggestion as he chose to his fellow Senators, to determine which ones would find it agreeable and convenient to joint those who had been designated by the leader on the Democratic side. There was nothing more than a suggestion along that line. I assure the Senator from Idaho that it was only on the theory that both sides would find what Senators could find it possible to go to greet the President without inconveniencing themselves in their engagements. That was the only object the Senator had in making the suggestion.

LIMITATION OF COTTON ACREAGE

Mr. FESS. Mr. President, during the discussion of the bill for the compulsory reduction of cotton acreage, some of us raised the question whether it would be of any particular benefit to the American cotton grower, but we did not have much doubt that it would be beneficial to the foreign cotton grower.

There appeared in the New York Times of Sunday last an article with the date line of Buenos Aires, commenting upon this legislation as it will affect favorably the cotton growers of South America. The article is about a quarter of a column in length, and if there is no objection I should like to have it read at the desk.

The PRESIDENT pro tempore. In the absence of objection, the article will be read.

The legislative clerk read as follows:

[From the New York Times of Sunday, Apr. 8, 1934]

ARGENTINA URGES BIG COTTON CROP—WANTS ACREAGE INCREASED IN EFFORT TO BUILD UP NEW TEXTILE INDUSTRY—INTERESTED IN OUR PLANS—FARMERS TOLD CURTAILMENT HERE MEANS BROADER MARKET FOR THEIR CROPS

By John W. White

BUENOS AIRES, March 30.—Argentina is watching with enthusiastic satisfaction the efforts made to reduce cotton acreage in the United States. News of every move in that direction is accompanied by editorials urging Argentine farmers to raise more cotton and assuring them that new markets are theirs for the asking.

Cotton is a new crop in Argentina and 96 percent of the production comes from the northern territory of the Gran Chaco, which is the southern portion of that vast Chaco area for which Bolivia and Paraguay are fighting north of the Pilcomayo River. Argentina is already producing nearly enough cotton to supply its textile mills, and it exported 28,000 tons of unginned cotton in 1932, most of it going to Great Britain and Germany.

TEXTILE INDUSTRY GROWING

The textile industry is rapidly becoming one of the most important manufacturing activities in Argentina. As part of the country's recovery plan, the Government is urging farmers to grow more cotton, at the same time urging the public to use more locally manufactured textiles. This is only one branch of importation which the national government is trying to curtail in its effort to preserve the trade balance needed to pay the services on the public debt.

But it is as a phase of awakening industrial consciousness that the newspapers are urging increased cotton production to feed more mills, to the end that Argentina may even export cotton textiles. They believe that this country can compete successfully in the sale of textiles to the Pacific coast republics. The following editorial from La Opinion, of Resistencia, capital of the Chaco territory, is typical:

"The recent abundant and opportune rains have been extremely beneficial for the cotton fields. Unless there are unforeseen difficulties these rains will produce an abundant crop. Certain plagues often cause widespread ruin for the producers, sometimes even destroying most of the crops. But unless these plagues appear this year, there is every reason to expect a fine crop. The outlook is very promising, especially as cotton is being sold at prices much higher than former years.

OUR CROP CUT A BENEFIT

"The optimism of growers is all the more well founded in view of the plan of the United States Government to reduce that country's cotton production by about 25 percent. This reduction will have a favorable effect on our country and must necessarily be of benefit to the cotton growers of our northern territories.

"This logical and desirable recompense for the efforts of the Chaco cotton growers is certain to be a stimulus for those planters who for several years have been working to improve the quality of their cotton. In view of the progress which the textile industry is making in our country, and also in view of the fact that there are markets on the Pacific coast which could be supplied with our cotton goods, our cotton production must be increased, by both extensive and intensive cultivation. Argentina has a magnificent future as a manufacturing country. Therefore it is necessary to increase the cultivation of our textiles on a much vaster scale."

Mr. FESS. Mr. President, the reason why I desired to have this dispatch from Buenos Aires read is that it bears upon our discussion as to who would benefit from legislation that would, in a compulsory manner, reduce the Americon production of cotton. I was concerned—though not because of any particular interest in cotton, except as an American product—as to how the reduction of our product, in view of the fact that so much of it is exported, would benefit the American grower. I could understand how anything that would stimulate the production of cotton in other countries would tend to supply the markets of the other countries, and to that degree take away those markets from us; and for that reason I had feared that the legislation would be beneficial to the foreign grower, while it seemed to me it might operate in exactly the opposite way as to the American grower.

This article appears to me to evidence the judgment of the foreign growers of cotton that our legislation is greatly for their benefit rather than of our own producers.

MESSAGE FROM THE HOUSE

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

S. 163. An act for the relief of Capt. Guy M. Kinman; and

S. 3209. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in the case of United States of America against Weirton Steel Co. and other cases.

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

H.R. 2416. An act for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan;

H.R. 2541. An act for the relief of Robert B. James;

H.R. 2561. An act for the relief of G. Elias & Bro., Inc.;

H.R. 2682. An act for the relief of Bonnie S. Baker;

H.R. 2689. An act for the relief of Edward Shabel, son of Joseph Shabel;

H.R. 2692. An act for the relief of Lula A. Densmore;

H.R. 2748. An act for the relief of A. C. Francis;

H.R. 2749. An act for the relief of E. B. Rose;

H.R. 2750. An act for the relief of Scott C. White;

H.R. 3161. An act for the relief of Henry Harrison Griffith;

H.R. 3300. An act for the relief of George B. Beaver;

H.R. 3302. An act for the relief of John Merrill;

H.R. 3345. An act to authorize the Department of Agriculture to issue a duplicate check in favor of the Mississippi State treasurer, the original check having been lost;

H.R. 3551. An act for the relief of T. J. Morrison;

H.R. 3579. An act for the relief of O. S. Cordon;

H.R. 3580. An act for the relief of Paul Bulfinch;

H.R. 3611. An act for the relief of Frances E. Eller;

H.R. 3614. An act for the relief of Clara C. Talmadge;

H.R. 3636. An act for the relief of Thelma Lucy Rounds;

H.R. 3705. An act for the relief of Julia E. Smith;

H.R. 3748. An act for the relief of Mary Orinski;

H.R. 3749. An act for the relief of Hunter B. Glasscock;

H.R. 3868. An act for the relief of Arabella E. Bodkin;

H.R. 3900. An act authorizing the Secretary of the Treasury to pay certain subcontractors for material and labor furnished in the construction of the post office at Las Vegas, Nev.;

H.R. 3952. An act for the relief of Grace P. Stark;

H.R. 3992. An act for the relief of C. A. Betz;

H.R. 4060. An act for the relief of Ellen Grant;

H.R. 4519. An act for the relief of C. W. Mooney;

H.R. 4659. An act for the relief of Carleton-Mace Engineering Corporation;

H.R. 4793. An act for the relief of Moses Israel;

H.R. 4832. An act for the relief of Edgar Sampson;

H.R. 4846. An act for the relief of Joseph Dumas;

H.R. 4847. An act for the relief of Galen E. Lichty;

H.R. 4928. An act for the relief of the Palmetto Cotton Co.;

H.R. 5284. An act for the relief of the Playa de Flor Land & Improvement Co.;

H.R. 5299. An act for the relief of Orville A. Murphy;

H.R. 5310. An act for the relief of John P. Seabrook;

H.R. 5405. An act for the relief of Nicola Valerio;

H.R. 5689. An act providing for the advancement in rank of Frederick L. Caudle on the retired list of the United States Navy;

H.R. 6246. An act granting 6 months' pay to Annie Bruce;

H.R. 6863. An act for the relief of W. B. Fountain;

H.R. 6871. An act for the relief of Austin L. Tierney;

H.R. 7437. An act for the relief of E. C. West; and

H.J.Res. 315. Joint resolution granting consent of Congress to an agreement or compact entered into by the State of New York with the Dominion of Canada for the establishment of the Buffalo and Fort Erie Public Bridge Authority, with power to take over, maintain, and operate the present highway bridge over the Niagara River between the city of Buffalo, N.Y., and the village of Fort Erie, Canada.

The message further announced that the House had agreed to a concurrent resolution (H.Con.Res. 35) requesting the President to return to the House of Representatives the bill (H.R. 3521), for the purpose of correcting an error in said bill, in which it requested the concurrence of the Senate.

DR. WILLIAM A. WIRT

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD certain telegrams from Gary, Ind., relative to the reputation of Dr. William A. Wirt, with reference to whether or not Dr. Wirt was ever confined in jail. The communications are from the Commercial Club, from a Catholic rector, from an editor, and from other distinguished citizens.

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

"Any charge that Dr. William A. Wirt was in jail in Gary for un-American acts or utterances during the World War period is utterly unfounded. I was mayor of Gary in 1917 and am the present mayor. No man stands higher in the esteem of the people of Indiana than Dr. Wirt." (Signed by R. O. Johnson.)

"I have been a resident and banker in Gary for 19 years, actively identified with the Democratic Party. Was a member of a conscription board during the war. Have known Dr. Wirt since I came here. He was neither imprisoned nor interned during the war or at any time during my residence in Gary. He is a true American." (Signed by Harry L. Arnold.)

"I have known William A. Wirt for 24 years and can say there is no more patriotic American than he. He was not under arrest during the war nor was his name ever brought under suspicion. On the contrary, he served his country as fearlessly during the war as he does in times of peace. I have complete confidence in Mr. Wirt's patriotism and sincerity, and I believe I have been so placed as to be a competent judge of both." (Signed by H. B. Snyder, editor of Post Tribune.)

"I have been Dr. Wirt's personal attorney for 27 years. Was mayor of Gary during the World War. Dr. Wirt was neither imprisoned nor interned in the Gary jail during the war for pro-Germanism nor any other cause. His Americanism has never been questioned by anyone here. He is regarded as an outstanding educational and intellectual leader throughout Indiana and the Nation as well as in our community." (Signed by William F. Hodges.)

"I have been a resident and Catholic parish leader of Gary for 27 years, intimately identified with social, civic, and religious activities of this community. Never heard of Dr. William A. Wirt's being imprisoned or interned for any cause during the war period or any other time." (Signed by Rev. Father Thomas Jansen.)

"The charge made on the floor of the House yesterday that Dr. Wirt because of pro-German tendencies during the war was interned, or even under suspicion, is entirely unfounded and unjust. As a Gary member of the Lake County Council of National Defense during the war I have full knowledge of any charge made during those trying days against any resident of the county, and more especially of Gary, of suspected disloyalty. Dr. Wirt took an active part in every patriotic endeavor during the war." (Signed by H. S. Norton, president of Gary Commercial Club and Chamber of Commerce.)

"I have known Dr. William A. Wirt intimately for 27 years. I was connected with many war activities during the war, and served with Dr. Wirt on the war-stamp drive, he being the chairman for our section. Dr. Wirt is an exceptionally conscientious, painstaking gentleman, and is held in very high regard by our citizens in all walks of life." (Signed by Harry Hall.)

REMOVAL OF TRADE RESTRICTIONS

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Removal of Trade Restrictions Best Way to Recover Prosperity", by Hon. John W. Hester, of Durham, N.C., which article was published in the Washington Evening Star of several days ago.

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

[From the Washington Evening Star]

REMOVAL OF TRADE RESTRICTIONS BEST WAY TO RECOVER PROSPERITY

The action of the House in voting to give the President the power to negotiate reciprocal trade agreements is, according to my way of thinking, one of the most encouraging pieces of legislation that has come from either branch of the Congress during this administration. I hope it makes the grade in the Senate.

Now, I am quite familiar with the stock argument as to the delegation of legislative power to the Executive. And, frankly, it is a delegation of the legislative function to the Executive. However, the history of the exercise of that function on the part of the Congress has been such as to convince the average man that it is useless to expect any sensible legislation on the subject from the Congress. It is known of all that tariff legislation has long since been reduced to the low level of a mere horse-swapping performance, with the outcome depending upon the trading instinct plus the political power of the interest affected.

But there is much to be said now for the delegation of such power that could not be said heretofore. Since the United States saw fit to enact its present tariff law over the protests of practically all of the trading nations of the earth there has been developed a radical change in the machinery for handling tariff matters. There has been a general delegation of the power to make trade agreements to the executive departments in response to the new nationalistic idea that every nation has to go it alone. This change in the general tariff-making machinery on the part of other countries makes it imperative that like machinery be set up in this country, otherwise we are likely to see the trade areas of the earth pre-empted by the countries possessing the more facile and flexible machinery. Hence, it is now a matter of practical necessity that the President be given the trade treaty-making power.

However, I am not primarily interested in the mechanics of the situation. Quite to the contrary, I am more interested in giving nature a chance to overcome man's follies. Furthermore, I am tremendously interested in making it unnecessary for this Government to follow in the wake of the tottering and crumbling European democracies, which becomes the more unavoidable and inevitable in the degree and to the extent that the spiritual and physical forces of the American people are cramped and restricted. A free people and a controlled economy are contradictory in thought and mutually exclusive in fact. I am unwilling to surrender the former for the latter until I am convinced by actual trial that nature's economy is not superior to any man-made, artificial economy. I know that the American people can do hundreds of things more efficiently and more cheaply than any other people on earth. I want to major those activities and ease out of the inefficient and the comparatively more costly activities.

For instance, I can't see any sense in our going counter to nature in trying to produce sugar in this country. Nature gave Cuba and the Philippines the moisture, the soil, and atmosphere or climate in which to grow sugarcane. We had better buy the land involved here in the growth of beets and cane from which sugar is made, give it back to its present owners, their heirs, assigns, and successors in perpetuity and pension their progeny for all time. It would certainly be a saving in dollars and cents. And, on the other hand, the industrial life of America is shot through and through with similar inefficient and unduly costly activities. This acting the wet-nurse to the inefficient and abnormal—yes, unnatural—activities here and abroad is what has caused the dislocation of trade and commerce and the resultant fall of democracies and republics. Republics and democracies are the agencies of free peoples only, and a free people can't be regimented or strait-jacketed. Consequently, republics and democracies fall in direct ratio to the extent of the adoption of coercive and restrictive agricultural, industrial, and commercial measures.

And the theory that overproduction is the cause of our present troubles is inconsistent with the fact that 80 percent of the peoples throughout the earth are undernourished, poorly clad, and inadequately housed. On the contrary, production is not and has never been equal to human needs. We have foolishly obstructed the distribution of what we produce, which has resulted in an overflow at the various points of obstruction.

The United States, with its people regimented and subjected to a controlled economy, is but a giant animal forced to feed upon its own flanks, with the sure prospect that sooner or later a vital part of the body will be reached and death will ensue. You can't obtain Russian objectives without the application of Russian methods. You can't imprison the spirit of America or shackle her activities and at the same time preserve her institutions.

For the foregoing reasons I want to see adopted every device that tends to the removal of trade restrictions. America can make her way in competition with the rest of the world if she is permitted to major those activities in which she excels and be relieved of the load of carrying the inefficient and unnatural. Furthermore, I favor at the earliest opportunity the adjustment of our foreign debts by the payment thereof in goods, the only way in which any substantial foreign debt has ever been paid. We developed this country very largely upon foreign capital and we paid our foreign obligations in goods. At the beginning of the World War we were paying a debt service charge in the sum of $200,000,000, not in money, but in goods.

At the close of the war the tables had turned and a debt service charge was running in our favor in the sum of $500,000,000 annually. Did we change our trade policy accordingly? No; we tried to make a debtor-nation trade policy fit a creditor-nation position. This was as impossible as the eating of the cake and having it, too. We must permit the payment of these obligations owing us in goods or cancel the same. The sooner we do one or the other, the better for all concerned.

WAR AND PROFITS—ADDRESS BY SENATOR NYE

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by the Senator from North Dakota [Mr. NYE] on April 10 on the subject of "War and Profits." The address was delivered over an eastern radio hook-up.

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

WAR PROFITS—THE PROFITS OF WAR AND PREPAREDNESS

A restless mind exists throughout the world today. One naturally is concerned about our Nation's preparedness for war. The cause of preparedness, however, has lent itself to abuses which amount to national scandal, and in time will cause nations to bow their heads in shame of the frightful things done in its name.

To provide an adequate national defense is a positive duty of government. But what constitutes an adequate defense? Is it preparation to defend ourselves against aggression? Or is it preparation to go to all quarters of the earth to carry on warfare? If the questions were left to the people, there is not serious doubt as to what the answers would be. If the people, unhampered by interests with selfish purposes, had their way, adequate defense would involve alone preparation for war at home. Then, with no nation preparing to leave its own borders to make war, there would quickly dawn a golden opportunity and invitation to further prune the expense of defensive preparation.

The sad facts are, though, that the people do not have their way upon matters involving ultimate war. Influences are constantly at work which disarm people of a feeling of security in what was once thought to be an adequate defense. These influences are by men who hold positions of great influence in our social and political order, men who have been highly successful in inducing others to accept as truth the baseless assertions of their false though profitable propaganda.

Americans left to their good sense and judgment will declare that never again will our country engage in war away from home. But never at any time is there let-up of that propaganda intended to convince us that other nations are more adequately prepared for war than are we. And the propaganda so effective with us is equally effective when used in other lands. The result is an increasing competition between nations in providing military strength; a competition so insane in its accomplishment that the world finds itself completely forgetting what really is adequate in the way of national defense; a competition which witnesses nations launched upon preparation programs on a scale never known to the world in peace times. Already the race is one which causes nations, including our own, to spend two and three times more money now than before the late World War. And here we are, only 15 years removed from that war, with its painful and expensive economic and physical consequences still upon us.

Under these circumstances it is fair to ask: Where does preparedness and national defense end? Viewing the insane trend of competition between nations it is equally fair to answer: It ends in war, war more terrible than any yet known; war, no one knows just where, when, or for what cause, but war nevertheless. And to whose profit and satisfaction, pray tell? Certainly not to that of the men and boys who will be called upon to carry on; not to that of their loved ones. Certainly not to the profit of the Nation, for now, while still bleeding from the last war, we see that war gives not profit but debt—burdensome, crushing debt.

Is our civilization helplessly insane and laboring under a complex utterly suicidal? Who profits, who gains any satisfaction from this mad race of so-called "preparedness"?

The answer is not difficult of finding for those who will face facts.

Many studies are being made, resulting in published articles on the subject of War and Profit. One of the most notable of these is to be found in the current number of Fortune Magazine. Here we find a most sordid tale of the scheming of European manufacturers to create a market for their instruments of war, of the perfect will of these manufacturers to supply the material to be used by enemy governments against their own, perhaps against the very factory workers whose labor created the munitions. These patriots have no prejudices. They perfect new death-dealing instruments and sell to whichever or however many governments will buy. There has been recorded the fact that French soldiers were mowed down by French-made guns in the hands of the enemy. German soldiers moving westward were killed by German-made guns sold to Belgium, while German-made machines sold to Russia visited death and destruction upon the men fighting for the Fatherland on the eastern front. Mounted in monumental fashion in a small English community is a great gun captured from the Germans in an engagement which cost the lives of many of the young men of that British community. On one side of the gun are engraved the names of the sons of Britain who gave up their lives in that engagement before the machine was captured; on the other side is engraved the name of the British munitions maker who sold the instrument to Germany. The story of the commercialism of war and preparation for it is ugly, gruesome. It does no credit to European munitions makers or to the countries which permitted these merchants to ply their trade.

But who are we to pity the poor souls with whom these European manufacturers play as with toys? Look at ourselves in America and the history of our own munitions makers, who supply Uncle Sam's needs in an adequate defense program and rush their supersalesmen off to foreign lands to ply their trade at peace conferences.

Last Friday was Army Day, and past the Capitol and down the city's parade avenue there marched and rode 5,000 of America's finest—America's defenders—strong, splendidly uniformed men, beautiful, well-matched steeds, shining steel helmets, rifles, and mounted guns. All this, with the proudly waving colors, is at once inspiring. Hats off to these well-trained men prepared at a moment's notice to rush to the defense of country and flag. Yet, even in that inspiring moment, I could not fully restrain myself and be blind to the fact that those glistening steel helmets, for example, were the profit-returning products of American manufacturers, a product intended to protect those fine heads under the helmets against the shrapnel and shells which the same manufacturers had sold to the military departments of other nations which might some day be our foe in war. What madness. What rotten commercialism. Name a more inhuman trade. Was ever a more insane racket conceived in depraved mind or tolerated by an enlightened people?

After the adequate defensive needs of the American Government have been provided for by the annual appropriations, it is said, off to South America go these manufacturers, breeding there suspicion and fear between countries while American statesmen strive to accomplish understanding and maintain peace. Incidentally, order books are carried along to record the orders for military needs which always grow out of suspicion and fear. China and Japan likewise seem to offer a fine market for our American merchants of death and destruction.

Just before the Civil War a leading financial figure conceived the idea of buying at auction thousands of rifles which the American Army was casting aside. The purchase was at a price of just over $3 per gun. The following year, when the Union forces desperately needed guns, this financier sold these same guns to the Government at $22 each, a 700 percent profit. When Fremont's soldiers tried to fire these guns, they shot off their own thumbs. But Morgan finally got his money, through court action, the court holding the contract was sacred. Is there profit for anyone in war?

But look out for Japan! we are cautioned.

If we should, by some unbelievable chance, find ourselves at war with Japan, it is safe to wager that our soldiers and sailors will find their enemy armed with and mowed down by instruments produced by American manufacturers—at a profit, of course.

In the name of adequate defense our American costs of maintaining the Army and Navy are now more than $700,000,000 annually, compared with $343,000,000 just before we entered the World War, the war that was going to end war. From 1913 to 1930 Great Britain's cost of national defense increased 42 percent; France, 30 percent; Italy, 44 percent; Japan, 142 percent; Russia, 30 percent; while your Uncle Sam rushed to a 200 percent increase in his defense costs.

When will we cease this mad game? But, let us remember that the surest way to maintain peace is to prepare for war, we are urged.

I deny that there is any foundation in fact or historical experience for the claim that preparation for war maintains peace. The claim is a myth, sponsored and nursed by those whose unclean profits would vanish if ever they permitted the world to know that preparation for war is marvelously profitable for a few.

Between the United States and Canada there stretches a boundary of thousands of miles. During the lifetime of these two neighbors there has never been stationed a soldier, a mounted gun, or any evidence of military defense. It is encouraging to know that today fine minds in both countries are conceiving the establishment of a monument to commemorate these years of peace without demonstration of armed strength.

This monument is to take most unusual form. On each side of the boundary, in the Turtle Mountains of my State of North Dakota and Canada, hundreds of acres are being set aside to be developed and made known as the "International Peace Garden." These acres will be landscaped and made a beautiful spot in commemoration of the peaceful relationship that has existed through all of these years without that common demonstration of adequate defense.

Oh, that there could be more such monuments.

There is a book about to come from the press which would save our Nation billions and our people much suffering if it could be read by every American. It is the story of profits and methods of munition makers, written by Engelbrecht and Kanighen, published by Dodd, Mead & Co., and chosen by the Book of the Month Club for May. And what a title this work has. Merchants of Death is its name. It is packed full of worth-while facts about our munition makers. To this book I must credit some of the information I have offered tonight, and to it I am indebted for a reminder of that advertisement once published by an American munitions manufacturer. This manufacturer had developed a death-dealing instrument which it was anxious to sell, and it advertised its accomplishment to the world as follows:

"The material is high in tensile strength and very special. The timing of the fuze of this shell is similar to the shrapnel shell, but it differs in that two explosive acids are used to explode the shell in the large cavity. The combination of these two acids causes a terrific explosion, having more power than anything of

its kind yet used. Fragments become coated with the acids in exploding and wounds caused by them mean death in terrible agony within 4 hours, if not attended to immediately.

"From what we are able to learn of conditions in the trenches, it is not possible to get medical assistance to anyone in time to prevent fatal results."

This is not a pleasant story with which to close my remarks. There ought to be something a little more cheering, and I think that cheer is to be found in the prospect, which is large, that within the next few days the Senate will pass the resolution which has been offered by Senator VANDENBERG and myself, calling for a sweeping investigation of the activities and methods resorted to by our munitions makers to fatten thin bank accounts in the name of preparedness.

I am sure that such an investigation will develop facts which will let people know how they are made monkeys of by profit-hungry, soulless madmen, who are making lunatics of the people of the world by their incessant propaganda for ever-larger appropriations in the name of an adequate defense. Truth always produces worth-while results. Truth concerning the methods and programs of our munitions makers might fetch an awakening which would demand the removal of the element of profit from national defense and war. I am sure such action will not necessitate additional relief camps to accommodate those gentlemen, who profit most largely when millions of men are giving their lives to the cause of flag and country. And it most assuredly will reduce the danger of more war and the terrific burdens of expense now required in the name of adequate defense.

INTERNAL-REVENUE TAXATION

The Senate resumed the consideration of the bill (H.R. 7835) to provide revenue, equalize taxation, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE] in the nature of a substitute for the amendment reported by the committee on page 196, beginning in line 13.

The amendment of Mr. LA FOLLETTE is as follows:

On page 196, after line 12, to strike out:

"SEC. 405. Estate tax rates: (a) The last 14 paragraphs of section 401 (b) of the Revenue Act of 1932 are amended to read as follows:

"'$126,000 upon net estate of $1,000,000; and upon net estates in excess of $1,000,000 and not in excess of $1,500,000, 20 percent in addition of such excess.

"'$226,000 upon net estates of $1,500,000; and upon net estates in excess of $1,500,000 and not in excess of $2,000,000, 22 percent in addition of such excess.

"'$336,000 upon net estates of $2,000,000; and upon net estates in excess of $2,000,000 and not in excess of $2,500,000, 25 percent in addition of such excess.

"'$461,000 upon net estates of $2,500,000; and upon net estates in excess of $2,500,000 and not in excess of $3,000,000, 27 percent in addition of such excess.

"'$596,000 upon net estates of $3,000,000; and upon net estates in excess of $3,000,000 and not in excess of $3,500,000, 30 percent in addition of such excess.

"'$746,000 upon net estates of $3,500,000; and upon net estates in excess of $3,500,000 and not in excess of $4,000,000, 32 percent in addition of such excess.

"'$906,000 upon net estates of $4,000,000; and upon net estates in excess of $4,000,000 and not in excess of $4,500,000, 35 percent in addition of such excess.

"'$1,081,000 upon net estates of $4,500,000; and upon net estates in excess of $4,500,000 and not in excess of $5,000,000, 37 percent in addition of such excess.

"'$1,266,000 upon net estates of $5,000,000; and upon net estates in excess of $5,000,000 and not in excess of $6,000,000, 40 percent in addition of such excess.

"'$1,666,000 upon net estates of $6,000,000; and upon net estates in excess of $6,000,000 and not in excess of $7,000,000, 42 percent in addition of such excess.

"'$2,086,000 upon net estates of $7,000,000; and upon net estates in excess of $7,000,000 and not in excess of $8,000,000, 44 percent in addition of such excess.

"'$2,526,000 upon net estates of $8,000,000; and upon net estates in excess of $8,000,000 and not in excess of $9,000,000, 46 percent in addition of such excess.

"'$2,986,000 upon net estates of $9,000,000; and upon net estates in excess of $9,000,000 and not in excess of $10,000,000, 48 percent in addition of such excess.

"'$3,466,000 upon net estates of $10,000,000; and upon net estates in excess of $10,000,000, 50 percent in addition of such excess.'

"(b) The amendments made by this section shall be effective only with respect to transfers of estates of decedents dying after the date of the enactment of this act.

"SEC. 406. Nondeductibility of certain transfers: Section 303 (a) (3) and section 303 (b) (3) of the Revenue Act of 1926, as amended, are amended by inserting after 'individual', wherever appearing therein, a comma and the following: 'and no substantial part of the activities of which is participation in partisan politics or is carrying on propaganda, or otherwise attempting, to influence legislation.'"

And in lieu thereof to insert the following:

"SEC. 404. Estate tax rates: (a) Section 401 (b) of the Revenue Act of 1932 is amended to read as follows:

"'(b) The tentative tax referred to in subsection (a) (1) of this section shall equal the sum of the following percentages of the value of the net estate:

"'Upon net estates not in excess of $20,000, 1 percent.

"'$200 upon net estates of $20,000; and upon net estates in excess of $20,000 and not in excess of $30,000, 2 percent in addition of such excess.

"'$400 upon net estates of $30,000; and upon net estates in excess of $30,000 and not in excess of $40,000, 3 percent in addition of such excess.

"'$700 upon net estates of $40,000; and upon net estates in excess of $40,000 and not in excess of $50,000, 4 percent in addition of such excess.

"'$1,100 upon net estates of $50,000; and upon net estates in excess of $50,000 and not in excess of $60,000, 5 percent in addition of such excess.

"'$1,600 upon net estates of $60,000; and upon net estates in excess of $60,000 and not in excess of $80,000, 7 percent in addition of such excess.

"'$3,000 upon net estates of $80,000; and upon net estates in excess of $80,000 and not in excess of $100,000, 9 percent in addition of such excess.

"'$4,800 upon net estates of $100,000; and upon net estates in excess of $100,000 and not in excess of $200,000, 12 percent in addition of such excess.

"'$16,800 upon net estates of $200,000; and upon net estates in excess of $200,000 and not in excess of $400,000, 16 percent in addition of such excess.

"'$48,800 upon net estates of $400,000; and upon net estates in excess of $400,000 and not in excess of $600,000, 19 percent in addition of such excess.

"'$86,800 upon net estates of $600,000; and upon net estates in excess of $600,000 and not in excess of $800,000, 22 percent in addition of such excess.

"'$130,800 upon net estates of $800,000; and upon net estates in excess of $800,000 and not in excess of $1,000,000, 25 percent in addition of such excess.

"'$180,800 upon net estates of $1,000,000; and upon net estates in excess of $1,000,000 and not in excess of $1,500,000, 28 percent in addition of such excess.

"'$320,800 upon net estates of $1,500,000; and upon net estates in excess of $1,500,000 and not in excess of $2,000,000, 31 percent in addition of such excess.

"'$475,800 upon net estates of $2,000,000; and upon net estates in excess of $2,000,000 and not in excess of $2,500,000, 34 percent in addition of such excess.

"'$645,800 upon net estates of $2,500,000; and upon net estates in excess of $2,500,000 and not in excess of $3,000,000, 37 percent in addition of such excess.

"'$830,800 upon net estates of $3,000,000; and upon net estates in excess of $3,000,000 and not in excess of $3,500,000, 40 percent in addition of such excess.

"'$1,030,800 upon net estates of $3,500,000; and upon net estates in excess of $3,500,000 and not in excess of $4,000,000, 43 percent in addition of such excess.

"'$1,245,800 upon net estates of $4,000,000; and upon net estates in excess of $4,000,000 and not in excess of $4,500,000, 46 percent in addition of such excess.

"'$1,475,800 upon net estates of $4,500,000; and upon net estates in excess of $4,500,000 and not in excess of $5,000,000, 48 percent in addition of such excess.

"'$1,715,800 upon net estates of $5,000,000; and upon net estates in excess of $5,000,000 and not in excess of $6,000,000, 50 percent in addition of such excess.

"'$2,215,800 upon net estates of $6,000,000; and upon net estates in excess of $6,000,000 and not in excess of $7,000,000, 52 percent in addition of such excess.

"'$2,735,800 upon net estates of $7,000,000; and upon net estates in excess of $7,000,000 and not in excess of $8,000,000, 54 percent in addition of such excess.

"'$3,275,800 upon net estates of $8,000,000; and upon net estates in excess of $8,000,000 and not in excess of $9,000,000, 56 percent in addition of such excess.

"'$3,835,800 upon net estates of $9,000,000; and upon net estates in excess of $9,000,000 and not in excess of $10,000,000, 58 percent in addition of such excess.

"'$4,415,800 upon net estates of $10,000,000; and upon net estates in excess of $10,000,000, 60 percent in addition of such excess.'

"(b) Section 401 (c) of the Revenue Act of 1932 (relating to the exemption for the purposes of the additional estate tax) is amended by striking out '$50,000' and inserting in lieu thereof '$40,000.'

"(c) Section 403 of the Revenue Act of 1932 (relating to the requirement for filing return under such additional estate tax) is amended by striking out '$50,000' and inserting in lieu thereof '$40,000.'

"(d) The amendments made by this section shall be effective only with respect to transfers of estates of decedents dying after the date of the enactment of this act."

Mr. LA FOLLETTE. Mr. President, the pending amendment proposes to raise the rates prevailing under the exist-

ing law and those proposed in the bill as reported from the committee insofar as taxation of estates is concerned. At the time the amendment which I offered relating to increasing income taxes was under consideration I debated at some length the whole question of graduated taxation and the need of increasing the revenues to meet the extraordinary expenditures made necessary by the economic crisis.

Whatever may be said concerning the repressive effects upon business of high income-tax rates, no such argument can be advanced effectively when we come to deal with the question of the rates of taxation upon estates when they pass at the time of death. In my view, graduated taxation upon estates or inheritance is the most justified form of taxation which can be levied. I recognize that Senators may differ as to the relative merits of an estate tax as distinguished from an inheritance tax. With some of the arguments advanced in support of the inheritance tax I am in complete sympathy. Nevertheless it has become the established policy of the Government to levy the tax against the estate. It is obvious that at this time and in this situation it is impossible to consider a change in policy in that regard.

I think practically everyone is in complete agreement that it is necessary to increase the yield from taxes in order to meet the expenditures made necessary in order to relieve distress and to provide some employment. It is my view that it will be necessary not only to continue these expenditures over a considerable period of time but I am likewise of the opinion that the Government will find it necessary to increase rather than to diminish these expenditures.

But whether or not the view which I hold proves to be correct, it is clear to all that insofar as paying for the expenditures which have already been made the economic crisis is not over, and it will be necessary over a long period of time for the Government to raise revenue to meet the obligations which have been incurred in order that those expenditures might be made.

With a concentration of wealth such as has taken place in this country, and confronted with a situation where it is necessary for us to increase our revenues, the justice and the equity of levying increased taxes upon estates are beyond argument.

Let me say just a few words concerning the provisions of the particular amendment. It reduces the exemption upon estates from $50,000, as provided in existing law, to $40,000. By a series of brackets the rates are increased under the amendment until upon an estate in excess of $10,000,000, 60 percent would be levied upon such excess. Senators should not fall into the error of assuming that the amendment provides a rate of 60 percent upon estates in excess of $10,000,000. Under the amendment the composite rate upon estates of $10,000,000 will be approximately 44 percent. Until an estate reaches $100,000,000, 60 percent will not be collected.

I desire to refer briefly to the rates, comparing those in the existing law with those proposed to be levied under the pending amendment. Upon net estates before exemption of $50,000 the existing law does not levy any tax. Under my amendment, and assuming the estate of a married person, all of which passes to the widow, an estate of $50,000 would pay a tax of $100. Under the rates in Great Britain such an estate would pay $2,500.

Upon an estate of $100,000 under the existing law such an estate would pay $1,500 of tax. Under my amendment it would be required to pay $1,600, and under the British rate $9,000.

An estate of $500,000 under the existing law would pay $42,500. Under my amendment such an estate would pay $60,200, and under the British rate $105,000.

An estate of $1,000,000 under the existing law would pay $117,500; under my amendment $170,800, and under the British rate $270,000.

An estate of $5,000,000 under the existing law would pay $1,149,500; under the amendment $1,696,600, and under the British rate $2,050,000.

An estate of $10,000,000 under existing law would pay $3,094,500; under the amendment $4,392,600, and under the British rate $5,100,000.

Mr. LEWIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. LA FOLLETTE. I yield.

Mr. LEWIS. I am sure the able and industrious Senator from Wisconsin recognizes that Great Britain, of course, is a single land not divided into separate States such as ours. I ask the Senator what would be the effect upon those States which have an income tax law if the Federal estate taxes are increased as he proposes? Will the amendment of the Senator operate in effect to exhaust the estate insofar as it could be taxed by the State?

Mr. LA FOLLETTE. No; I do not think so, I will say to the Senator from Illinois, because, as the Senator knows, in those States which have estate or inheritance taxes the rates of necessity have been very low for the reason that excessive rates would tend to induce individuals to move from a State which levied an excessively high inheritance-tax rate into a State which did not levy any tax or which levied lower rates. If the Senator is familiar with the situation which existed at the time the State of Florida adopted a constitutional amendment prohibiting the levying of inheritance or estate taxes, he will know that many individuals with large estates established residences in Florida in order to avoid the estate tax or the inheritance tax in their States. We had a very spectacular case of that kind in Wisconsin within recent years, the Beggs case.

Mr. DUFFY. Mr. President——

Mr. LA FOLLETTE. I yield to my colleague.

Mr. DUFFY. I recall the Senator's attention also to section 802 of the Revenue Act of 1932, which gives an 80-percent credit against the Federal tax for inheritance taxes paid in the State. I intend later to offer an amendment so that the same thing can be done, at a very much lower rate, as to income taxes; so the 80-percent provision would in a large measure offset that.

Mr. LA FOLLETTE. It is correct so far as the regular estate-tax rates are concerned; but this amendment applies to the additional rates which were imposed in the act of 1932.

Mr. President, under all the circumstances with which we are confronted, I think Senators will recognize that the rates I have proposed in the pending amendment are not severe. They are not excessive. They are very much lower than those imposed in other countries employing the estate or inheritance taxes as a means of raising revenue.

The Senator from Illinois [Mr. LEWIS] mentioned the fact that Great Britain is one governmental entity, and that there are not in that country other divisions or other entities of government levying taxes. Nevertheless, so far as the problem of raising revenue for the Federal Government is concerned, we must apply, it seems to me, the justice and the equity of the graduated system of taxation in order to collect the revenues which are essential.

Mr. GEORGE. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Georgia.

Mr. GEORGE. The Senator's amendment, as I understand, now provides for a tax on net estates of $40,000 instead of $20,000.

Mr. LA FOLLETTE. The original amendment provided for a tax upon a net estate of $25,000; but after consultation with the chairman of the committee and other members of the committee I raised the exemption so that it would apply upon net estates of $40,000 and upward.

Mr. GEORGE. One further question: The Senator's amendment does not interfere with any credit for like tax paid to the State?

Mr. LA FOLLETTE. I want the Senator to get the amendment clearly in mind. This amendment is directed to the additional rates upon estates which were levied in the 1932 act, to which the credits do not apply. The Senator will remember that we had rates in the law before the 1932 act to which an 80-percent credit applied. Then in the 1932

act we levied additional rates to which the 80-percent credit does not apply.

Mr. GEORGE. And this is an additional levy to which it does not apply?

Mr. LA FOLLETTE. The Senator is correct.

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

Mr. LA FOLLETTE. I yield.

Mr. HARRISON. Under the unanimous-consent agreement we are to vote in about 2 minutes. I understand that the Senator from Wisconsin has modified his amendment as he has suggested, so as to provide for an exemption of $40,000 instead of $25,000, as the amendment was originally drawn?

Mr. LA FOLLETTE. The Senator's statement is correct.

Mr. HARRISON. I may say to the Senator that I shall offier no objection to the adoption of the amendment, and shall vote for it.

Mr. LA FOLLETTE. I very much appreciate the support and attitude of the chairman of the committee and other members who have given this matter further consideration.

Mr. HARRISON. May I say to the Senator, if he will yield for a moment——

Mr. LA FOLLETTE. I yield.

Mr. HARRISON. I have directed the Joint Committee on Internal Revenue Taxation to make a study of the question of changing the estate tax to the inheritance tax.

Mr. LA FOLLETTE. I am very glad the Senator has directed the study to be made, and I think the results of it will be well worth the consideration of the Congress.

Mr. President, just a word as to how much this amendment is estimated to yield. The Treasury Department estimated that the original amendment would yield $100,000,000 annually more than is now being derived from estate taxes the first full year that the rates were in effect. I have not resubmitted this amendment to the Treasury Department for an estimate; but after consultation with experts who are here upon the floor I think I am very conservative in stating that upon the basis of the Treasury Department estimates, this amendment as now drawn should yield $90,000,000 annually in addition to the amount now being collected from estate taxes the first full year that the rates are in effect, if they shall prevail.

Mr. President, I ask unanimous consent to have printed in the RECORD at the end of my remarks the table of comparative rates to which I have referred.

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

Comparison of death taxes—estate of married person—all passing to widow

Net estate before exemption	1932 act	Revenue bill of 1934[1]	La Follette proposal	1917 act	Great Britain, present rates
$1,000					$10
$5,000					150
$10,000					300
$15,000					450
$25,000					1,000
$50,000			$100		2,500
$100,000	$1,500		1,600	$1,000	9,000
$150,000	5,000		6,000	3,000	18,000
$200,000	9,500		12,000	5,000	28,000
$300,000	19,500		26,400	11,000	51,000
$400,000	30,500		42,400	19,000	76,000
$500,000	42,500		60,200	27,000	105,000
$600,000	55,500		79,200	35,000	138,000
$800,000	84,500		122,000	57,000	200,000
$1,000,000	117,500		170,800	77,000	270,000
$2,000,000	315,500		463,400	196,000	660,000
$3,000,000	553,500		816,000	335,000	1,110,000
$5,000,000	1,149,500		1,696,600	673,000	2,050,000
$10,000,000	3,094,500		4,392,600	1,711,000	5,100,000

[1] Same as 1932 rates.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE] to the committee amendment.

Mr. LA FOLLETTE and Mr. HARRISON called for the yeas and nays, and they were ordered.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FESS (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. I am not advised as to how he would vote. Therefore, I shall have to withhold my vote. If at liberty to vote, I would vote "nay."

Mr. WAGNER (when his name was called). On this question I have a general pair with the senior Senator from Missouri [Mr. PATTERSON]. I transfer that pair to the senior Senator from Montana [Mr. WHEELER], and will vote. I vote "yea."

The roll call was concluded.

Mr. LEWIS. I announce the absence of the senior Senator from Arkansas [Mr. ROBINSON] and the senior Senator from Pennsylvania [Mr. REED], and announce the existence of a general pair between them.

I also desire to announce that my colleague [Mr. DIETERICH], were he present and voting, would vote "yea."

I desire to announce the following general pairs:

The Senator from California [Mr. MCADOO] with the Senator from Connecticut [Mr. WALCOTT]; and

The Senator from Florida [Mr. TRAMMELL] with the Senator from Maine [Mr. WHITE].

I desire further to announce that the Senator from Alabama [Mr. BLACK], the Senator from Florida [Mr. FLETCHER], the Senator from Virginia [Mr. GLASS], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Florida [Mr. TRAMMELL], the Senator from Maryland [Mr. TYDINGS], and the Senator from California [Mr. MCADOO] are necessarily detained from the Senate on official business.

Mr. HEBERT. The Senator from Pennsylvania [Mr. REED] and the Senator from Missouri [Mr. PATTERSON] are necessarily absent. Their pairs have already been announced. I am authorized to say that, if present, both those Senators would vote "nay" on this question.

The Senator from Connecticut [Mr. WALCOTT] is detained on committee work.

Mr. LA FOLLETTE. I desire to announce that if the senior Senator from Montana [Mr. WHEELER] were present he would vote "yea."

Mr. WALSH. My colleague [Mr. COOLIDGE] is detained from the Senate on official business. If present, he would vote "yea."

Mr. HATFIELD (after having voted in the negative). I have a general pair with the senior Senator from Florida [Mr. FLETCHER]. I do not know how he would vote on this question. I transfer that pair to the senior Senator from Vermont [Mr. AUSTIN], and will allow my vote to stand.

The result was announced—yeas 65, nays 14, as follows:

YEAS—65

Adams	Couzens	Lewis	Robinson, Ind.
Ashurst	Cutting	Logan	Russell
Bachman	Davis	Lonergan	Schall
Bankhead	Dickinson	Long	Sheppard
Barkley	Dill	McCarran	Shipstead
Bone	Duffy	McGill	Smith
Borah	Erickson	McKellar	Steiwer
Brown	Frazier	McNary	Stephens
Bulkley	George	Murphy	Thomas, Okla.
Bulow	Gibson	Neely	Thompson
Byrnes	Gore	Norbeck	Vandenberg
Capper	Harrison	Norris	Van Nuys
Caraway	Hatch	Nye	Wagner
Carey	Hayden	O'Mahoney	Walsh
Clark	Johnson	Overton	
Connally	King	Pittman	
Costigan	La Follette	Pope	

NAYS—14

Bailey	Goldsborough	Hebert	Thomas, Utah
Barbour	Hale	Kean	Townsend
Byrd	Hastings	Keyes	
Copeland	Hatfield	Metcalf	

NOT VOTING—17

Austin	Fletcher	Reynolds	Wheeler
Black	Glass	Robinson, Ark.	White
Coolidge	McAdoo	Trammell	
Dieterich	Patterson	Tydings	
Fess	Reed	Walcott	

So Mr. LA FOLLETTE'S amendment to the amendment of the committee was agreed to.

Mr. BLACK subsequently said: Mr. President, when the vote on the La Follette amendment was had I was detained in committee. Since no announcement was made as to how I would have voted if present, I desire to say that had I been present I would have voted for the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment, as amended.

The amendment as amended was agreed to.

Mr. BORAH obtained the floor.

Mr. LA FOLLETTE. Mr. President——

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

Mr. BORAH. I yield.

Mr. LA FOLLETTE. Mr. President, in view of the increase in the rates upon estates, and in conformity with the differential provided in the existing law between the estate-tax rates and the gift-tax rates, it now becomes necessary to modify the gift-tax rates and to increase them so as to make them commensurate with the rates upon estates.

To refresh the memories of the Senators, the gift-tax rates under existing law are three fourths of the rates of taxes upon estates, and the amendment which I now send to the desk will increase existing rates on gifts to three fourths of the rates which have just been adopted upon estates.

The PRESIDENT pro tempore. Does the Senator from Idaho yield for the purpose of the Senator from Wisconsin presenting his amendment?

Mr. BORAH. I yield.

Mr. LA FOLLETTE. I wish to make a brief statement concerning this amendment. The amendment is drawn to go into effect upon gifts after the 1st of January 1935. This provision is incorporated in the amendment in order to obviate the very difficult and technical problem of drafting an amendment which would take effect upon the signing of the bill insofar as the rates upon gifts are concerned.

Mr. HARRISON. Mr. President, will the Senator from Idaho yield for one moment?

Mr. BORAH. I yield.

Mr. HARRISON. Of course, it is always the policy, as stated by the Senator from Wisconsin, that, according to the estate-tax rates, there should be some differential between the gift tax and the estate tax, and it would seem to me, in view of the action of the Senate in increasing the estate tax, that the rates incorporated in the amendment of the Senator from Wisconsin should be adopted.

Mr. COUZENS. Mr. President, will the Senator from Idaho yield to me for a moment?

Mr. BORAH. I yield.

Mr. COUZENS. Will the Senator state what the difficulties are in putting the gift tax into effect at the same time?

Mr. LA FOLLETTE. I wish the Senator from Michigan would confer with Mr. Beaman about that. I went over the whole matter with him and with other experts from the Treasury, and the difficulty, as I understand, is due to the fact that we have the regular rates, the additional rates, and compute them on a calendar-year basis. It would be very difficult to apply the increase to the gift-tax rates at once.

Mr. COUZENS. Does not the estate tax take effect immediately upon the signing of the bill?

Mr. LA FOLLETTE. The estate-tax rates will take effect, but the gift tax presents a very much more difficult problem. After consulting with the legislative counsel and the experts from the Treasury I became convinced that the technical problem of drafting the amendment was more difficult than any advantage which would accrue from attempting to make the gift tax apply at once.

Mr. COUZENS. Of course, that leaves a loophole for the disposition of a great deal of wealth between now and the effective date of the estate tax.

Mr. LA FOLLETTE. True; but, of course, we will get the revenue under the existing rates if that takes place.

The PRESIDENT pro tempore. The amendment of the Senator from Wisconsin will be stated.

The CHIEF CLERK. On page 212, following the amendment by the Senator from Pennsylvania [Mr. REED] and the amendment by the Senator from Mississippi [Mr. HARRISON], heretofore agreed to, after line 15, it is proposed to insert the following:

SEC. 519. Gift tax rates: (a) The gift-tax schedule set forth in section 502 of the Revenue Act of 1932 is amended to read as follows:

"Upon net gifts not in excess of $20,000, three fourths of 1 percent.

"$150 upon net gifts of $20,000; and upon net gifts in excess of $20,000 and not in excess of $30,000, 1½ percent in addition of such excess.

"$300 upon net gifts of $30,000; and upon net gifts in excess of $30,000 and not in excess of $40,000, 2¼ percent in addition of such excess.

"$525 upon net gifts of $40,000; and upon net gifts in excess of $40,000 and not in excess of $50,000, 3 percent in addition of such excess.

"$825 upon net gifts of $50,000; and upon net gifts in excess of $50,000 and not in excess of $60,000, 3¾ percent in addition of such excess.

"$1,200 upon net gifts of $60,000; and upon net gifts in excess of $60,000 and not in excess of $80,000, 5¼ percent in addition of such excess.

"$2,250 upon net gifts of $80,000; and upon net gifts in excess of $80,000 and not in excess of $100,000, 6¾ percent in addition of such excess.

"$3,600 upon net gifts of $100,000; and upon net gifts in excess of $100,000 and not in excess of $200,000, 9 percent in addition of such excess.

"$12,600 upon net gifts of $200,000; and upon net gifts in excess of $200,000 and not in excess of $400,000, 12 percent in addition of such excess.

"$36,600 upon net gifts of $400,000; and upon net gifts in excess of $400,000 and not in excess of $600,000, 14¼ percent in addition of such excess.

"$65,100 upon net gifts of $600,000; and upon net gifts in excess of $600,000 and not in excess of $800,000, 16½ percent in addition of such excess.

"$98,100 upon net gifts of $800,000; and upon net gifts in excess of $800,000 and not in excess of $1,000,000, 18¾ percent in addition of such excess.

"$135,600 upon net gifts of $1,000,000; and upon net gifts in excess of $1,000,000 and not in excess of $1,500,000, 21 percent in addition of such excess.

"$240,600 upon net gifts of $1,500,000; and upon net gifts in excess of $1,500,000 and not in excess of $2,000,000, 23¼ percent in addition of such excess.

"$356,850 upon net gifts of $2,000,000; and upon net gifts in excess of $2,000,000 and not in excess of $2,500,000, 25½ percent in addition of such excess.

"$484,350 upon net gifts of $2,500,000; and upon net gifts in excess of $2,500,000 and not in excess of $3,000,000, 27¾ percent in addition of such excess.

"$623,100 upon net gifts of $3,000,000; and upon net gifts in excess of $3,000,000 and not in excess of $3,500,000, 30 percent in addition of such excess.

"$773,100 upon net gifts of $3,500,000; and upon net gifts in excess of $3,500,000 and not in excess of $4,000,000, 32¼ percent in addition of such excess.

"$934,350 upon net gifts of $4,000,000; and upon net gifts in excess of $4,000,000 and not in excess of $4,500,000, 34½ percent in addition of such excess.

"$1,106,850 upon net gifts of $4,500,000; and upon net gifts in excess of $4,500,000 and not in excess of $5,000,000, 36 percent in addition of such excess.

"$1,286,850 upon net gifts of $5,000,000; and upon net gifts in excess of $5,000,000 and not in excess of $6,000,000, 37½ percent in addition of such excess.

"$1,661,850 upon net gifts of $6,000,000; and upon net gifts in excess of $6,000,000 and not in excess of $7,000,000, 39 percent in addition of such excess.

"$2,051,850 upon net gifts of $7,000,000; and upon net gifts in excess of $7,000,000 and not in excess of $8,000,000, 40½ percent in addition of such excess.

"$2,456,850 upon net gifts of $8,000,000; and upon net gifts in excess of $8,000,000 and not in excess of $9,000,000, 42 percent in addition of such excess.

"$2,876,850 upon net gifts of $9,000,000; and upon net gifts in excess of $9,000,000 and not in excess of $10,000,000, 43½ percent in addition of such excess.

"$3,311,850 upon net gifts of $10,000,000; and upon net gifts in excess of $10,000,000, 45 percent in addition of such excess."

(b) Section 505 (a) (1) of the Revenue Act of 1932 (relating to the specific exemption for gift-tax purposes) is amended by striking out "$50,000" and inserting in lieu thereof "$40,000."

(c) The amendments made by subsections (a) and (b) of this section shall be applied in computing the tax for the calendar year 1935 and each calendar year thereafter (but not the tax for the calendar year 1934 or a previous calendar year), and such amendments shall be applied in all computations in respect of the calendar year 1934 and previous calendar years for the purpose of computing the tax for the calendar year 1935 or any calendar year thereafter.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE].

The amendment was agreed to.

Mr. BORAH. Mr. President, I move to strike out section 141, beginning on page 110 of the bill. That is the section which provides for consolidated returns. If the motion should prevail, all corporations would make their separate and individual reports.

I wish I might have the serious consideration of the Senate with respect to this motion. I am sure the consolidated-returns provision results in very great advantage in the matter of taxes to the holding companies throughout the United States. I have talked with practically all the experts as to the advantage which the consolidated returns gives to large corporations and I am informed that it is an advantage in the matter of taxes which, under the provisions of this bill would amount to some $300,000,000 a year.

It seems to me, Mr. President, that above all things tax laws should be fair, they should be just to all alike, and that the consolidated returns giving the advantage to these large holding companies is a great disadvantage to all independent corporations paying taxes. It puts the small corporations—the independents—under a handicap which, when added to the disadvantage which the small corporations have in other respects, makes it impossible for small corporations to continue in business. The result is that day by day and year by year the small independent corporations are compelled to accept merger—another word for extinction. Why should the Government, through its tax laws, favor the large corporations?

I called attention yesterday evening to a matter which I want to call to the attention of the Senate again. It is an illustration of how consolidated returns work to advantage of large holding companies. I am reading from the House debates under the date of April 9, and the speaker, Mr. McFarlane is speaking alone, in this particular instance, of the holding companies of aviation corporations. He says:

> We find that the Bendix Aviation Corporation has saved, through the filing of consolidated returns, and in the change of income-tax laws which have been changed since the law of 1918, the sum of $625,863.49 in money they would have been required to pay to the Government had the law not been changed and had they been required to file separate returns rather than consolidated returns.
>
> The Curtiss-Wright Corporation saved $101,709.31 in the same way. The North American, or the General Motors Corporation, has saved $150,980.75. United Aircraft & Transport Corporation has saved $854,959.29. The Aviation Corporation of America has saved $313,454.44.

All told these five or six corporations had an advantage under the tax laws by reason of filing their consolidated returns of $2,046,967.28.

Taking, as an illustration, the small number of corporations just mentioned, we can well understand the tremendous advantage which the consolidated-returns provision gives to the large corporations of the country. It gives not only an advantage in the matter of taxes, but it gives a very decided advantage in the business world.

I call attention, Mr. President, to the kind of conditions which we are proposing to favor by this act. I am reading from a volume entitled "Power and the Public." In this volume, on page 16, it is said:

> Here is the Central Gas & Electric Co. of Delaware. That is a holding company, and either directly or indirectly holds and operates 57 companies in furnishing power and light to about 350 or 400 communities. Because it is a large concern and controls 57 operating companies, it has large credit, can employ the best engineering brains, and can operate these companies more intelligently and more efficiently for the community and for the investor than these separate 57 operating companies could do by themselves.

Under those conditions, why should the Government add to the advantage of the holding companies by lessening the amount of taxes which they pay? Again, it says:

> But now, to whom does the Central Gas & Electric Co. belong? To another holding company, the Central Public Service Co. And to whom does that belong? To the Central Public Service Corporation. That owns and controls the stock in the Central Public Service Co. And to whom does this Central Public Service Corporation belong? It belongs to the Public Utility Holding Co., which I believe does not hold all the stock in this company but enough to exercise a controlling influence in its affairs. And to whom does the Public Utility Holding Co. belong? It belongs to a concern which it is very difficult to define, a kind of hybrid holding-financing-trading-investment trust company, the American Founders.

From page 17 I read further:

> The United Founders owns three other investment trusts, which in turn are holding companies also—the American Founders Corporation, the American General Corporation, and the Investment Trust Associates. There are a great many others, but it controls these outright, owning from 70 to 90 percent of the stock. These holding companies in turn own another holding company, called United States Electric Power Corporation, or they have a large interest in it, which I will explain later. This United States Electric Power Corporation owns the Standard Power & Light Co., and that, in turn, controls the Standard Gas & Light Corporation. There are five layers of holding corporations. Then come the operating companies, of which I think there are 17 subsidiaries. I think one of them is an engineering company, which supplies management. There may be another company or two of that kind, but most of them are operating utility companies.

In another provision of this bill there is an express provision that the holding company may exempt from its income-tax return dividends received upon stock held in other companies, and thus in an intertwining, as it were, of these two provisions, the holding companies, the large companies, have a distinct advantage over the independent corporations in the matter of tax burdens.

I asked the tax experts to give me a statement upon this matter a few days ago, and I read the concluding paragraph of that statement. It is found upon page 6305 of the CONGRESSIONAL RECORD of April 10. The figures are now in the RECORD, and the experts, commenting on these figures, say:

> The foregoing statistics disclose some very interesting phases of the operations of consolidated corporations. While approximately 6 percent of all the corporations of the country are in the consolidated group, more than one half of the business transacted by all the corporations of the country was done by consolidated corporations.

In other words, these consolidated corporations are doing more than one half the business as against the independent corporations in the United States.

> The percentage of profit made upon gross sales is also very interesting. It is to be noted that the percentage of gross profit made by consolidated corporations upon their gross sales is between 2 percent and 2½ percent in excess of the gross profit made by separate corporations. While Bureau statistics of income do not afford sufficient data to permit of a computation of the net profit from operations, it is a well-known fact that many industries realize a net income from operations of only 2 to 3 percent of their gross sales. It can thus be seen that the margin of advantage enjoyed by the consolidated group is sufficient to put its competitors (single corporations) out of business. The excess percentages of gross profit realized by the consolidated group is also reflected in a like result in their statutory net income.

Now, Mr. President, I ask upon what possible theory should we give the advantage to the consolidated group in the matter of taxes when the very fact that they are operating as they are gives them an advantage in the business world over the independent corporations? It is one thing which has added, in my judgment, very greatly to the rapid increase of holding companies and of consolidated companies and of the disappearance of smaller independent corporations.

There is no reason in justice, there is no reason in practice, why these corporations should not make their separate and individual returns, and when we provide that they shall do so, we shall have all corporations upon the same basis and we shall deal with each and all upon a fair principle.

I ask, Mr. President, that we may have a yea-and-nay vote upon this amendment.

Mr. HARRISON. Mr. President, I hope the pending motion will not prevail. The committee has gone further than it has ever previously gone in the matter of consolidated returns. We now propose to put a tax of 13¾ percent upon all corporation profits, and then, if they file a consolidated return, we have raised the penalty in the present law, which was 1 percent, to 2 percent. In other words, under the bill as it is now written if a corporation files a consolidated return now, at its option, it has to pay 2 percent more than it would have to pay if it filed an ordinary corporation

return, so that it would pay for a consolidated return 15¾ percent.

It has been thought by the committee that it is necessary in some cases that consolidated returns be filed. It was pointed out by the railroads, for instance, that it was necessary for them to file consolidated returns, and it must not be forgotten by the Senate that certain States have laws respecting the doing of business by corporations, which make it necessary that a corporation doing business in a State must organize under its laws. As an example, the Postal Telegraph Co., which has to institute eminent-domain proceedings in order to construct its lines, and so forth, I am informed, has to incorporate in practically every State; and so there are practically 48 different corporations under it, but it has one bookkeeping process. So there are certain cases where consolidated returns, it seems to me, are reasonable and just. Of course, it is overworked in some instances, and certain concerns file consolidated returns that perhaps could stand on their own footing; but if they do arrange to file a consolidated return, the Government gets 2 percent more of the profits which they make than it would from the ordinary profits the corporation might make.

So, Mr. President, in view of the action of the committee in increasing the penalty provision for consolidated returns from the present 1 percent to 2 percent, thereby compelling corporations filing consolidated returns to pay 15¾ percent, I think this motion should be defeated.

Mr. COUZENS. Mr. President, there are undoubtedly some reasons for a consolidated return in cases such as have been referred to by the Senator from Mississippi, such as the Postal Telegraph Co. or other corporations that are engaged exclusively in one activity, but the viciousness of this section of the bill as it now stands is that it permits the filing of consolidated returns for other than allied industries, and thereby promotes an unfair competitive condition. Let me give as an example of the many cases which were discussed in the Finance Committee one of the large tire companies. It can open up a branch in California or in Michigan or elsewhere, and may lose money from the operation of such branch, but it may make a profit on a branch in Ohio. It wipes out its profit in Ohio by charging up the losses in Michigan or California, while independent manufacturers or merchants or whatever the organization may be in those localities cannot wipe out their profit by charging of losses in some other community. To that extent there is a very great disadvantage in the systems of consolidated returns to the competitive business situation.

I think if the amendment of the Senator from Idaho were agreed to, we could in conference draft a provision which would exempt those corporations which are engaged in a noncompetitive business and which are required by the statutes of the several States to take out separate articles of incorporation. For that reason, and because of the showing made by the Senator from Idaho, I think the amendment ought to be agreed to. Let us go to conference with it, and see if we can draft a provision which will not penalize those corporations that are required to take out separate articles of incorporation in various jurisdictions, such as the Postal Telegraph Co. or other corporations that are not in a highly competitive business.

Mr. NORRIS. Mr. President, the holding company——

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

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

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

The PRESIDENT pro tempore. Does the Senator from Nebraska yield for that purpose?

Mr. NORRIS. No, Mr. President; I do not care to do so.

Mr. LONG. The reason I desire to make the point is that we are discussing a very important question, and I dislike to see Senators come in here when the vote is about to be taken without knowing what we have been discussing.

Mr. NORRIS. There is a fairly large number of Senators present, and those who are not present are eating lunch, I presume.

The PRESIDENT pro tempore. Does the Senator from Nebraska yield for the purpose suggested by the Senator from Louisiana?

Mr. NORRIS. No; I do not yield.

Mr. President, the holding company is a modern institution, comparatively speaking. If there is any use for its existence that use is very small indeed compared to the number of holding companies and the evils which they bring about not only in the way of taxation but in every other respect. If a State requires incorporation, under its laws, of a foreign corporation doing business within its borders, why cannot the corporation incorporate in that State as well as in some other State, or organize a new corporation? If it makes the money in that State, why should it not pay an income tax on the money it makes there, even though it loses money in another State, where it would not be compelled to pay any tax at all?

There may be some instances where a holding company is necessary. If there are, and if this amendment shall be agreed to, the conferees will be able to work out such a proposition. Ninety-five times out of a hundred the holding company is a parasite. It is organized for the express purpose of deceiving the public and for obtaining something for nothing. The books are full of such instances. I called attention sometime ago in some remarks on the floor of the Senate to some of the things that have happened and which could not happen except through the instrumentality of the holding company. If it prospers, the burden, in the end, falls upon the people who have to support these pyramided companies which are built up in the air and controlled in the end by men who own but a very small proportion of the stock. A few men, with a comparatively little investment, can control millions of dollars' worth of property and are doing it now. Sometimes they fall by their own weight.

I hold in my hand a copy of the magazine known as "Current History" for March 1934 containing an article written by Mr. Hester. I want to quote just a little from that article. It is interesting to read it all. He says, in one portion of the article:

> Recent experience, however, makes it difficult to remember the good side of holding companies.

That is true. The experience we have gone through as a people during the last 10 years has demonstrated it is difficult, as the author says, to remember the good side, although the author claims there are some good sides and there is a place for the holding company; but it has grown to be a mammoth evil in this country, and I think in a great many instances has been organized for the very purpose of escaping taxation.

> About 3 years ago Martin J. Insull debated with James S. Bonbright, professor of finance in Columbia University, in the Public Utilities Fortnightly, on the question of regulation for public-utility holding companies. Mr. Insull took the negative, Professor Bonbright the affirmative. But today Martin J. Insull and his brother Samuel are fugitives from justice and the unregulated Insull utility empire is in liquidation. Moreover, many of Chicago's financial institutions as well as thousands of investors—

I believe the author could truthfully have said millions of investors—

> have been ruined because public utility and investment companies were unregulated.

We have under the law no proper regulation of holding companies where they transmit power, let us say, from one State to another; where they are in reality transacting an interstate business. If we go to the State authorities they will claim to be interstate in their operation. If we go before the Interstate Commerce Commission they will claim they are separate identities in the different States and should be regulated there.

The author tells in another place how we can put together a holding company with a little money:

> For instance, suppose we have an operating company or companies whose outstanding bonds, preferred and common stock, total $150,000,000, divided into three equal amounts. The common stock carries the voting rights, and hence the control. Some scheming bankers and their associates desire to gain control of

these companies. All they have to do is to buy 51 percent of the common stock, or invest a little more than $25,000,000.

So far in this picture we have $25,000,000 controlling $150,000,000.

As they do not want to invest that much, they form a holding company and issue stock and bonds for the amount of the original investment in the form of $10,000,000 bonds, $10,000,000 preferred stock and $5,000,000 common stock. Of the last they retain 51 percent—

That is, 51 percent of the $5,000,000 common stock—

or $2,500,000, which gives them control. But they desire to have even less in the enterprise, so that they form another holding company and again issue bonds and stock—$1,000,000 in bonds, $1,000,000 in preferred and $500,000 in common stock. Of the common they retain 51 percent, and thus by investing just over $250,000 control, by this method of pyramiding, properties valued at $150,000,000. Can it be said that such a maneuver benefits the properties or the public? To ask the question is to answer it.

Mr. President, in some remarks I made on holding companies on a previous occasion I said something that I want now to quote. At that time I spoke at some length. I read then from a work by Mr. Clay. At one point in his work Mr. Clay said:

At the hearings before the New York Revision Commission it was brought out that this company—

He was speaking of a holding company—

had outstanding 3 classes of common stock, 5 series of preferred stock, 8 series of debentures convertible into stock, either at the holder's or the company's option, 6 series of debentures convertible into debentures at the holder's but not at the company's option, and one series of investment certificates convertible at the option of the holder for a term of years and at the option of the holder or the company thereafter.

This, as the object is, as a rule, enables a comparatively small number of men to evade taxation, to take from undercompanies the revenue that should inure in theory to them, but which in practice, as the Senator from Idaho [Mr. BORAH] read, enables the holding group to claim that by having a vast amount under control they can employ better experts and do their work better. In practice it enables them to burden the companies in the lower part of their pyramid, bleed them and milk them, and line their pockets with unearned gold. Ninety-nine times out of a hundred that is the result.

This author said further:

The 250 match factories throughout the world are held at least in ostensible ownership by a corporation organized under the beneficent laws of Delaware and called the International Match Co. The money for this purpose is supplied mainly by investors who buy bonds and nonvoting stock. The actual ownership and control is in the hands of the concern that owns the class A stock. This stock is owned by the Swedish Match Co., and the Swedish Match Co. is controlled by the Kreuger & Toll Co., of Sweden. It gets a bit more complicated if you examine it more closely. Thus here we have in America several large matchmaking corporations. One is the Federal Match Co. Its stock is owned by a Swedish corporation called the Vulcan Match Co. That is in turn controlled by an American company, the International Match Co. Once again control crosses the sea to the Swedish Match Co., which is finally owned by Kreuger & Toll.

By the investment, I might add, of a very small amount of money practically controlling the match business of the world, putting smaller companies out of business, and which finally, as we all know, fell of its own weight.

I read here from an illustration which I once before called to the attention of the Senate—a case in which the holding company in the electric-light business showed what it could do. It was in the little town of Lewiston, Maine; and it is not an exceptional case. It does not come anywhere near many other illustrations of holding companies I have given in the remarks I have made, going very much further, controlling many more corporations than are involved in this illustration; but it shows what was happening at the time these remarks were made and, as a matter of fact, is happening all over the country now. It shows how a few holding companies pyramided, with a very small amount of capital, control millions and millions of dollars' worth of property; and the people who do business with them cannot even find out, unless they are experts, who owns the company that is supplying them, for instance, with electricity or gas, or perhaps water.

Up in Lewiston, Maine, the Lewiston-Auburn Electric Light Co. supplies current, or did then, to the inhabitants of Lewiston, Maine. Suppose you were a resident there and wanted to know who owned the company. This is what you would find if you employed an expert somewhere to do it for you:

The Lewiston-Auburn Electric Light Co. is owned by the Androscoggin Electric Co.

The Androscoggin Electric Co. is owned by the Androscoggin Corporation.

The Androscoggin Corporation is owned by the Central Maine Power Co.

The Central Maine Power Co. is owned by the New England Public Service Co.

The New England Public Service Co. is owned by the National Electric Power Co.

The National Electric Power Co. is owned by the Middle West Utilities Co.

And that, then, meant Samuel Insull.

Mr. BORAH. Mr. President——

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

Mr. BORAH. Is it not fair to presume that, if we had a just taxing law, a law assessing a tax against all these corporations individually, a number of them would go out out of existence?

Mr. NORRIS. They would have to go out of existence. Some of them are organized for the purpose of evading taxation. There is not any use in putting all those corporations one on top of another to conceal the real situation. It is a method of deception by which the American people are deceived in all lines of business.

I think this amendment ought to prevail.

Mr. BONE obtained the floor.

Mr. MURPHY. Mr. President——

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from Washington yield to the Senator from Iowa?

Mr. BONE. I yield.

Mr. MURPHY. I was about to suggest the absence of a quorum in order that we might have a vote on the amendment of the Senator from Idaho, if we are ready to proceed with the vote.

Mr. BONE. If we are to have a quorum call and a roll call on this amendment, I will refrain from saying what I was about to say. I had thought perhaps we would not have a roll call on the amendment, and I desired to record myself as in favor of the amendment of the Senator from Idaho.

Mr. BORAH. I think we shall be able to get a roll call. If not, we shall be here a good while.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Idaho [Mr. BORAH], to strike out section 141 on page 110, relating to consolidated returns.

Mr. BORAH. On that I call for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceed to call the roll.

Mr. VANDENBERG (when his name was called). On this vote I am paired with the junior Senator from Virginia [Mr. BYRD]. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. LEWIS. I regret to announce that the Senator from Montana [Mr. WHEELER] is detained from the Senate on account of illness.

I desire to announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the Senator from Oklahoma [Mr. GORE], the Senator from California [Mr. MCADOO], the Senator from Nevada [Mr. PITTMAN], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Utah [Mr. THOMAS], the Senator from Florida [Mr. TRAMMELL], and the

Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate.

I also announce the absence of my colleague [Mr. DIETERICH], made necessary by litigation in his State.

Mr. WAGNER. I have a general pair with the senior Senator from Missouri [Mr. PATTERSON]. I transfer that pair to the junior Senator from Illinois [Mr. DIETERICH] and vote "nay."

Mr. STEPHENS. I am paired with the Senator from Indiana [Mr. ROBINSON]. I transfer that pair to the Senator from California [Mr. MCADOO] and vote "nay."

Mr. HEBERT. I desire to announce that the Senator from Pennsylvania [Mr. REED] has a general pair with the Senator from Arkansas [Mr. ROBINSON], and the Senator from New Hampshire [Mr. KEYES] has a general pair with the Senator from Florida [Mr. TRAMMELL].

The legislative clerk recapitulated the vote.

Mr. BARKLEY. Mr. President, I ask that the vote be again recapitulated.

The vote was again recapitulated.

The result was announced—yeas 40, nays 37, as follows:

YEAS—40

Adams	Couzens	Johnson	Norris
Ashurst	Cutting	La Follette	Nye
Black	Dickinson	Logan	O'Mahoney
Bone	Dill	Long	Overton
Borah	Duffy	McCarran	Pope
Brown	Erickson	McGill	Russell
Bulow	Frazier	McKellar	Schall
Capper	Gibson	McNary	Shipstead
Connally	Hastings	Murphy	Thomas, Okla.
Costigan	Hatch	Neely	Thompson

NAYS—37

Austin	Copeland	Hayden	Stephens
Bachman	Davis	Hebert	Townsend
Bailey	Fess	Kean	Van Nuys
Bankhead	Fletcher	King	Wagner
Barbour	George	Lewis	Walcott
Barkley	Glass	Lonergan	Walsh
Bulkley	Goldsborough	Metcalf	White
Byrnes	Hale	Sheppard	
Carey	Harrison	Smith	
Coolidge	Hatfield	Steiwer	

NOT VOTING—19

Byrd	Keyes	Reed	Trammell
Caraway	McAdoo	Reynolds	Tydings
Clark	Norbeck	Robinson, Ark.	Vandenberg
Dieterich	Patterson	Robinson, Ind.	Wheeler
Gore	Pittman	Thomas, Utah	

So Mr. BORAH's amendment was agreed to.

REDUCTION OF FEES IN NATURALIZATION PROCEEDINGS—RETURN OF AN ENROLLED BILL

The PRESIDING OFFICER (Mr. ASHURST in the chair) laid before the Senate a concurrent resolution of the House of Representatives (H.Con.Res. 35), which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the President is requested to return to the House of Representatives the bill (H.R. 3521, 73d Cong. 2d sess.) entitled "An act to reduce certain fees in naturalization proceedings, and for other purposes", for the purpose of correcting an error in said bill.

Mr. COOLIDGE. I ask for the present consideration of the House concurrent resolution just read; and, if that request is granted, I shall move to agree to it.

Mr. McCARRAN. Mr. President, will the Senator please explain what the concurrent resolution is?

Mr. COOLIDGE. The bill referred to in the concurrent resolution went to the White House; and the concurrent resolution that came to the Senate from the House of Representatives this morning does not state what the purpose of asking for its return is, except that there was some sort of an error in the bill. The bill is the one reducing naturalization fees which we passed here, and which passed the House; but I do not know what the error is.

Mr. McCARRAN. Does the concurrent resolution pertain to the message we have just received from the House?

The PRESIDING OFFICER. The clerk will please read again the message from the House.

The legislative clerk again read the concurrent resolution.

Mr. McCARRAN. What is the motion of the Senator from Massachusetts?

Mr. COOLIDGE. To concur in the House concurrent resolution with the request to the President that the bill be returned from the White House for correction.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution? The Chair hears none.

The concurrent resolution was considered and agreed to.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated below:

H.R. 2416. An act for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan;

H.R. 2541. An act for the relief of Robert B. James;

H.R. 2561. An act for the relief of G. Elias & Bro., Inc.;

H.R. 2682. An act for the relief of Bonnie S. Baker;

H.R. 2689. An act for the relief of Edward Shabel, son of Joseph Shabel;

H.R. 2692. An act for the relief of Lula A. Densmore;

H.R. 2748. An act for the relief of A. C. Francis;

H.R. 2749. An act for the relief of E. B. Rose;

H.R. 2750. An act for the relief of Scott C. White;

H.R. 3161. An act for the relief of Henry Harrison Griffith;

H.R. 3300. An act for the relief of George B. Beaver;

H.R. 3302. An act for the relief of John Merrill;

H.R. 3345. An act to authorize the Department of Agriculture to issue a duplicate check in favor of the Mississippi State treasurer, the original check having been lost;

H.R. 3551. An act for the relief of T. J. Morrison;

H.R. 3579. An act for the relief of O. S. Cordon;

H.R. 3580. An act for the relief of Paul Bulfinch;

H.R. 3611. An act for the relief of Frances E. Eller;

H.R. 3614. An act for the relief of Clara C. Talmadge;

H.R. 3636. An act for the relief of Thelma Lucy Rounds;

H.R. 3705. An act for the relief of Julia E. Smith;

H.R. 3748. An act for the relief of Mary Orinski;

H.R. 3749. An act for the relief of Hunter B. Glasscock;

H.R. 3868. An act for the relief of Arabella E. Bodkin;

H.R. 3900. An act authorizing the Secretary of the Treasury to pay certain subcontractors for material and labor furnished in the construction of the post office at Las Vegas, Nev.;

H.R. 3952. An act for the relief of Grace P. Stark;

H.R. 3992. An act for the relief of C. A. Betz;

H.R. 4060. An act for the relief of Ellen Grant;

H.R. 4519. An act for the relief of C. W. Mooney;

H.R. 4659. An act for the relief of Carleton-Mace Engineering Corporation;

H.R. 4793. An act for the relief of Moses Israel;

H.R. 4832. An act for the relief of Edgar Sampson;

H.R. 4846. An act for the relief of Joseph Dumas;

H.R. 4847. An act for the relief of Galen E. Lichty;

H.R. 4928. An act for the relief of the Palmetto Cotton Co.;

H.R. 5284. An act for the relief of the Playa de Flor Land & Improvement Co.;

H.R. 5299. An act for the relief of Orville A. Murphy;

H.R. 5310. An act for the relief of John P. Seabrook;

H.R. 5405. An act for the relief of Nicola Valerio; and

H.R. 5689. An act providing for the advancement in rank of Frederick L. Caudle on the retired list of the United States Navy;

H.R. 6246. An act granting 6 months' pay to Annie Bruce; and

H.R. 6863. An act for the relief of W. B. Fountain; to the Committee on Naval Affairs.

H.R. 6871. An act for the relief of Austin L. Tierney; ordered to be placed on the calendar; and

H.R. 7437. An act for the relief of E. C. West; to the Committee on Claims.

H.J.Res. 315. Joint resolution granting consent of Congress to an agreement or compact entered into by the State of New York with the Dominion of Canada for the establishment of the Buffalo and Fort Erie Public Bridge Authority, with power to take over, maintain, and operate the present highway bridge over the Niagara River between the city of

Buffalo, N.Y., and the village of Fort Erie, Canada; to the Committee on Foreign Relations.

INTERNAL-REVENUE TAXATION

The Senate resumed the consideration of the bill (H.R. 7835) to provide revenue, equalize taxation, and for other purposes.

Mr. BORAH. Mr. President, I desire to offer one other amendment. I simply desire to finish up the matter we have in hand.

I move to strike out subsection (p) of section 23, on page 26. If the other matter goes to conference, this should go in connection with it.

Mr. HARRISON. Does the Senator expect to speak on this amendment?

Mr. BORAH. No; I am not going to speak on it unless I have to.

Mr. HARRISON. I very much hope the amendment of the Senator from Idaho will not be agreed to, because the subject he now deals with is quite different from that which was dealt with in his previous amendment. The present amendment deals with dividends paid by one corporation to another. The subject is quite different in character from the one covered by the Senator's motion to strike out the provision covering consolidated returns.

Mr. BORAH. I ask for a vote on my amendment.

Mr. GLASS. Mr. President, let us have an explanation of the proposal of the Senator from Idaho. I voted on the consolidated-returns amendment with many misgivings. I think holding companies as a general proposition are a curse; but, as I always do, I have tried to follow the committee when they consider a bill and report it. Let us have an explanation of this amendment.

Mr. BORAH. Mr. President, the amendment proposes to strike out subsection (p) of section 23. These are the deductions which may be made from gross income. The subsection reads as follows:

(p) Dividends received by corporations: In the case of a corporation, the amount received as dividends from a domestic corporation which is subject to taxation under this title. The deduction allowed by this subsection shall not be allowed in respect of dividends received from a corporation organized under the China Trade Act, 1922, or from a corporation which under section 251 is taxable only on its gross income from sources within the United States by reason of its receiving a large percentage of its gross income from sources within a possession of the United States.

I am seeking to strike out that provision because it permits holding companies to deduct from their corporate returns the dividends received from stock held in other corporations. I think it is a part of the same subject matter with which we have been dealing.

Mr. BLACK. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Alabama?

Mr. BORAH. I yield.

Mr. BLACK. I wish to be perfectly clear as to the intent of the motion of the Senator from Idaho. I have not had an opportunity to read the section. Are we to understand that if this section is stricken out, the dividend which is originally paid by one company will be taxed, and then if the dividend is received by the next company it will again be taxed, so that the net effect of the Senator's proposal will be to discourage holding companies?

Mr. BORAH. Exactly.

Mr. BLACK. It tends in that direction; and we can vote for it with that understanding?

Mr. BORAH. That is my understanding. That is the reason why I have offered the amendment.

Mr. BLACK. I think the Senator is correct in his position.

Mr. HARRISON. Of course, Mr. President, if Senators desire to vote for the motion on the theory of striking out the provision and compelling these corporations to pay a tax on dividends, they can do it on the theory suggested by the Senator from Alabama, but that provision was in the law long before the provision concerning consolidated returns. I do not think the Senate desires to adopt a provision that if one corporation pays a dividend to another corporation, we shall tax that dividend, and that if it goes through 10 different channels, from one corporation to the other, every time it goes along it shall be taxed. That is what would be done in case the amendment of the Senator from Idaho should be adopted. I hope it will not be adopted.

Mr. BLACK. Mr. President, I desire to say just one or two words.

I am very heartily in favor of this amendment for the very reasons stated by the Senator from Idaho and because of the explanation given by the Senator from Mississippi. I thoroughly agree with the Senator from Virginia [Mr. GLASS] that holding companies are not conducive to good business management in this Nation.

This is the first opportunity we have had to express approval or disapproval of the holding-company system. I cannot see that holding companies are anything other than parasites upon the business structure of the country. I do not believe they add anything to the economical operation of business. I do not believe they have any place, except to pyramid profits in a way that is not to the best interests of the business itself, and is not to the best interests of the public. For this reason I sincerely hope we shall depart from the old custom which has been in existence.

It is true, as stated by the Senator from Mississippi, that heretofore the dividends have been exempted from taxation as they went up step by step. I have made some investigation in order to determine how we could best control holding companies. It is an almost impossible task. I have been utterly amazed at the profits that have been slipped into the reservoir of holding companies, as disclosed in certain investigations which have been conducted by the Senate. Holding companies are used in the main not for the purpose of aiding the consumer, not for the purpose of aiding legitimate stockholders, not for the purpose of adding anything to a sound, ethical business structure in this Nation. On the contrary, they are, as a rule, used for the purpose of concealing profits.

From the study I have been able to make during the investigation which has been in progress here for some time with reference to aviation, I do not agree that there are any advantages in the use of holding companies which can begin to compensate for the disadvantages which such companies impose upon the business in which they engage.

I will give the Senate an example: A man testified before a committee of the Senate. We showed him a chart of the business enterprises where there were interlocking directorates. He admitted that he did not know the names of all those companies, although he was the moving factor in the organization of them all. He could not even state the names of the companies from which he had drawn salaries as an officer. When the questions were asked, he turned around and asked his lawyer or his associates in order to ascertain whether or not he drew salaries from those companies.

There is another company which has been under investigation, which has absorbed, by mergers, 80 different corporations into one parent holding company. Business cannot be aided by such methods. It gives into a very few hands the control of all those companies, and the sad part of it is that it gives the control into the hands of people who cannot possibly know anything about the operations of the business.

In the case I spoke of a few moments ago, I asked that gentleman if he had any interest in a certain company, and at first he said he had not. His attention was called to the fact, however, that he had, and that he was an officer of the company, and had drawn $7,500 salary as an officer of the company. Of course he could know nothing whatever about the actual business operations of the company.

As far as I can see, the time has come when the Congress must determine on its policy as to holding companies; and I had intended offering some such amendment as the one which has been offered by the Senator from Idaho.

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

Mr. BLACK. I yield.

Mr. HARRISON. Is it the Senator's opinion that this amendment is confined to holding companies?

Mr. BLACK. It is my opinion that it is confined to the dividends that pass from one company to another company.

Mr. HARRISON. For instance, a bank might have to take over some stock in a corporation. It would be forced, under the provisions of this amendment, to pay the tax in such event. The provision is not restricted to holding companies at all.

Mr. BORAH. If that be true, the amendment ought to go to conference for the purpose of enabling the conferees to draw a different provision.

Mr. HARRISON. That is the trouble about legislating on the floor in connection with a matter like this.

Mr. BLACK. Mr. President, I am perfectly willing to admit that there might be some instances in which the dividends should not be taxed when they go to another company, but certainly this is the only opportunity we have had to vote on this question.

I may state that so far as I am concerned, the fact that a bank owns a corporation is no reason why the corporation should not be taxed again. The banks, through their holding companies, have obtained control of a large part of the business of the country, and a few banks in the eastern section of the country control and dictate the policies. I am perfectly willing to discourage their obtaining control of these large companies as they do. Some of the very instances I have in mind are those in which banks in New York, which can have no possible knowledge of the operations of a shipping company or the operations of an aviation company in certain parts of this country, get control of the company and determine its policies.

I have in the correspondence a letter from the president of one of these companies in which he calls attention to the fact that his board of directors is composed entirely of bankers and financiers, that they do not know anything whatever about the operations of the company, and he complains that he is deprived of having the benefit on his board of the services of men who actually know something about operating the business of aviation.

While it may be true, as stated by the Senator from Mississippi, that this provision would go farther than the conferees might think it should go, I certainly think it is a step in the right direction, and I shall vote for it.

Mr. GLASS. Mr. President, I do not pretend to know anything about holding companies outside of banking institutions; but I do know that holding companies in banking institutions have wrecked more banks and created more distress and destitution than one could reasonably conceive.

In the Banking Act of 1933 we put such severe restrictions upon banking holding companies that we apprehend they will be driven out of business. We wanted to treat them fairly and to give them due notice that that was the purpose of the act, over a certain period of time. I was induced by unintentional misrepresentation on the floor of the Senate to compliment the management of one of these banking holding companies in the State of Michigan, but it turned out to be the rottenest one of the whole group and to have produced more disaster than any banking holding company which was ever organized in the United States.

If I could believe that the adoption of this proposed amendment would put an end, in a given period of time, to holding companies, giving them ample opportunity to readjust their business relations, I would not hestitate to vote for it, and, in the circumstances, I am going to vote for it anyway in order that it may go to conference and that the matter may there be discussed.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Idaho [Mr. BORAH].

Mr. HARRISON. Mr. President, I am sure the Senate does not want to do something that would be unwise and that might disastrously affect certain institutions. We have done almost everything that is humanly possible in order to safeguard the Government against holding companies accumulating large reserves. We have gone so far as to write a new provision in the bill against holding companies, so that if they accumulate in their reserves more than 20 percent they are to be taxed not merely 13¾ percent but 30 or 40 percent. There is another provision in the bill relative to such accumulations where the tax runs as high as 50 percent if they act intentionally to keep from distributing their earnings and paying their taxes. One of the objects of the bill is to safeguard and plug up these loopholes. But what is proposed to be done by this amendment? It is now proposed in the case of every business institution in the country that has a legitimate reserve which it desires to invest, not for speculative purposes but legitimately in the purchase of some stock, and if a dividend is declared on such stock, to put a tax upon that reserve. That is something that has never before been done in the history of the country. Notwithstanding the fact that a corporation already pays the 13¾-percent tax, if the dividend should go through the channel of 10 other corporations, such dividend might pay 10 taxes. Insurance companies are oftentimes forced, in order to meet the demands of policyholders in case of death or for annuities, to invest their money in legitimate stocks. What is now proposed to be done is also to put a tax upon such investments. If the Senate wants to do that, let it go to it, and adopt the amendment, but I appeal to this body not to do something without having their eyes wide open.

Mr. HASTINGS. Mr. President, may I inquire of the Senator from Mississippi is it not true that in many cases corporations engaged in business in different States are compelled to take out corporate franchises in each of those States?

Mr. HARRISON. Yes; that is true, I may say to the Senator.

Mr. HASTINGS. And under this provision it would be necessary for them to pay an additional tax upon each of those corporations, as I understand the amendment?

Mr. HARRISON. Yes; it would be if earnings were paid by one corporation to the other.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. HASTINGS. I call for the yeas and nays, Mr. President.

Mr. NORRIS. I will agree to that.

The VICE PRESIDENT. The yeas and nays are ordered.

Mr. NORRIS. Mr. President, it seems to me that the Senator from Mississippi [Mr. HARRISON] and the Senator from Delaware [Mr. HASTINGS] are conveying an erroneous idea to the Senate about the effect of this amendment. The amendment does not provide for levying a tax on those companies, but it does provide if they shall make a profit they shall pay the tax. What is wrong about that? If they make no profit they will pay no tax. There is not in the amendment a provision to levy a tax if there is an investment made in another company; but if the other company is bought, and the purchasing corporation operates it as a business, and makes money on it, which is subject to the income tax law, why should it not pay a tax on the profits? It is not a proposition to tax them, but it is a proposition that if they are liable to the tax they shall not be excused therefrom. They are not exempt if they make money, but if they do not make any money they pay no tax. There is nothing unfair about that.

The Senator from Virginia [Mr. GLASS] has put his finger on the sore spot so far as banks are concerned. He has told the Senate the story that as to banks his investigations show that holding companies have created all kinds of misery and suffering. That is true in every other line in which holding companies have been active. If a State compels the organization of a corporation to enable business to be carried on within its borders and the corporation makes money, why should it not pay a tax? This amendment only provides that if such a corporation makes money it shall not have any exemption anywhere else. It is not necessary for a corporation, if it does not want to do so, to buy up other corporations over all the United States. It is not a question of making an honest investment. They are dishonest invest-

ments 99 times out of 100, made for the purpose of "skinning" the public. We have been noticing that for the last 2 or 3 years, in fact, having it thrown into our faces. No man on earth, not even God Almighty, could tell where holding companies really were, and when you put your finger on one corporation it was another corporation in some other State that was organized for the purpose of deception. There is no honest intention in ninety-five cases out of one hundred for the doing of an honest business.

Mr. HASTINGS. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. HASTINGS. My understanding is that the subsidiary which pays the dividends will not only pay a tax but that the holding corporation which owns the subsidiary will have to pay an additional tax. Is that also the Senator's understanding?

Mr. NORRIS. If the holding company makes any money, it will have to pay. If a corporation makes money, it will have to pay; if it makes sufficient to be subject to taxation. All this amendment does, I will say to the Senator, is to prevent a corporation in filing a return from deducting a profit which some other corporation owned by it has made on which it will not have to pay any tax.

Mr. HASTINGS. For instance, suppose that an insurance company is doing business in more than one State, and that a certain other State requires that insurance company to take out articles of incorporation under its laws in order to do business; it is all controlled from one place; and under this proposed amendment, as I understand, the subsidiary corporation if it made any money would pay the tax; and if it paid a dividend to the parent company, the parent company would also pay a tax on that.

Mr. NORRIS. Not on that.

Mr. HASTINGS. Oh, yes; on that, too.

Mr. NORRIS. It pays a tax on its profit that it gets out of it.

Mr. HASTINGS. It would pay a tax on that particular dividend, as I understand. Is not that also the Senator's understanding?

Mr. NORRIS. I do not understand it in that way. In the first place, the Senator puts a proposition that I do not believe, with due respect to him, exists.

Mr. HASTINGS. I am not certain, and I should like to find out definitely, because that is what I think is true.

Mr. GLASS. Mr. President, an insurance company, if it is organized in New York and does business in 47 other States, does not have to form 47 different corporations; it simply has to procure a license to do business in the other States.

Mr. NORRIS. That is all.

Mr. HASTINGS. In some instances I think it does have to take out articles of incorporation in other States. Particularly is that so in the case of railroads.

Mr. HARRISON. Mr. President, I understand the Postal Telegraph Co. has to take out a charter in each of the 48 States. That is what I understand from the experts.

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

Mr. NORRIS. I yield.

Mr. LONG. I happen to know that each of those corporations has to file separate returns before the public-service commissions of the States where it does business, anyway; and there is no convenience in requiring it to file separate returns for its revenues, because it has to do it, I think, in practically every State of the Union anyway.

Mr. HASTINGS. The additional point is——

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

Mr. HASTINGS. The additional point is that if the particular corporation in Louisiana makes a profit and pays a dividend to the parent company, the parent company also has to pay a tax upon that dividend again. That is the point.

Mr. NORRIS. Suppose it does; why should it not if it is making money?

Mr. HASTINGS. Very well; but I understood the Senator to say that he did not understand it to be that way.

Mr. NORRIS. I do not think the Senator was putting that question to me.

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

Mr. NORRIS. I yield.

Mr. LONG. I want to correct one statement made by the Senator from Nebraska, that 95 percent of these corporations were organized for dishonest or deceptive purposes. I will say that 99 9/10 percent plus are created for no other purpose in the world than to cheat State bodies and State commissions and tax-receiving agencies of the State and Federal Governments and to make it almost impossible to trace their returns. That is the purpose of them.

Mr. NORRIS. I was prevented by the interruptions from referring to the suggestion as to insurance companies. I should like to do that now.

I do not claim to be an expert or anything of that kind, but I believe I can safely say that there is not a State in the Union that compels an insurance company to organize a new corporation for the purpose of doing business within its borders. Insurance companies have to comply with the laws of the State which probably provide a form of licensing or some method under which anyone who wants to sue them will have a place to sue and someone upon whom to serve summons. But I do not believe there is an instance where the New York Life Insurance Co., for instance, if it wanted to do business in another State would be compelled to organize, say, the Sun Insurance Co., which they would own, in order to do business in that State. It is not done in that way. They do not organize separate corporations; it is unnecessary; and the insurance companies do not do it.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield.

Mr. BARKLEY. I am not in a position to dispute what the Senator has said about it, but I do happen to recall that in the State of Texas every railroad that passes through the State must organize a separate corporation under the laws of the State of Texas. I wonder if the State of Texas makes the same requirement of every other corporation which does business in the State?

Mr. NORRIS. I cannot answer the Senator's question. A railroad very often, or any other corporation sometimes, is required by the laws of a State to incorporate in that State an identical corporation. That will not harm them any. There is nothing about it that is wrong. There is no holding-company operation involved at all. It is not necessary to have a holding company to do an insurance business in any State in the Union—none with which I am familiar, and I am familiar with quite a number of them. In not a single instance is it required that there shall be a holding company, and there are no holding companies, if I understand the situation correctly.

But, after all, let us see what we have here. We have adopted an amendment striking out section 141. The pending amendment ought to follow as a matter of course. It is something that follows from the amendment which has already been agreed to by the Senate. When I left the Chamber to go to lunch after that amendment was adopted I supposed the adoption of this amendment would be only a matter of form. If the one amendment prevails, as it has, then the other ought to be adopted. It is a matter of necessity under the action the Senate has already taken. It is House language which the amendment would strike out. If the amendment shall not be adopted, the matter will not be in conference, even though the other amendment has been agreed to. We will have two conflicting provisions and we will be unable to remedy the situation. This amendment striking out the House language must be adopted or the subject will not be in conference.

Mr. HARRISON. Mr. President——

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

Mr. NORRIS. I yield.

Mr. HARRISON. Of course, it is quite true that the question of taxing dividends paid by one corporation to another

would not be in conference if the amendment were not adopted. That is true. But there is no similiarity at all between the amendment now pending and the amendment adopted a while ago, the so-called "Borah motion", to strike out section 141.

Mr. NORRIS. I understood there was.

Mr. HARRISON. They are not affiliated at all. They have nothing to do with each other. That motion was to strike out the right to make consolidated returns and to require every corporation to file its own return. This is a different matter altogether. It is not akin to the other in any way. This is not confined to holding companies at all. This affects every corporation that declares a dividend.

Mr. NORRIS. It includes every holding company, as I understand. It applies only in case one corporation owns another corporation. That is the only instance where a corporation would want to get credit for a loss or a gain in a different corporation to make up a loss somewhere else in another corporation.

Mr. HARRISON. I know the Senator wants to be absolutely fair. Is it the Senator's understanding that this amendment would apply to corporations owning a controlling interest in another corporation, or where one group might own the control in other corporations?

Mr. NORRIS. Yes.

Mr. HARRISON. That is not so.

Mr. NORRIS. I think it is.

Mr. HARRISON. No; it is not so.

Mr. NORRIS. I do not see how it can be otherwise.

Mr. BORAH. Why is it not so?

Mr. HARRISON. Because that matter is dealt with in other provisions of the bill.

Mr. NORRIS. The amendment is to strike out this language:

> In the case of a corporation, the amount received as dividends from a domestic corporation which is subject to taxation under this title.

That is what they can take out as exemptions.

Mr. HARRISON. There is nothing there about holding companies.

Mr. NORRIS. They do not use the term "holding companies", but it prevents a corporation taking out as dividends that which it receives from another corporation. That is what makes a holding company. When one corporation owns another, it may be called something else, if the Senator desires, but it is a holding company just the same when one corporation owns another. The language provides that they can deduct from their returns the amount that is received from another corporation.

Mr. President, I want to add—and I should like to have the attention of the Senator from Mississippi—that the Senator from Mississippi, I think, has been remarkably fair in his management of the bill. We have a proposal here now pending—the amendment of the Senator from Idaho [Mr. BORAH]—that would strike out some of the House language. If that amendment shall be defeated, the question will not be in conference at all. If the amendment shall be adopted, the Senator from Mississippi and his fellow conferees will still have it under their control. The Senate is willing and glad to trust them to do the fair thing. If he can, by any kind of investigation, find a case where one of these holding companies ought to be exempted, we will have it inserted in the conference report or adopt language that will permit it.

The matter will be in the hands of the conferees. But if the amendment is defeated it is gone forever. If the amendment is defeated, the question is not in conference. It seems to me the Senator, with his usual degree of fairness, ought to accept the amendment.

Mr. HARRISON. I thought the Senator was trying to cut out the holding companies. What the Senator's amendment does is to affect every other kind of company.

Mr. NORRIS. The Senator from Mississippi can control that in conference. If there ought to be some exemptions, they can be provided. If we do not adopt this amendment, the hands of the Senator from Mississippi are tied so he cannot do a thing.

Mr. HARRISON. The Senator does not want to tax every dividend paid by one corporation to another, does he?

Mr. NORRIS. I would like to tax the holding companies, unless we can find an exemption for holding companies which can show a decent right to live. I would like to tax them all out of existence. I confess that frankly. I would like to get rid of them all. They are something that did not bother our forefathers. They have grown up under our modern system, and in my judgment they have done one of the greatest injuries to the American people they have ever suffered. Insull is an example of the evil, a fair example of it. Kreuger, in the match business, is another one. They are scattered all through the world, these financial kings, who have robbed the common people in order to make millions for themselves. Eventually they fall down of their own weight.

Mr. HARRISON. May I say to the Senator that the committee was carrying out that purpose in writing additional income taxes on holding companies which went as high as 20 percent above the 13¾ percent. Also, in addition to that we have the other provisions in the bill relating to accumulated profits.

Mr. NORRIS. Yes; and I commend the committee. I commend the Senator from Mississippi for doing that. Those are mostly personal holding companies, but we want an opportunity here, and I think the Senator from Mississippi ought to be with us, to carry the same doctrine into other cases. All we are asking now is to have this amendment adopted so as to put the matter in conference. It is the only hope we have. Without it all hope is gone beyond any possible redemption.

Mr. GLASS. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Virginia?

Mr. NORRIS. Certainly.

Mr. GLASS. As I understand, the proposed amendment is complementary to the amendment we have already adopted and against which I voted.

Mr. NORRIS. Absolutely.

Mr. GLASS. If one provision is to go out, the other ought to go out likewise, so they will both be in conference.

Mr. HARRISON. Mr. President, I do not want to delay the Senate, but all the experts tell me the two matters are not complementary at all and not akin at all.

Mr. BORAH. I do not know to what experts the Senator refers. He says "all the experts." Experts tell me that the amendments are related and ought to be considered together.

Mr. NORRIS. Mr. President, the suggestions made by the Senator from Mississippi and the Senator from Idaho have shown us how dangerous it is to adopt 100 percent, and accept as absolutely true, the statements of experts.

Mr. ADAMS. Mr. President, I desire to direct an inquiry to the Senator from Mississippi [Mr. HARRISON].

Am I correct in my understanding that if this amendment should be adopted, it would force every insurance company to pay the full corporate tax rate upon the income from every share of stock which it holds as an investment and would also compel the payment of the tax by testamentary trusts?

Mr. HARRISON. No; I did not say that, but it might in fire-insurance cases. Dividends from a corporation to the insurance company would be subjected to the tax twice; and they might be taxed on 10 different occasions down the line.

Mr. ADAMS. Would that be true also of testamentary trusts, where a corporate trustee was designated by will and the trustee invested the funds in corporate stocks?

Mr. HARRISON. The trustee would have to pay the tax on the dividends.

Mr. ADAMS. So that there would be a double tax.

Mr. HARRISON. And if a bank had to take up stock in some corporation, it would have to pay the tax on the dividends.

Mr. ADAMS. And then, upon the distribution, the beneficiary would pay his individual tax?

Mr. HARRISON. Oh, yes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Idaho [Mr. BORAH]. On that amendment the yeas and nays have been demanded and ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. GLASS (when Mr. BYRD's name was called). I desire to announce that my colleague [Mr. BYRD] is unavoidably absent on official business.

The roll call was concluded.

Mr. HATFIELD (after having voted in the negative). I have a general pair with the senior Senator from Florida [Mr. FLETCHER]. I transfer that pair to the junior Senator from Rhode Island [Mr. HEBERT], who is detained on official business, and will allow my vote to stand.

Mr. BORAH (after having voted in the affirmative). I change my vote from "yea" to "nay."

Mr. FESS. I desire to announce that the Senator from Vermont [Mr. AUSTIN] is paired with the Senator from Alabama [Mr. BLACK]. If the Senator from Vermont were present, he would vote "nay", and if the Senator from Alabama were present he would vote "yea." These two Senators are detained in a meeting of the Committee to Investigate the Air Mail Contracts.

I also desire to announce the following general pairs:

The Senator from Oregon [Mr. MCNARY] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Missouri [Mr. PATTERSON] with the Senator from New York [Mr. WAGNER];

The Senator from Pennsylvania [Mr. REED] with the Senator from Arkansas [Mr. ROBINSON]; and

The Senator from Maine [Mr. WHITE] with the Senator from California [Mr. MCADOO].

The Senator from Oregon [Mr. MCNARY], the Senator from Maine [Mr. WHITE], and the Senator from Vermont [Mr. AUSTIN] are detained on business of the Senate. The Senator from Pennsylvania [Mr. REED] and the Senator from Missouri [Mr. PATTERSON] are necessarily absent.

Mr. HARRISON. I regret to announce that the Senator from Montana [Mr. WHEELER] is detained from the Senate on account of illness.

I also desire to announce the necessary absence on official business of the Senator from Arizona [Mr. ASHURST], the Senator from Alabama [Mr. BANKHEAD], the Senator from Washington [Mr. BONE], the Senator from Colorado [Mr. COSTIGAN], the Senator from Illinois [Mr. DIETERICH], the senior Senator from Florida [Mr. FLETCHER], the junior Senator from Florida [Mr. TRAMMELL], the Senator from Illinois [Mr. LEWIS], the Senator from California [Mr. MCADOO], the Senator from Nevada [Mr. PITTMAN], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER].

The result was announced—yeas 33, nays 39, as follows:

YEAS—33

Brown	Erickson	McGill	Schall
Bulow	Frazier	McKellar	Sheppard
Capper	Glass	Neely	Shipstead
Caraway	Hatch	Norris	Steiwer
Connally	Hayden	Nye	Thomas, Okla.
Couzens	Johnson	Overton	Thompson
Cutting	La Follette	Pope	
Dickinson	Long	Robinson, Ind.	
Dill	McCarran	Russell	

NAYS—39

Adams	Coolidge	Harrison	O'Mahoney
Bachman	Copeland	Hastings	Smith
Bailey	Davis	Hatfield	Stephens
Barbour	Duffy	Kean	Thomas, Utah
Barkley	Fess	Keyes	Townsend
Borah	George	King	Vandenberg
Bulkley	Gibson	Logan	Van Nuys
Byrnes	Goldsborough	Lonergan	Walcott
Carey	Gore	Metcalf	Walsh
Clark	Hale	Murphy	

NOT VOTING—24

Ashurst	Black	Costigan	Hebert
Austin	Bone	Dieterich	Lewis
Bankhead	Byrd	Fletcher	McAdoo
McNary	Pittman	Robinson, Ark.	Wagner
Norbeck	Reed	Trammell	Wheeler
Patterson	Reynolds	Tydings	White

So Mr. BORAH's amendment was rejected.

Mr. MURPHY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 132, line 15, it is proposed to strike out the words "during the taxable year."

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

Mr. MURPHY. Mr. President, the Senate has imposed high income-tax rates, but it has left an opening as large as a barn door for the evasion of those tax rates.

In recent years many so-called "family trusts" have been created with no other purpose than to avoid high surtaxes on large incomes. Under trusts of this type, the grantor transfers his property to a trustee and provides for the payment of the income to the beneficiaries of the trust, the members of his family, but he retains the right to revoke the trust at any time.

Congress recognized the seriousness of this situation as it related to the revenues as early as 1924, and in the revenue act of that year enacted a special provision requiring the income from a revocable trust to be taxable to the grantor.

The right of Congress to tax the income to the grantor in the case of a revocable trust was upheld by the Supreme Court in the case of *Corliss* v. *Bowers* (281 U.S. 376).

Taxpayers found a way to get around the revocable trust provision of the 1924 act, which was incorporated in all subsequent revenue acts. The difficulty with the wording of the present statute is that the income is not taxable to the grantor unless he retains the right to revoke within the taxable year. Therefore, to avoid the tax, many so-called "year-and-a-day" trusts have been created. Under the terms of most of these trusts, the grantor does not have the power at any time during the taxable year to revest in himself title to any part of the corpus of the trust except upon written notice delivered to the trustee during the preceding taxable year. The courts have held that the income from such trusts is not taxable to the grantor, among the cases so holding being *Faber* v. *U.S.* (1 Fed. Supp. 859); *Lewis* v. *White* (56 Fed. (2d) 390); *Langley* v. *Commissioner* (61 Fed. (2d) 796); *Ashforth* v. *Commissioner* (26 B.T.A. 1188).

In the Langley trust the grantor reserved the right to revoke on the giving of a notice of a year and a day. Since notice was not given during the taxable year 1927 the court held that the income of the trust for 1928 was not taxable to the grantor, since during 1928 he could not revest title to the corpus of the trust. The Treasury Department has acquiesced in all of the above decisions.

As demonstrating the tax effect of these revocable trusts, under the pending bill a man with an income of a million dollars would pay a tax of $571,158. By splitting this income up into three family trusts, such as I have described, receiving one part of the income for himself, he will effect a tax saving of $108,358, since the tax on $250,000, or a quarter of a million, amounts to only $115,700.

Take the case of a man with an income of $100,000. If he sets up one of these trusts, so that $50,000 of the income will be paid to his wife, the other half being retained by himself, he will decrease his tax by approximately 50 percent. Of course, if he created several of these trusts, he could secure an even greater reduction.

If a man had an income of $200,000, and wanted to avoid the tax on that to himself, and split it up into three trusts of $50,000 each, retaining $50,000 for himself, his tax would be reduced, by that operation, from $80,240 to $29,760, representing a saving in tax to him of $50,480.

There is no use, when raising surtaxes, to leave the way open, by the creation of these revocable trusts, for the avoidance of the imposition of those surtaxes.

My amendment, by striking out the words "during the taxable year", would close this avenue of tax avoidance. I submit that the Chairman of the Committee on Finance

might well accept the amendment, and let it go to conference.

Mr. HARRISON. Mr. President, I may say that I have talked this matter over and had the experts look into it. I have no objection to the adoption of the amendment.

The PRESIDING OFFICER (Mr. CONNALLY in the chair). The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. MURPHY].

The amendment was agreed to.

Mr. DUFFY. Mr. President, I present an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 33, after line 25, it is proposed to insert a new section to read as follows:

SEC. 31A. Taxes of States, Territories, and the District of Columbia: The amount of income tax, or corporation tax measured by income imposed by any State, Territory, or the District of Columbia shall be allowed as a credit against the tax, but not exceeding 10 percent of the tax against which such credit is taken. Such credit shall be allowed as provided in section 131 and the provisions of said section, so far as applicable, shall govern.

Mr. DUFFY. Mr. President, through a misunderstanding, this matter was not presented to the Committee on Finance of the Senate.

In 1933 there was organized under the laws of the State of Wisconsin an interim committee on tax problems, and a part of their duty was stated to be as follows:

And is specifically instructed to bring to the attention of the Federal Government the equity of allowing a credit in the payment of Federal income taxes of income taxes paid to the States.

The Legislature of the State of Wisconsin, by joint resolution, on three different occasions has memorialized Congress to consider this problem. The interim committee had intended appearing before the Finance Committee, but through a misunderstanding as to when hearings would close they were unable to do so.

The income tax being the fairest of taxes, as we all recognize, and being based upon ability to pay, I think it should be encouraged in the several States. The State of Wisconsin imposed an income tax before the Federal Government did, as did several other States. I believe my State was the first whose income tax law was held valid by the courts.

Mr. President, 26 States of the Union are levying income taxes on both corporations and individuals. Two of them are levying taxes on the incomes of corporations only and one on the incomes of individuals only. Three of them impose taxes upon gross income. Two others tax income from intangibles only.

Although the income tax is a fair tax, and the States are increasingly using it, yet it does bring about an unfair situation with reference to States which do not have State income taxes, particularly where corporations or individuals are doing business in competition with corporations and individuals of other States where they are not subject to income taxation.

There is a policy which this Government has established with reference to inheritance taxes, under the law of 1926, which would seem to justify this amendment. Since 1924 an estate tax has been levied by the Federal Government. If the Senate imposes an inheritance income tax, one is allowed a credit up to 80 percent. I recognize that the Government is so greatly in need of funds that a larger figure than 10 percent, for which my amendment calls, might well be justified. Yet I think the adoption of this amendment would establish a policy which would give great emphasis to the movement in the States of the Union toward levying income taxes, where at least they are not prohibited from doing so by their State constitutions. The amendment is in accord with the resolution of the State legislature of my State, and in accordance with the request of the interim committee.

I have conferred with the experts here as to what they thought it would cost. I have presented it in two alternative forms, one in the form of a tax of 10 percent on corporations, and the other in the form of a tax on both corporations and individuals. The experts tell me frankly that, because the larger States have State income taxes, it might cost as high as $75,000,000, but it does seem to me that it would establish a precedent which should be followed, and would be of great assistance in leading the various States to impose income taxes. I therefore think the policy should be adopted. The amendment I have presented is in the form of an allowance of both individual and corporation income-tax credits.

Mr. HARRISON. Mr. President, of course anything the junior Senator from Wisconsin might ask would naturally appeal to me; but this amendment would cost the Government somewhere between $75,000,000 and $100,000,000. It is too much of an experiment, it seems to me, for the Federal Government to begin at this time. The Government could not stand the loss of the revenue, the amendment presents an entirely new policy, to which the committee has given no consideration, and I hope the amendment will be defeated.

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

The amendment was rejected.

Mr. NYE. Mr. President, I send an amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 13, after line 14, it is proposed to insert the following new section:

SEC. 14. Tax in the event of war: (a) Whenever Congress shall declare that a state of war exists, the income-tax rates then in force shall be increased by 100 percent: *Provided, however*, That in no case shall the tax so imposed, together with all other Federal, State, local, and foreign taxes imposed upon the same taxpayer exceed 98 percent of his entire net income: *Provided further*, That in no case shall the total of such taxes be less than 98 percent of each taxpayer's net income in excess of $10,000 a year. The 100 percent increase shall be further increased or diminished in order to come within these maximum and minimum limits.

(b) The tax imposed by this section shall be applicable to every year (whether calendar or fiscal) during any part of which the state of war shall exist, and to 1 year prior and 1 year subsequent to such period. The President shall by proclamation declare the date of termination of the war.

(c) The Secretary of the Treasury shall have power to prescribe regulations for the administration of the provisions of this section, which shall be construed as a part of the general income-tax law.

Mr. NYE. Mr. President, the purpose of this amendment would be that of accomplishing an increase in tax rates in the event of war, which in the case of incomes of $10,000 per year or less would provide a doubling of the tax rates. On incomes in excess of $10,000 per year the rate of taxation, roughly, would be 98 percent.

At first blush one is apt to consider this a most severe degree of taxation, and yet if we will consider what the requirements of life are, it is not difficult to see that the man with the huge income that was being taxed at so high a rate as 98 percent would still find himself with ample means to provide for himself and for his family. Certain it is that an income of $10,000 or $20,000 or $30,000 or $40,000, such as would be permitted under this amendment, would be sufficient to take care of the families of any one of those men who will be in the trenches, in the front lines, carrying on in the cause of country and flag during the time of war. I do not know why we should fret particularly about the question of confiscation, if that is what it amounts to, in event of war, for we have no hesitation whatsoever in confiscating lives, in confiscating limbs and bodies. We do not hesitate in time of war in confiscating the positions which the young men give up in order that they might carry on in the cause of their country. We show no hesitation at all in time of war in going out and destroying and damaging not only lives but property as well. Why, then, we should hesitate when it comes to what might amount to be confiscation of income, confiscation of wealth, is beyond me to understand.

In the one event as relates to life and relates to property and health we grind most ruthlessly in time of war. Why must we be so solicitous about taxing the huge incomes that accrue to individuals during time of war?

It has been very often said, Mr. President, that one of the surest ways of preventing war is to take the profit out of war. While there have been many theories advanced as to plans to end war and prevent war, I know of none that would go further than this plan of taxing profits and partly confiscating profits in time of war.

But it is asked, "Why do we not wait? Why act now? Why not wait until war comes, and then we can increase these tax rates to the extent that is being suggested now?"

I think, Mr. President, that the answer to that question is this: Instead of taking alone the profit out of war, let us take the prospects of profit out of war. Take the prospects away and, I am convinced from such consideration as I have given, that we would be much farther removed from the dangers of war than we are even at this particular hour.

Mr. President, taking the prospect of profit out of war, it seems to me, is a precaution we ought to heed at this time. If it be said we ought to wait until war is declared before we levy war-time tax rates, let us be reminded that when we went into the last war we did not move with great rapidity, indeed, we did not awaken to the terrific profits that men were making out of war until the war was over, and it was discovered that a single war had created in our country something like 22,000 millionaires. We waited too long. Let us not make the same mistake again.

And so if we were to move now, writing laws, writing regulations which would be convincing that another war was not going to permit men, institutions, or industries to reap these huge profits while men were giving their all in the front line of battle, we would have performed for our country a very splendid service.

There is not anyone in this Chamber who is not quite unalterably opposed to the thought of more wars, or to our engagement in more wars. Then that being the case, why, I ask again, Mr. President, wait to write tax rates that will prevail and that should prevail if another war were to be visited upon us?

The question of preventing more war is one that lends itself to much of discussion and is most inviting of debate. I feel that this amendment which is now before the Senate would go far in that direction.

Another splendid service to that end could be performed by the approval and passage of Senate bill 3356, which is a bill intended to put the United States onto a cash-and-carry basis in the event other nations engage in war and want to buy of us their supplies and their ammunition. That particular bill, which I have introduced, provides as follows:

> That it shall be unlawful for any person to transport or cause to be transported any articles or commodities from the United States, or any place subject to the jurisdiction thereof, in vessels registered under the laws of the United States, to any foreign country which is engaged in a dispute or conflict with another nation.
>
> SEC. 2. Whoever violates the provisions of this act shall, upon conviction thereof, be fined not more than $10,000, or imprisoned for not longer than 5 years, or both.

The purpose, Mr. President, of that legislation is very obvious. We are reminded that we may not be able to stay out of another world conflict; that when countries engage in war it might well be expected that one of them will be buying from the United States supplies, munitions of war; and that in their transportation to the purchasing nation they will be attacked by another warring nation, our American shipping will be sunk. To such an act the American flag must respond, and our soldiers and our sailors, our ships, must be thrown into that world engagement. So I say, Mr. President, that if we had legislation which left our markets open to foreign countries that wanted to buy from us while they were engaged in war, all well and good, but let them come, carry it away in their own shipping, under their own flag; not under the American flag, another great step in security of peace would be won.

Another splendid purpose could be served in the lessening of dangers of war by the adoption by the Senate of that resolution which has been approved by the Military Affairs Committee, approved by the Committee to Audit and Control the Contingent Expenses of the Senate, now on the calendar of the Senate, introduced by the Senator from Michigan and myself, calling for a sweeping investigation of the practices of our American munitions makers.

The question arises, What part do these manufacturers of arms play in the creation of wars and in the carrying on of wars? To the end that the American people and we ourselves in Congress might have knowledge of the very influential part which they do play in that emergency, I am hopeful that that particular resolution can very soon be taken up from the calendar, its passage accomplished, and a committee appointed to proceed with that sweeping study which is contemplated.

That investigation can be expected to ascertain what part of the American tax dollar ultimately reaches the manufacturer of munitions of war. It is known that in our normal expenditures as a Government today 75 cents of every tax dollar goes for the purpose of paying for war—past wars or future wars. What part of that 75 cents, what part of our total annual expenditures, is going to bolster up the commercial strength of those who are engaged in the manufacture of munitions?

We also ought to know how much of collusion there is on the part of manufacturers of munitions in their sales to the United States Government of armor plate and of other commodities that enter into our preparation for war.

We ought to know if it is true that American munitions makers engage in South America in programs which are intended to breed suspicion and fear between the countries of South America, suspicion and fear that invite to one thing—orders for more munitions to prepare for more war, to prepare for more of the military engagements of which these unfortunate countries have known so many.

What part do the munitions makers play and take in preventing the fuller accomplishments that are hoped for from peace conferences?

What part did the munitions makers play while our statesmen were in South America less than a year ago trying to accomplish peace and understanding?

What are the holdings of American banking interests in our munitions enterprises in America?

What part do the banks play in the accomplishment of sales of American munitions to countries that are bankrupt, to countries that decline to meet their obligations under their bonds? What makes it possible for them to keep buying munitions while they are defaulting upon their bonds? Do our American banking interests have any interest whatsoever in munitions enterprises in our country?

Another question that the investigation might help satisfy is how many Shearers are engaged by our American munitions makers to ply their trade in the lobbies of Congress and in the Legislative Halls of the Nation?

What part have the munitions makers played in preventing the successful outcome of efforts like that involved in the arms embargo effort of a year ago?

What part—and this is all important, it seems, Mr. President—what part of our preparation efforts as a nation are occasioned by the commercial objectives of war or preparation for war? How large an influence does the mere commercial interest of American industries play in building our preparation program, our plan to be prepared for another war? What practices do the munitions makers resort to in order to accomplish the awarding of contracts from their own Government and from other governments?

It would be very interesting, too, Mr. President, to know what part of the holdings, what part of the stocks of munitions enterprises are possessed by men and by interests who and which occupy dominating positions in our public life, who are leading our public thought and opinion with respect to national issues.

Those and other questions are such as we might hope to have answered if the investigation of which I speak should be undertaken. I repeat the expression of the hope that the Senate is going to permit that investigation to get very quickly under way. A poll of the Senate has revealed an overwhelming majority in this body in favor of it.

Getting back to the pending amendment, it may be asked, Mr. President, why should this amendment be pressed at

this time? There are those who insist that there is no danger of war, that war is not imminent at all, that we ought not to be concerned with it, and that we can deal with the tax problems involved soon enough when and if war does come. Mr. President, I think anyone who will face the facts will agree that there is just as much prospect of war in this world today as there was 2 or 3 months before the World War broke, almost 20 years ago. If, indeed, preparation is an invitation to war, then we may expect this world to be moving very directly into another terrible conflict such as was that of a very few years ago.

We find in the cause of preparation our own expenditures in the United States multiplied almost by three today over what they were in the years 1914 and 1915, before our entry into the World War. Whereas in 1915 the total cost of maintaining our Army and Navy was $343,000,000, during more recent years it has mounted to $840,000,000. Economy has pushed down expenditures slightly, but they are still in excess of $700,000,000 annually, or well over twice as much as we were spending in those years of peace before the breaking out of the terrible and great World War, the war that was going to end war. Our own preparations in America rather indicate that we have been the leader in the movement of preparing for more trouble. From 1913 to 1930 Great Britain's cost of preparation for war increased 42 percent, France's 30 percent, Italy's 44 percent, Japan's 142 percent, Russia's 30 percent, and the United States outdistanced them all with an increase in that same period of 197 percent.

Mr. President, we never consider the danger of war but that the finger is pointed toward that island over across the Pacific, and we are cautioned to keep our eye there; that that is going to be the source of our next trouble as a nation. Eleven years ago there was written for the magazine Asia an article which, it seems to me, ought to be brought to mind again, particularly here in the Senate. Eleven years ago that article was written reciting how impossible, how improbable was an engagement between the United States and Japan. The writer at that time declared—and I quote from the New Republic—

> The overwhelming opinion of naval experts on both sides of the Pacific is that a war between these two countries would come to nothing in any military sense. We could not possibly defend the Philippines or successfully attack the Japanese territory. The Japanese could not, except momentarily, invade the United States either directly or through Mexico. Recent naval inventions, instead of making long-distance warfare more feasible, has made it less so. Such a war would develop into a stalemate and a struggle of economic attrition. In this struggle the United States would be overwhelmingly superior.

The New Republic declares:

> We should like to call to the attention of the writer of that article of 11 years ago this passage from his article:
>
> "Tableau: Japan and the United States, four or five thousand miles apart, making faces at one another across a no-man's water as broad as the Pacific. Some genius might then arise to ask what it was all about and what the use was of the atrophy of national life and development. Or, to take a pessimistic view, jingo councils might prevail in both Nations until one or the other, or both, have bled to death through the pocketbook. If, then, it were realized by the people of this country and of Japan that a war would be a futile gesture, attended by no sufficiently compensating results, each Nation might be in a fair way to change its apprehensive habit of mind.

Mr. President, the writer of the article from which I have quoted was none other than the President of the United States when he was Assistant Secretary of the Navy or just after his retirement from that particular office. He speaks of a change in the "apprehensive habit of mind." If only such a change could be brought about, Mr. President, a world of good could be accomplished and suffering, economic and physical, could be avoided. Because we all want to attain that end I press an appeal for the passage of that kind of law at this time which will determine that in the event of more war there will not be tolerated that degree of profiteering which prevailed during the last war.

There has just come from the press a most interesting publication, revealing the antics of our American munitions manufacturers during the World War, and at other times. It is written by H. C. Engelbrecht and F. C. Hanighen, and has been given a title which fits the situation beautifully. Merchants of Death is the name of this new work. I wish to invite the attention of every Member of the Senate to this book which is deserving of their reading. It is a remarkable work, one about which a great deal is going to be heard. In this volume we find recorded some figures showing the profits enjoyed during the last war, profits that we certainly want to protect ourselves against in the event of further military engagements.

During 4 peace years the United States Steel Corporation enjoyed an average annual profit of $105,000,000, while during the 4 years of war its annual average profit was $239,000,000.

The du Pont interests during 4 years of peace found themselves enjoying an average annual profit of $6,000,000, while during 4 years of war they enjoyed an average profit of $58,000,000 annually.

The Bethlehem Steel Corporation in peace times had an average annual profit of $6,000,000, and in war times an average profit of $49,000,000 annually.

Anaconda Copper had an annual average profit of $10,000,000 in peace times, and an average in war times of $34,000,000.

Utah Copper, $5,700,000 in peace times and $21,600,000 in war times.

American Smelting & Refining Co., $11,500,000 in peace times and $18,600,000 in war times.

Republic Iron & Steel, $4,000,000 in peace times and $17,500,000 in war times.

International Mercantile Marine, in peace times $6,600,000 profits per year and in war times $14,000,000 in profits per year.

Atlas Powder Co., $485,000 profit in peace years per annum and $2,374,000 per year in times of war.

American and British manufacturing, $172,000 profit in peace times and $325,000 in time of war.

Canadian Car & Foundry, $1,300,000 in peace times and $2,200,000 in war times.

Crocker Wheeler Co., another munitions institution, $206,000 annually in peace times and $666,000 in war times.

Hercules Powder Co. in peace times had an annual profit of $1,200,000 and in time of war an annual profit of $7,430,000.

General Motors in peace times had a profit of $6,900,000 per year, and in war times $21,700,000 profits per year.

Mr. President, why should we hesitate, why should we delay for one moment writing now a provision which will say to those who might have an interest in another war, "In the event of another war your profits are going to be limited almost to the point of confiscation of the huge incomes which you take while men are bleeding, while homes are being deprived of the support they so desperately needed"? Why should we hesitate doing this particularly when we find our gigantic industrial enterprises in America reaching out at all times to enlarge upon their profits, no matter what the cost may be to humanity, no matter the suffering of mankind?

This volume, Merchants of Death, reminds us of an advertisement published by the Cleveland Automatic Machine Co. in the American Machinist, an advertisement having to do with a new discovery, the discovery of some new instrument that would bring death in terrible agony to men engaged in the defense of flag and country. I am going to insist upon reading this advertisement in part.

Speaking of the material this manufacturer had developed, the advertisement declares:

> The material is high in tensile strength and very special and has a tendency to fracture into small pieces upon the explosion of the shell. The timing of the fuse for this shell is similar to the shrapnel shell, but it differs in that two explosive acids are used to explode the shell in the large cavity. The combination of these two acids causes a terrific explosion, having more power than anything of its kind yet used. Fragments become coated with the acids in exploding and wounds caused by them mean death in terrible agony within 4 hours if not attended to immediately.

Listen to this further paragraph appearing in the advertisement:

From what we are able to learn of conditions in the trenches, it is not possible to get medical assistance to anyone in time to prevent fatal results. It is necessary to cauterize the wound immediately, if in the body or head, or to amputate if in the limbs, as there seems to be no antidote that will counteract the poison.

I continue quoting the advertisement:

It can be seen from this that this shell is more effective than the regular shrapnel, since the wounds caused by shrapnel balls and fragments in the muscle are not as dangerous, as they have no poisonous element making prompt attention necessary.

Now, here is a manufacturer, one who enjoys huge profits in time of war, one whose greatest prosperity is dependent upon war—here is one who develops not an instrument, not a tool, that is going to accomplish alone death or the disability of someone engaged in war, but is going to accomplish death "in terrible agony", to use his own language.

Profits! Profits! Mr. President, profit plays more of a part in preparing for war, in occasioning war, than any other one thing to which we might devote our attention. Because that is so emphatically true I have deep interest and concern in the amendment which I have offered, an amendment which, in the event of another war, would take that part of the profits of men in industries which is in excess of $10,000 a year and tax it to the extent of 98 percent.

Mr. President, I hope the amendment may prevail.

Mr. VANDENBERG. Mr. President, the pending amendment to the tax bill proposes the virtual confiscation of all war profits in the unhappy event of another conflict involving the United States. This raises, by implication, the whole question of a practical peace program for our country. Too much emphasis cannot be put upon the importance of the challenge involved in the amendment. It represents compulsory patriotism and practical pacifism. The length of the step proposed in the tax amendment is far less important than the direction of the step. The direction is the thing I am rising to applaud heartily and to support with all the earnestness at my command. The Senate here deals with the most powerful peace impulse which can be flung into the affairs of men.

It seems to me that the adoption of the amendment would be a major frontal attack upon the commercial motive in the war equation. The commercial motive in the war equation is public enemy no. 1 insofar as the promotion of practical peace is concerned. When an attack upon the commercial motive wholly succeeds, I am persuaded that the greatest possible peace insurance will have been developed. By the same happy token, national defense insurance also is promoted. The text of the pending amendment in its immediate detail may or may not be the appropriate mathematical calculation. That is immaterial. I repeat that it is the intent and the direction and the philosophy of the amendment which deserves the affirmative consideration of a Senate dedicated to the common welfare.

I want to point out, first of all, Mr. President, that this is no novel idea. It does not come here solely upon the responsibility of the author of this amendment which is offered from the floor. It has behind it credentials of utterly formidable character. It has behind it the accumulated authority of the work of the War Policies Commission, which was created by formal act of Congress in 1931, a body which met over a period of 12 months and devoted loyal service to the faithful quest for a formula, quoting the original resolution, "to promote peace and to equalize the burdens and to minimize the profits of war." That is a patriotic objective, a Christian objective, a democratic objective.

The War Policies Commission was made up of representatives of the Senate, appointed by the Vice President, representatives of the House, appointed by the Speaker, and representatives of the President's Cabinet, named in the original resolution. I want to indicate the personnel of the commission because I want to emphasize the importance of the credentials that lie behind this purpose to take the profit out of war by way of a tax amendment. It is not a matter born of casual adventure. It is no mere passing fancy. It is not a flash of pacific hysteria. It is the seasoned conclusion of a governmental clinic which reached a solemn verdict in the light of searching investigation.

These are the men who joined in the report of the War Policies Commission: The then Secretary of War, Patrick J. Hurley, chairman; Senator David A. Reed, vice chairman; Senator Joseph T. Robinson, of Arkansas; Representative John J. McSwain; Attorney General William D. Mitchell; the then Secretary of the Navy, Charles Francis Adams; the then Secretary of Commerce, Robert P. Lamont; Representative William P. Holaday; the then Secretary of Agriculture, Arthur M. Hyde; the then Secretary of Labor, W. M. Doak; Representative Lindley H. Hadley, who served as secretary; and myself.

I had the honor of being 1 of the 4 Members of the Senate who, by designation of Vice President Curtis, sat upon the War Policies Commission, who took this significant testimony over the period of a year, and who formulated this subsequent report which was laid at the bar of the Senate on March 5, 1932.

Mr. President, what is the crux, what is the kernel of the recommendations which were submitted by the War Policies Commission for the purpose of demonetizing the martial impulse? What was the chief weapon which the War Policies Commission forged in its effort to attack the commercial motive as it may stimulate war purposes and war programs?

I quote from the report of the commission, from its final recommendation:

In addition to all other plans to remove the profits of war—

And the commission reported a series of recommendations—

In addition to all other plans to remove the profits of war, the revenue law should provide that upon any declaration of war, and during the period of such emergency, individuals and corporations shall be taxed 95 percent of all income above the previous 3-year average, with proper adjustments for capital expenditures for war purposes by existing or new industries.

In other words, Mr. President, it was the considered judgment of a formidable joint official body representing the Congress and the Cabinet in 1932 that the profits should be taken out of war primarily by precisely the method which is proposed by the pending amendment. We blazed the trail which is rediscovered today in the pending tax amendment.

The unfortunate and unhappy thing is that when this thoroughly formidable and invincibly sustained report was submitted to the Congress in 1932 it received no consideration whatever of an affirmative, constructive character. Congress had no time for this great antiwar program. I introduced the legislation necessary to carry out all of these various purposes. The legislation lingered in committees and died in pigeonholes. Just one resolution finally passed the Senate, and that was a resolution calling upon the then Secretary of the Treasury to report to the Senate the mechanics of a proposal to implement this taxing recommendation of the commission. The then Secretary of the Treasury replied to the Senate that it was impossible, in advance of war itself, to develop a practical formula; that we must wait for the event.

Mr. President, that response was and is utterly inadequate to the situation to which we address ourselves. That response utterly negatives the purpose which we were and are seeking to obtain, because the prime importance of the whole movement is to notify in advance all American business, to notify in advance all those who may be affected in any degree, that if conflict ever again comes to the United States it is going to be a demonetized conflict so far as we can make it such. There are to be no more "war millionaires", because that phrase is not only a paradox but a curse upon the very word "democracy." There are to be no further favorites at home who capitalize for their own gain the sacrifices of their fellow citizens upon the battle line. Cash registers, in other words, will join in playing the national anthem, whether they wish or not.

The essential, primary purpose of the legislation is that its passage in time of peace shall notify all concerned that if and when the unfortunate, unthinkable thing of war again comes to the Nation, it must come on a basis without profits. It must come on a basis in which the burdens of the national defense are equalized. It must come on a basis of universal service so far as possible. It must come upon a basis which represents a fraternity in fact, a fraternity of effort to defend the flag and sustain the Republic. So I submit, Mr. President, that this pending amendment is nothing more nor less than the lengthened shadow of the report of the War Policies Commission, put effectually to work by way of repressive admonition.

It seems to me that one of the great influences of the movement, as I have already indicated, is its advance notification to all our people that war profiteering is dead in the United States; that no dollar sign ever again shall stain our battle banners; that this democracy, if ever again summoned to the martial reveille, will move forward in a common realization that it is all for one, and one for all in respect to the national defense. Then, if there be any influences which hungrily encourage war in contemplation of bloody dividends, cash from casualties—God save the mark!—they will know in advance that our America is done with all such death's head greed.

This is my idea not only of practical patriotism but also of practical pacifism.

I would leave no inference that there was any lack of fine patriotism on the part of many sectors of American business in the last conflict. Many sturdy business men dedicated themselves to the common cause with complete unselfishness. But it is common knowledge that many a pocketbook fattened at home while the A.E.F. was tramping down the valley of the shadow abroad. No such offense to equity and to democracy should be possible again, if ever again we are unavoidably caught in the grips of war.

Mr. President, let no one think that this movement to take the profit out of war, not only in the fashion indicated by the pending amendment but by the further important evolution to which I shall advert in a moment, lacks any interest on the part of the great mass of the American people themselves. The truth of the matter is that this movement to equalize the burdens of war, this movement to create universal service in time of war, was originally born in the conscience of our massed and embattled veterans. It found its initial spokesmanship in the resolutions adopted at the first national convention of the American Legion. The veteran himself—the man who has paid the price—is the man who is primarily interested and concerned in doing the precise thing which is here undertaken; and year after year the one great constructive dedication to which the American Legion in convention after convention has pledged its continuous faith is the movement to take the profit out of war, and to equalize these burdens, and to create a universal service in the national defense.

Nor is that all. The American Federation of Labor, at its last national convention in Cincinnati, directly resolved upon the necessity of an inquiry into the nationalization of the entire munitions business, again, as it will be seen, pointing its suspicions toward the malignant influence of the commercial motive in respect either to the national defense or to the preservation of the country in time of actual challenge.

We have the American Legion, we have the American Federation of Labor, squarely joining in this challenge. I suspect that we have every peace society in the land joining in the challenge. I suspect that we have every religious impulse in the land joining its prayers to this movement. It is a movement that cannot be wholly answered merely by the pending amendment, because that only touches the outer rim of the problem. But this is the only point at which the Senate, in this particular consideration, can deal with this phase of the national problem. Beyond the pending amendment is the great fundamental question which is raised by the pending Senate Resolution 206.

This, Mr. President, is the resolution which is sponsored by the Senator from North Dakota [Mr. NYE] and me. For purposes of easy identification, it is known as the Nye-Vandenberg resolution. It represents the consolidation of two previous resolutions seeking in parallel lines to reach a common focus, one presented by my colleague from North Dakota and one presented by me.

This resolution has the unanimous recommendation of the Senate Committee on Military Affairs. It has the unanimous recommendation of the Senate Committee to Audit and Control the Contingent Expenses of the Senate. It is pending on the calendar as Order of Business No. 623. It goes into the larger implications of this problem, which, I repeat, are typified and personified in one phase by the pending amendment.

I desire to read two or three sentences from the preamble of this resolution, because in these sentences rests the challenge which finds its first expression in the pending tax amendment, but which finds its larger expression in the resolution calling for the inquiry described in the resolution.

This resolution addresses itself to these propositions:

First, that the influence of the commercial motive is an inevitable factor in considerations involving the maintenance of the national defense.

Second, that the influence of the commercial motive is one of the inevitable factors often believed to stimulate and sustain wars.

In view of those theses, the resolution proposes that a select committee of the Senate, to be named by the Vice President, shall inquire into all phases of munitions influences at work in respect to the foreign policies of the United States or our contracts with any of its neighbors; shall inquire into all the influences of a doubtful or questionable character, if any, which may be at work within our own country in respect to our own national-defense proposals; shall review the antiprofits program of the War Policies Commission and give them life; shall particularly undertake to discover whether or not the actual nationalization of the munitions business of the land, by license or otherwise, may not be the most complete control of the defense factor and the peace factor, and the greatest possible guarantee of a pacific net result in the contacts of mankind.

The resolution is unanswerable in its challenge, Mr. President, and I am unable to believe that the Senate will permit it long to linger upon the calendar. As a matter of wise procedure, Mr. President, I would gladly refer the pending tax amendment to this new board of inquiry, instead of risking a vote upon it here this afternoon, if the Senate would interrupt its consideration of the pending bill long enough to pass the so-called "Nye-Vandenberg resolution."

I ask that the full text of the resolution may be printed in connection with my remarks at this point.

The PRESIDING OFFICER (Mr. POPE in the chair). Without objection, it is so ordered.

The resolution (S.Res. 206) submitted by Mr. NYE and Mr. VANDENBERG on the calendar day of March 12, 1934, is as follows:

Whereas the influence of the commercial motive is an inevitable factor in considerations involving the maintenance of the national defense; and

Whereas the influence of the commercial motive is one of the inevitable factors often believed to stimulate and sustain wars; and

Whereas the Seventy-first Congress, by Public Resolution No. 98, approved June 27, 1930, responding to the long-standing demands of American war veterans, speaking through the American Legion, for legislation to take the profit out of war, created a War Policies Commission, which reported recommendations on December 7, 1931, and on March 7, 1932, to decommercialize war and to equalize the burdens thereof; and

Whereas these recommendations never have been translated into the statutes: Therefore be it

Resolved, That a special committee of the Senate shall be appointed by the Vice President to consist of seven Senators, and that said committee be, and is hereby, authorized and directed—

(a) To investigate the activities of individuals and of corporations in the United States engaged in the manufacture, sale, distribution, import, or export of arms, munitions, or other implements of war; the nature of the industrial and commercial organizations engaged in the manufacture of or traffic in arms,

munitions, or other implements of war; the methods used in promoting or effecting the sale of arms, munitions, or other implements of war; the quantities of arms, munitions, or other implements of war imported into the United States and the countries of origin thereof, and the quantities exported from the United States and the countries of destination thereof; and

(b) To investigate and report upon the adequacy or inadequacy of existing legislation, and of the treaties to which the United States is a party, for the regulation and control of the manufacture of and traffic in arms, munitions, or other implements of war within the United States, and of the traffic therein between the United States and other countries; and

(c) To review the findings of the War Policies Commission and to recommend such specific legislation as may be deemed desirable to accomplish the purposes set forth in such findings and in the preamble to this resolution; and

(d) To inquire into the desirability of creating a Government monopoly in respect to the manufacture of armaments and munitions and other implements of war, and to submit recommendations thereon.

For the purposes of this resolution the committee is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Congress until the final report is submitted, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the Commission, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. VANDENBERG. Mr. President, this afternooon the able Senator from North Dakota has submitted various challenging exhibits bearing upon this proposition. I doubt whether any man who sat in this Chamber a few weeks ago and heard the distinguished Senator from Idaho [Mr. BORAH] lay down an even broader challenge in respect to the influence which the munitions influence has not only upon the thinking of America but upon all of the pacific undertakings of all this whole wide world can for a moment decline the challenge which is here presented for a conclusive investigation to find out whether or not we shall be allowed to live at peace among ourselves and with our neighbors without artificial encouragements to friction and to misunderstanding, then to conflict, and then to disaster. If our own land is free of these sordid intrigues which we know to exist elsewhere, the proof of that cleansing fact would itself more than justify this effort.

Mr. President, it is interesting to note, in this connection, that one of the labor members of the Canadian Parliament this same week has suggested in the Parliament across the line that the governmental control of Canadian nickel might be the control of the fundamental element necessary in the production of the instrumentalities of war, because nickel is of such a primary concern in all of these operations. That is a precise paraphrase, in one aspect, of the proposal which I am arguing to our own Senate this afternoon.

I ask that an editorial in the Evening Star entitled "No Nickel, No War?" be inserted in the RECORD at this point.

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

[From the Evening Star, Washington, D.C., Mar. 31, 1934]

NO NICKEL, NO WAR?

It has remained for Mr. J. S. Woodsworth, a Canadian Labor member of Parliament from Winnipeg, to propose a brand-new method for preventing war. His remedy is simple. He would make it impossible for nations to purchase nickel for armament purposes, especially armor plate, in the manufacture of which it is an essential ingredient.

As Canada has practically a monopoly of nickel, supplying 90 percent of the world's needs, Mr. Woodsworth favors nationalizing the commodity. It is due to increased war preparations, he suggests, that the output of nickel has more than doubled during the past year. Canada, it is proposed, should control both the output and its destination, so that nickel would not fall into the hands of armament makers. With war clouds gathering on the international horizon, Mr. Woodsworth thinks that the Dominion has a wonderful opportunity to fight on a dozen different fronts in this great war to end war.

It is a stimulating notion. Its patentee intermingles realism with his idealism when he admits that there would be some difficulty in government interference with such a big industry, but he reverts to the utopian by suggesting that in an international emergency the rights of stockholders should be sacrificed to the cause of humanity.

Mr. Woodsworth proposes that the League of Nations be asked to crack the nut and evolve a method of embargoing nickel along with narcotics.

Mr. VANDENBERG. Perhaps, as indicated in the editorial, this effort is utopian. But it bespeaks a philosophy and an ideal worth pursuing. Furthermore, this is supposed to be a practical age; and the practical fact is that competition in armaments is an impractical futility. I read just one contemporary news despatch from Sheffield, England:

The latest armor-piercing shell made in Sheffield was described today by Sir Robert Hadfield, famous metallurgist. It weighs nearly a ton. When fired at armor-plate thickness equal to the caliber of the gun, it not only perforates the plate without breaking, but has sufficient velocity to go 9 miles farther.

Who can speak of "the next war" in terms of dependable knowledge respecting the weapons with which it would be fought?

Who knows? Nobody knows! We each strive to outsmart the other. No; the effective attack upon the institution of war is an attack upon the war psychology, and an attack upon the commercial motive strikes at the heart of the problem. Indeed, I firmly believe it means more to honorable peace than either leagues or courts.

Mr. President, let me say very frankly that in many respects the Senator from North Dakota and I approach this problem from different viewpoints. Indeed, the interesting thing to me is that men who do have different viewpoints, relatively speaking, in regard to preparedness and in regard to the national defense, can find such a completely common ground as we find in respect to this particular pending amendment and in respect to the resolution to which I have adverted. The Senator from North Dakota, for example, voted against the Vinson Navy bill. I voted in favor of the Vinson Navy bill.

I do think it is important that the country should have its attention more directly focused on the statement made by the President of the United States when he signed the Vinson bill, because he signed it in the spirit in which I voted for it, and that is a totally different spirit from what has been ascribed to it by many critics. I ask that this statement may be inserted in the RECORD at this point in my remarks.

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

TEXT OF STATEMENT

The President's statement follows:

"Because there is some public misapprehension of facts in relation to the Vinson bill, it is only right that its main provisions should be made wholly clear.

"This is not a law for the construction of a single additional United States warship.

"The general purpose of the bill is solely a statement by the Congress that it approves the building of our Navy up to and not beyond the strength in various types of ships authorized, first, by the Washington Naval Limitations Treaty of 1922, and, secondly, by the London Naval Limitations Treaty of 1930.

"As has been done on several previous occasions in our history, the bill authorizes purchase and construction over a period of years. But the bill appropriates no money for such construction, and the word 'authorization' is, therefore, merely a statement of the policy of the present Congress. Whether it will be carried out depends on the action of the future Congresses.

"It has been and will be the policy of the administration to favor continued limitation of naval armament. It is my personal hope that the naval conference to be held in 1935 will extend all existing naval limitations and agree to further reductions."

Mr. VANDENBERG. Mr. President, let it be noted that we did not appropriate a single dollar for a single additional battleship. We merely declared a policy, and thus put the world on notice that arms limitations must be a matter of mutual participation. I share President Roosevelt's philosophy in this respect, despite what I have said of the impractical futility of competitive armaments.

With another naval conference pending in 1935–36, I believe the United States is in an infinitely stronger position to exercise a persuasive influence and an authoritative voice in discussion with other major naval powers, if we shall have made it plain that our international neighbors cannot expect our naval power to be reduced except as they join us in mutual limitations.

Despite all philosophy and metaphysics to the contrary, I believe in the importance of rational preparedness.

But this is beside the present point.

I have diverted only to indicate that two schools of thought, which may differ respecting the national defense, can find common ground, without division, without reservation, without equivocation, and without even a split hair between us in dedication and objective, when the promotion of peace by the demonetization of war is the issue.

The travesty of a competitive world race in armaments is beyond mitigation. It is competition in the agencies and instrumentalities of mass murder.

The travesty of war itself—except as a last defensive resort—must impress the conscience of every citizen.

This does not depreciate the martial triumphs of the past, nor the heroic sacrifice of our men in uniform who have placed their hearts upon the altars of the Republic. This does not deny our historic obligation to the defenders who have consecrated our institutions with their blood. This does not underestimate the desperately important service still rendered us every hour by those who continue to hold themselves in readiness again to serve and save us in an emergency. On the contrary, it is in their name that we owe civilization our maximum effort to prevent needless and futile and sterile conflict in this modern world.

I do not believe in disarming America in the midst of an armed world. Such unshared idealism would be a menace both to our own security and to the persuasive influence which we might hope to exercise upon the armed aspirations of others. It would not aid peace for us or for the world.

But I profoundly believe in stressing the formula and the philosophy of mutual disarmament by international agreement to the utmost limit. The United States must urge ever forward in this cause. There is no uniform effort of this nature to which we dare dissent. It is our tradition. It is our creed. It is our practice. It is our aspiration.

Yet when we are put upon notice that the world's most conscientious efforts in this direction are constantly jeopardized by the intriguing influences of an international munitions lobby, which thirsts for the blood of war as the wellspring of its prosperity, we certainly are warned that practical pacifism must attack and conquer this commercial motive before it can succeed in bringing its pacific benediction to the earth.

I do not know whether this malignant influence is in any degree persuasive within our own United States or not. Under the Nye-Vandenberg resolution we can find out; and we can find out many other useful things.

I favor an everlasting end to anything that smacks of a munitions lobby, here or elsewhere, or that reflects the commercial war motive at work. Then, and only then, can rational neighborliness have a fair chance to compose itself in peace.

Many believe—and some undertake to prove—that the profits factor not only engenders deliberate international frictions which seek sordid toll out of resultant trouble but also that wars often are prolonged by this same horrible stimulant.

I favor an end not only to the stimulant but also to any suspicion of an opportunity that it may ever again curse and victimize our people.

Obviously, then, I favor the theory and philosophy of the pending amendment to the tax bill, because it marches in the right direction, and I repeat that the commercial motive at work in this war equation is public enemy no. 1 as respects the true cause of real peace. The tax amendment should be adopted, or, far better, the Senate should suspend its regular order long enough to pass the so-called "Nye-Vandenberg resolution" this very afternoon and then let the tax amendment be explored, along with these other problems, by the proposed board of inquiry.

Mr. President, I ask that at the conclusion of my remarks a most illuminating article appearing in the Detroit News on this subject be printed in the RECORD, and that a pertinent editorial from the New York World-Telegram may also be printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibits 1 and 2.)

Mr. VANDENBERG. Mr. President, in conclusion, I urge that the pending amendment be agreed to, because it is the first effort that has yet been made in Congress to carry into effect the splendid report of the War Policies Commission, submitted 2 years ago upon the highest authority of the Government, and heretofore completely and utterly and disappointingly ignored; or I urge that the Senate take the larger view and the longer step and approve Senate Resolution 206 and send the tax amendment to this new body for review.

EXHIBIT 1

[From the Detroit News]

MUNITIONS MEN FACING SENATE INVESTIGATION—SPECTACULAR REVELATIONS ARE EXPECTED IF INQUIRY IS AUTHORIZED—MOVE LAUNCHED BY VANDENBERG AND NYE TO TAKE THE PROFIT OUT OF WAR

By Jay G. Hayden

WASHINGTON, March 17.—The most interesting and spectacular of all the parades of banking and industrial moguls which are marching across the Senate stage these days may be the investigation of munition makers, scheduled to take place during the coming summer.

The Committee on Military Affairs on Friday unanimously approved a resolution drafted jointly by Senators VANDENBERG and GERALD P. NYE (Republican) North Dakota, which calls for an examination of the munition-making business in all its phases, both domestic and foreign.

The resolution will be reported to the Senate Monday, and before the end of the week it almost certainly will be passed and the select committee of seven which it proposes to conduct the investigation appointed.

PLANS ARE LAID

Under the tentative plan the committee will be headed by Senators MORRIS SHEPPARD, Democrat, Texas, Chairman of the Military Committee, and M. M. LOGAN, Democrat, Kentucky, chairman of a military subcommittee which favorably reported the Vandenberg-Nye resolution.

The Republican members of the committee almost certainly will be VANDENBERG, NYE, and WILLIAM E. BORAH, of Idaho, if the latter can be persuaded to serve. BORAH has been a leader in crusading against excessive war profits throughout his nearly 30 years in the Senate, and his former chairmanship of the Foreign Relations Committee particularly qualifies him to deal with the international phases of the inquiry.

The resolution would authorize a thorough-going inquiry into the export and import of war materials. One of the surprises of the present situation is that the State Department, which heretofore has frowned on any such investigation on the ground it might injure our relations with foreign nations, has entered wholeheartedly into preparation of the Vandenberg-Nye resolution.

Not only is Secretary of State Cordell Hull thoroughly in sympathy with the project, but his actions have been taken as indicating that President Roosevelt also wants the investigators to go the limit.

INTEREST IN REVOLTS

There is, for example, the interesting question, frequently raised but never answered, as to the degree to which American munition makers have figured in the frequent revolutions in the nations of South and Central America.

The committee particularly is expected to inquire as to the relationship between loans made by American banks in South and Central America and orders for munitions placed with American manufacturers.

Further, it would like to know the extent to which military factions in China have been supplied with equipment by American plants, and, even more interesting, whether it is true as has been charged that the United States has supplied a considerable part of the war materials Japan has been so busily collecting.

It is remembered that a few years ago the country was startled by the disclosure that three of the largest American warship builders had paid William B. Shearer $25,000 to conduct propaganda at the naval conference at Geneva in opposition to any further limitation of armaments.

CITES ARMS DELEGATES

Senator BORAH, speaking in the Senate a few days ago, brought out the fact that a French delegate at the unsuccessful disarmament conference in 1932 was Charles Dumont, an official of the Schneider, Creusot firm of munition makers, and that the British delegation included Col. A. G. C. Dawney, brother of a director of Vickers-Armstrong, largest of the British armament manufacturers.

The committee would like to find out the extent to which munition manufacturers have figured in each of the disarmament conferences held since Charles Evans Hughes first convened the naval powers in Washington in 1921.

Senator BORAH also read into the RECORD excerpts from a recent magazine article, alleging that French munition makers joined with those of Germany to elevate to power Adolph Hitler, "the one man most capable of stirring up a new outbreak of international anarchy in Europe."

The article declared further that when Hitler came into power, the same French munition makers, through the newspaper which they control, "immediately broke out in a fever of denunciation

against the Hitler regime and called for fresh guaranties of security."

"Capone or Dillinger are not more heartless and bloodthirsty than the man who builds up armaments in another nation for the purpose of sending his own people to the front that he may furnish the means by which to murder them", declared BORAH.

LAUNCHED BY LEGION

The present movement for taking the profit out of war armaments had its inception in a resolution adopted by the American Legion soon after its organization. Due to continuing demands of the ex-soldiers, Congress finally created a War Policies Commission, which, in 1929, after an exhaustive hearing, reported in favor of two major steps: first, to freeze all prices as of the day on which a war is declared, and, second, to assess a tax of 95 percent on all profits, during the war, in excess of the average during the previous 3 years.

Senator VANDENBERG was a member of this War Policies Commission, and his interest in the subject never has lagged since that time. In three successive Congresses he has introduced bills to put the Commission's proposals into effect, only to have them tied up in the Committee on Military Affairs.

During the time that Senator DAVID A. REED (Republican), Pennsylvania, a State in which manufacturing of war materials is a major industry, was Chairman of the Military Committee it was impossible even so much as to secure a hearing on the proposition—this despite the fact that REED himself had been a member of the War Policies Commission.

GOES STEP FARTHER

Senator VANDENBERG, in the present Congress, went farther. He introduced a resolution to have a new investigation which would not only review the work of the War Policies Commission but would examine also profits from the manufacture of war materials in peace time, particularly considering "the desirability of creating a Government monopoly in respect to the manufacture of armaments and munitions and other implements of war."

Senator NYE about the same time introduced a resolution, calling for investigation by the Foreign Relations Committee of American imports and exports of arms and all the circumstances surrounding them. These two resolutions have been combined to provide for the present select committee.

Discussing the proposed investigation, Senator VANDENBERG said:

"I believe in the maintenance of a completely adequate national defense so long as we live in an armed world. But I believe in promoting a disarmed world to the utmost limit. It is in this direction that peace will be found. Of all the war factors that need to be disarmed, the most powerful, and the most subtle, and the most deadly is the profit factor. If the commercial motive is cut out of war and defense, the greatest peace insurance on earth will have been established.

PROFIT PLAN BALKED

"Three years ago I was one of four Senators who sat on the official War Policies Commission, designed to equalize the burdens of war and take the profit out of war. We made great progress. Among other recommendations we set up a machinery for a profits tax in time of war which would take 95 percent of excess earnings from the time war was declared. But we never were able to legislate. The Treasury told us we must wait until we actually were at war before we could expect to write any such legislation. But that robs the movement of all its preventive ability.

"This time we intend to get results. Not only do we seek to limit war profits and equalize its burdens, but we intend to probe the whole field of propaganda which it is charged enters into competitive armaments and actually into the fomenting of war itself. Still more, we intend to study the fundamental question whether the manufacture of all armaments and munitions should or should not be a Government monopoly.

"In my view, this is the ultimate necessity. It cost $25,000 to kill a man in the World War, according to authentic figures. That is an utterly gruesome contemplation. It is horrible to contemplate death in any such terms; yet, so long as war is discussed in this sort of fiscal arithmetic, it is obvious that the commercial motive is a dangerous menace to all our peace aspirations."

The resolution as reported from committee provides $50,000 for expense of the investigation. It is the plan of Senators VANDENBERG and NYE first to employ a corps of expert investigators to examine books and records of munition-making concerns, together with the records of imports and exports, and data of the State and Commerce Departments bearing on the subject.

When witnesses are called, it is expected the committee will be armed with information which will make their testimony worth while. This is the technique of Senate investigations conducted recently, and it has proved vastly more effective than the "fishing expeditions" which congressional committees in the past were wont to conduct.

EXHIBIT 2

THE MUNITIONS ROOM

Without noise two Senate committees have been placing dynamite that may blow the lid off the munitions racket. First the Military Affairs Committee and now the Committee on Audit and Control have reported out the Nye-Vandenberg resolution for such an investigation.

Ever since the League of Nations Commission reported that the international armament ring was fomenting war, and the three chief American naval shipbuilding companies were caught wrecking the Geneva Disarmament Conference with their secret-paid agent Shearer, there has been need for a thorough inquiry in this country.

Recent reports of profiteering and alleged corruption in several industries seeking Army, Navy, and aircraft contracts under the vast new governmental expenditures have increased the incentive for an investigation.

Henry Ford declares that "the people in general don't want war, but it has been forced on them by scheming munition makers looking for enormous profits through the sale of arms."

That doubtless is an oversimplification of the cause of war, but the fact that the munitions racket is one of several major war forces is universally recognized by the experts.

Last week Sir Robert Hadfield, in congratulating English stockholders on the bountiful prospects for the armament business, said: "Happily a favorable turn of events has followed, with much more hopeful results. We are, indeed, devoutly thankful for present mercies, but may I add that for what I hope we are about to receive may the Lord make us truly thankful."

With less irreverence Americans may be thankful for the revelations concerning the munitions boom which, we hope, we are about to receive.

ROBBING THE PEOPLE OF LOUISIANA OF THEIR HOME-LOAN FUNDS

Mr. LONG. Mr. President, on the 9th day of April 1934 I had occasion to submit to the Senate some statistics relative to the operation of the home-loan bank in Louisiana. I submitted some figures which I wish to supplement and to republish for the illumination of the Senate.

Down in Louisiana, as I presented on the floor of the Senate a few days ago, a home-loan bank was opened up, and we found that it had been variously alined, as I disclosed to the Senate.

I said that they took the chief examiner out of one office which was dominated by a certain Sullivan by name; that they took the chief appraiser out of an office dominated by the same gentleman, and that they took many of the other employees in it, and finally we found that a very peculiar condition had arisen there.

I hold in my hand a statement showing a few of the loans we found had been made by a building and loan company controlled by the same man Sullivan, who has wrought havoc in these other matters. Here I have a statement of two loans of the building and loan company. The Senator from Tennessee [Mr. MCKELLAR] was very much interested in this the other day.

I have a statement showing the loans of the Hibernia Homestead Association, run by Sullivan, made with the Home Owners' Loan Corporation. It shows that on the 29th day of March 1934 the home-loan bank put out $1,989.35 of its bonds, and they brought on the market $1,971. They were exchanged for home building and loan stock of the Hibernia Homestead Association, which cost only $800. The home owner got $800, the Government put out $1,971, and they took $1,171 of the amount to pay off to the racketeers.

Then there was a lady, perhaps she is a widow, by the name of Mrs. L. J. Kline, a distressed home owner, and on the 23d day of last month Mrs. Kline went to that building and loan organization in New Orleans in order to take up a loan amounting to $2,712.85. The Home Owners' Loan Corporation issued bonds of the exact amount—$2,712.85. They sold that on the market for $2,661. And how much did the home owner get? Why, Mr. President, they bought up the stock of the building and loan company for $1,120 on the market, that is at $40 a share, and they gave the profiteer $1,541—$300 more than the home owner.

In other words, Mr. President, we found these faults so rampant that we concluded that since they were going at such a rate, we should make a little examination into the man Sullivan who was the man behind the gun; and while they had allowed us to examine until we discovered out of the first 67 examinations 65 cases of downright fraud and rottenness to the core, the next thing, when we undertook to examine the Hibernia Homestead, which was run by Mr. Sullivan himself, the man who had put Mr. Leon Verges as the chief appraiser of the Home Owners' Loan Corporation, the man who had taken another employee from the race

track and made him the contact man, who took a lawyer out of his office and made him the title examiner, who took a nephew of his partner in this business and made him the chief counsel, who took the man who was the president of the board of governors of the race track and made him the assistant manager, who took one of his political stool pigeons whom he tried to make the city attorney, but he could not make him city attorney, and made him the manager of the home loan—when we had developed 65 cases of rampant fraud, swindle, and rottenness in those funds, we went into Mr. John P. Sullivan's own Homestead, thinking at first that he would have taken the precaution not to have been so flagrant in his own transactions; but lo and behold, when we got there, the home loan in Louisiana lifted up the banner—they put up the shield—and announced that they would not allow the State bank examiner's department to examine into the matter that affected John P. Sullivan's Hibernia Homestead.

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. LONG. I yield.

Mr. FESS. I ask unanimous consent to have inserted in the RECORD after the remarks of the Senator from Louisiana shall have been concluded an article appearing in the Baltimore Sun of this date headed "The Home Loan Incident", by Frank R. Kent.

Mr. McKELLAR. I did not hear the Senator. What did the Senator from Ohio request?

Mr. FESS. The request was to insert the article "The Home Loan Incident", by Frank R. Kent, appearing in the Baltimore Sun of this morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The article appears at the conclusion of Mr. LONG's remarks.)

Mr. LONG. Mr. President, I desire to show the Senate that there is no dispute of the facts I have just mentioned. They have been admitted to be correct. Yesterday they were admitted to be 100-percent true. That which I now send to the desk was admitted to be 100-percent true under oath. It was testified to by the banking department and it was accepted, was not denied by Mr. Habans himself on the witness stand. I send four tables to the desk and ask that they may be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1, 2, 3, and 4.)

Mr. LONG. Then, Mr. President, the next thing we did was to get the banking department, when they held up the shield and said they would not allow Sullivan's own company to be examined, a company wherein we thought he would have had enough caution to have been a little discreet; but lo and behold, when they would not let the man from the State go in there to get the figures, we knew that there was something rotten in Denmark, so we managed to go to the mortgage records and get five cases, and we have the details on all five of them. Two of them we have reverified. I want the Senate to listen to a telegram concerning this one outfit, which I will read:

NEW ORLEANS, LA., *April 11, 1934.*

Hon. J. S. BROCK,
State Bank Commissioner of Louisiana,
c/o Hon. Huey P. Long, United States Senator:

P. L. Miller owed Hibernia Homestead Association $1,989.35, through transfers and retransfers, all dated March 29, 1934. Association accepted $2,000 par value its shares, in full settlement. H.O.L.C. made available in bonds total amount due association. Homestead shares surrendered worth on market $800; H.O.L.C. bonds worth $1,971; profit in transaction to A. L. Siezler—

That is the man whose name they put up——

$1,171. Eliminate profit to Siezler and shareholder forced to sell his shares could have received $98 for each hundred instead of $40 per hundred paid to him. Mrs. L. J. Kline owed $2,712.85 to Hibernia Homestead through transfers and retransfers, all dated March 23, 1934. Homestead, received $2,800 par value its shares in full settlement. H.O.L.C. made available in bonds full amount due association. Homestead shares worth on market $1,120; H.O.L.C. bonds worth $2,661; profit in transaction to John Henry Brown—

A man we have not been able to find. We have not been able to find a man named John Henry Brown, but we guess there is such a man as that. It is a very common-sounding name—

fifteen hundred forty-one dollars. There are other transactions by this Homestead of a similar nature. Item asks for release of these transactions. Await your instructions.

W. E. WOOD, Assistant Supervisor.

Mr. President, we in Louisiana are not going to get more than 40 cents on the dollar of our money. They have set aside for us our quota down there for the purpose of relieving the home owners, but they have resorted to the rotten, swindling scheme of letting this racketeer put his chief appraiser in there to appraise the property; they have let him put the lawyer in there to examine the title; they have let him put the lawyer in there to make the abstracts; they have let him put his race-track henchman in there as the manager; they have let him put his stoolpigeon in there as manager; they have let him put his man from the race track and made him the contact man; and with that rigged up, Mr. President, he goes in there with his own building and loan concern, this racketeer—and it is complimenting him when I call him a racketeer—he goes in there with his own outfit and takes $800 worth of his own stock that is selling on the market for less than $800, and gets $1,971 worth of Government bonds, puts $1,191 down in his own pocket, and gives the poor little home owner $800 of the Government's money.

That is what we have to stand for in this land of the free and home of the brave. It is admitted; it is confessed. They know all about it. We are faced with such facts as I have stated, Mr. President. That is what we are standing for.

I am sending as a supplement to the tables I have already offered another statement, which I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 5.)

Mr. LONG. Mr. President, I am not through yet. I wanted to find out if this thing was being authorized. So I summoned as a witness on yesterday Mr. John H. Fahey, who is the Home Owners' Loan manager in Washington, D.C. I presented to him, not the last exhibit that I sent to the desk today, because up until that time we had been unable to get the facts out of the Hibernia Homestead, but I presented to Mr. John H. Fahey the other exhibit which I previously sent to the desk, containing 65 loans, 47 of which went to the profit of Stanley W. Ray. So I summoned Mr. Fahey, who is the head of the Home Owners' Loan Corporation in Washington, and I presented to him these exhibits, and I asked Mr. Fahey to give his opinion of the matter after those exhibits had been explained to him, which are not now denied and which will not be denied. What did Mr. Fahey say? Eliminating the part of his answer that is not material, Mr. Fahey said:

I would not hesitate to say this, Senator, that if our office in New Orleans accepted from a speculator wholesale operations of this sort without taking it up in advance with this board and finding out what the facts were behind it, he had no business to do it.

Senator LONG. And if he had taken it up with your board, you would not have stood for it, would you?

Mr. FAHEY. I express only my own opinion. I certainly would do everything in my power to prevent it.

Senator LONG. You expressed an opinion to me this morning when I asked you about it that was more emphatic, did you not?

Mr. FAHEY. You can make it as emphatic as you please. I do not believe in that kind of transaction.

I am quoting from volume no. 7, page 653, of the hearing held before the Senate Finance Committee, dated the 11th day of April 1934.

Mr. President, on the floor of the Senate the other day the Senator from Michigan [Mr. COUZENS] propounded an inquiry, and suggested that if what I had said here could

be proved, there would be developed a startling state of facts. He wanted to know if it was possible to prove certain things about this character whom I have described, who is in control of the Home Loan Office, whose manipulations and fleecing of the Government and distressed home owners I have already shown by written evidence that is admitted, and who is denounced by Mr. Fahey. The Senator from Michigan wanted to know if it could be possible that the same man had placed three of his employees in the internal-revenue office and that some of those employees were also employed in his office, working there part of the day after they had worked in the internal-revenue office.

Well, what happened? Lo and behold, when we had tied the rope of evidence around them so closely that they could not escape from it, they took the stand themselves and admitted that he had put not two ladies in, as I had stated, but three, one of them being his private secretary. He testified and she testified that she works part of the time in the internal-revenue office, and keeps the books of this gentleman in the afternoon and is paid by him for the job that she is doing there. Another one whom we traced going into the internal-revenue office until 4 o'clock and then coming back to his office, admitted that she went back into his office 2 or 3 or perhaps 4 times a week and did her private work there, took care of her private chores there, writing her personal letters on the typewriter and doing other work. Another one we proved had made application for a position and had stated in the application, "Resigned to accept this position"; and we proved that it had been agreed by the coterie headed by Sullivan that she was to be given the job even before she left his own office. We proved that another one by the name of George P. Hayman had been put into the internal-revenue office from the race track, the gambling institution which this gentleman owns and controls or now claims to have had mortgaged to him.

Hayman went into the internal-revenue office to work up a case against a man by the name of Gay, and when he could not do that he was transferred to the office of the Home Loan Corporation from the internal-revenue office, into which he had been put from the race track. Thus it has been proven that four of them, not three of them, had gone out of Sullivan's office and the race track into the internal revenue collector's office, proving by the testimony of two of them themselves that they went back to Sullivan's office and did work, and by one of them that she was still paid for doing work in the office there which she had left. Yet we are held up to denunciation; and in that State, with its people needing help, with our home-loan funds trafficked with in such a manner that the Hibernia Homestead, operated by this same character, takes $1,194 out of $2,000, or thereabouts, which the Government puts up, we are held to that kind of a condition, notwithstanding the statement in writing that I have here from Mr. Fahey that he does not approve of that kind of thing and he wants to do all in his power to prevent it.

Who keeps these men in there? Who is it that is responsible for the situation? With the head of the Home Loan Corporation of the United States denouncing what is going on, who is it that is keeping them there? Who is it that is keeping them there today? Why is it that they cannot be gotten rid of?

Why is it that they are taking 60 cents out of every dollar of the Government's money that is supposed to go to the distressed and destitute home owner, money that has been put up by the Government and that is supposed to take care of the poor man who is in distress to keep his home? If a man will steal 60 cents out of every dollar of this kind of money, he is a great deal worse than the man who will go into a grave and take a nickel off a dead man's eye. I would rather have a grave robber, 10 to 1, than to have to stand in Louisiana today for this kind of men who are taking 60 cents out of every dollar and robbing the home owner and robbing the United States Government of it.

Mr. Fahey says that this is a most outrageous thing, that he disapproves of it, that he would not have it at all, and yet when we get to the Hibernia Homestead, owned by this character, Sullivan, from whose concern is appointed the chief examiner, from whose office is appointed the abstractor, whose partner's nephew was made the attorney, from whose race-track associates is appointed the chairman of the board of directors of his race track in one position, who appointed his stool-pigeon candidate for city attorney in another position, who installed a man from the race track as contact man with the public, we find that he goes to his own Hibernia Homestead corporation with a widow's application for a $2,600 loan, of which she gets $1,100 and $1,500 goes to the profit of the racketeer, putting that deal through the Hibernia Homestead, which was in it. We traced it right in his teeth this time.

So it happens that we find that of the $2,000 of stock they put in there and that was selling on the market for $800 on that day, 17 of the 20 shares were owned by the secretary of his Homestead; so that seventeen twentieths of the amount of money made—$1,100 out of $1,700—actually was in the hands of the secretary of his Homestead.

Mr. President, those are the conditions we are having to put up with; that is what we are having to put up with in my State; that it what he have to stand for. It is denounced on the one hand, and yet we have got a white cloth up in front of the Home Loan Corporation to keep us from finding out anything else about Sullivan's transactions. They have put up the sheet. Out of the first 67 cases advanced we found downright stealing and crookedness, according to the estimate of Mr. Fahey, which I have here—in 65 out of the 67. Then, we went to investigate the Hibernia Homestead, Sullivan's own concern, of which his brother-in-law is president and which he testified he controls; but when we attempted to find fraud there, lo and behold, it was discovered that they had some kind of a special ruling that prevented the State banking department of the State of Louisiana from finding out any further facts. No; they must find out no more facts. When we came to the place where we had reached the pivotal point as to the gentleman there who had operated the gambling race track, whose business partner and brother was one of the directors employed in the wire service that went into every gambling house in the city, whose chief of police went on the witness stand and testified that he closed down the handbooks when Sullivan's track was operating, in order that the gambling houses would have to send their clients into the race track to do their betting, the shield of silk was stretched in front, and there has been forbidden any more disclosures about him.

"Touch not mine anointed, and do my prophets no harm." We are not to see further into the matter. We had been told that we were going to be allowed to go and find out the balance; but I do not know whether we would be or not.

Mr. President, once I was denounced on the score of this man because I permitted him in my organization. The letter which I hold in my hand was printed throughout the South. It was extolled as true by the newspapers of that State, including nearly all of them who were opposed to me at the time; particularly the sole remaining newspaper syndicates gave it both their column and their editorial approval. I had to stand it at the time. I think Senators will want to hear it, and I am going to send it to the desk and ask the clerk to read it as audibly as he possibly can and not too fast.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

[State organization headquarters for HUEY P. LONG. Harvey E. Ellis, State campaign manager; phones 103, 203, 303]

(Strictly personal and confidential)

COVINGTON, LA., *April 20, 1927.*

HON. HUEY P. LONG,
Shreveport, La.

MY DEAR HUEY: Maloney recently jockeyed Sullivan into a pocket and Sullivan was forced to support you on your own terms. He had no other place to go. I tried to make this plain to you. You know my opinion of Sullivan. He stands for three things: Racing, gambling, and whisky. Were I opposing you, Sullivan would be the issue that you would have to meet, and I would win.

I do not know what, if any, commitments you have made for Sullivan's support; but unless you had a clear, definite understanding with him that he was to stay in the background and not take a prominent part in the campaign, and that you were to be free, if conditions arose, to make such declarations and commitments as you saw fit in regard to the racing and gambling evil in New Orleans, you have, in my opinion, placed yourself at a very serious disadvantage, regardless of the support that Sullivan may bring, and at best it is going to be difficult to make the general public believe that you have not made commitments satisfactory to Sullivan to protect racing and gambling in New Orleans.

Dog and horse racing and gambling will be one, if not the principal issue in the coming gubernatorial campaign, and you are going to be forced to make public your position on this issue, and if Sullivan has been permitted to take a leading part in directing your city organization and you do not make a declaration that is satisfactory to Sullivan and the interests he represents, Sullivan will, at an inopportune time, bolt and disorganize your organization. If you yield to Sullivan as a matter of expediency, you will lose the respect and confidence of the people of this State, which are worth more than a thousand governorships. Your hands will be tied, and, even if you are elected Governor, your administration will be embarrassed and you will be unable to give this State a clean, progressive, fearless, honest administration, which is the reward that I hope to claim for my work in your behalf.

I have made many pledges and promises to people who were disinclined to support you, as to what your position would be on all great moral public questions, and these people will hold me responsible for your actions in the event that you are elected Governor.

I understood and I thought that I had made it clear that I would be consulted before you even agreed to accept Sullivan's support, in order that I could protect you and keep your hands free, which I could and would have done.

Now, I am unwilling to go any further until I hear from you fully and definitely as to what commitments, if any, you have made to Sullivan, what understanding, if any, you have, either expressed or implied, and how you intend to meet the dog, horse-race, and gambling issues in the State of Louisiana, and particularly in the city of New Orleans.

Very sincerely yours,

HARVEY E. ELLIS.

Mr. LONG. Mr. President, I send to the desk my reply to that letter, under date of April 21, 1907. I shall not take the time to have it read, but I wish it to be inserted in the RECORD at the conclusion of my remarks. The body of the reply will show, as published coincidentally with the letter just read, that whenever the minute arrived that the gambling institutions of that city and of that State under Sullivan undertook to take control of Louisiana and to operate in violation of the law, he would no longer be allowed to have anything to do with the politics of the administration of which I was the head. The record that has been disclosed shows whether or not that promise was kept.

I send these letters to the desk because, with other documents previously submitted, they will disclose that every remark that has been made on the floor of the Senate by me has not only been proved but has been admitted, not by their undertaking to have generalities to obscure it but by cold letters and documents and by the cold fact that one has to admit his business, the kind of business he is in, the kind of contrivances he is running, and exactly what is being done there, all shown to be in strict accordance with the representations and statements I have made here on the floor of the Senate.

The PRESIDING OFFICER. Without objection, the letter referred to by the Senator from Louisiana will be printed in the RECORD.

The letter is as follows:

SHREVEPORT, LA., *April 21, 1927.*

(Strictly personal and confidential)

Hon. HARVEY E. ELLIS,
Covington, La.

MY DEAR HARVEY: I have your letter of April 20, in which you speak of Maloney, Sullivan, dog races, horse races, whisky, etc. I have not secured the support of either Maloney or Sullivan at this time, although I once had the promise of Maloney, which apparently is not recollected by him. I have made no one any promises and will not make any, either expressed, implied, or otherwise. Further than this, my position on the questions of gambling, whisky, and others have been established so long and so openly repeated, that it would be useless for me to enumerate them now. I have expressed them to you most thoroughly and they met with your accord.

It is true that in my consistent antiring position that I have worked under the same campaigns against the old-established New Orleans ring, with all parties opposing them, regardless of what may have been their convictions and opinions on other questions. Sullivan has frequently been in this antiring line-up, and all of us have fought under the same banner when he was. For instance, 95 percent of the ministers and bishops of this State, Sullivan, and myself (as well as yourself) fought with him, leading the city fight in 1920. Four years before that time I supported Thomas C. Barrett and the prohibition ticket, you recall, when Sullivan, Maloney, Sanders, Behrman, Carbajal, and yourself supported the other side. While Paul Maloney was usually with the old organization for the part of the time I was fighting them, when he has been away from them and under the banner under which I have always fought, naturally I have been with him, too. The chances are if he stays away from them he will stay with me, or if he goes back to them he will be against me. Also, the chances are, I should imagine, that if Sullivan should make a fight against conditions that exist under the ring rule that he would naturally have to come to me, but that if he decided to fight for them that he would have to be against me.

I never saw or bet on a horse race in my lifetime. I never saw or bet on a dog race in my lifetime. Since I was a 12-year-old youth, my stand on prohibition has been a stand of open public record.

All parties who ever supported me must know of my consistent public position; never has a promise or assurance which I made to the public been violated in my entire career; no one can misunderstand me. Anyone supporting me knows by a record just whom it is he supports and for what he stands. They further know that there has been no vane or weather marks to record changes in my attitude or in the persons with whom I am affiliated or whose support I accept. All come on terms of HUEY LONG which, in this State, with pardonable pride, I must say, rather represents the highest order of principle and service, rather than the title of many particular designated persons.

Since the year 1908, when as a 15-year-old boy, I took my stand and handled a ward against the ring ticket being run in this State, I have the honor to say that I have varied not a jot nor tittle, neither back nor forth. Many there are who have, however, but I have never joined the side when I thought committed to the rule of a people's subjugation, or pronounced myself that way, and naturally had to fight under the banner which I have never left.

Yours sincerely,

HUEY P. LONG.

EXHIBIT 1.—*Liberty Homestead Association, transactions with Home Owners' Loan Corporation handled through Stanley W. Ray*

Date of sale	Name of borrower	Total amount due	Cash received	Stock received	Home Owners' Loan Corporation bonds and cash received	Market quotation stocks	Market quotation Home Owners' Loan Corporation bonds	Profit to Ray
Nov. 18, 1933	Salazar, Mrs. M. D	$8, 266. 95		$7, 600	$4, 265. 00	39½	82¾	$527. 29
Dec. 7, 1933	St. Amant, Claude	2, 000. 00		2, 400	1, 347. 90	42¾	83½	98. 75
Dec. 18, 1933	Albeanese, J. D	3, 300. 00		3, 300	1, 912. 75	39	84	319. 08
Dec. 23, 1933	Wolfe, Walter J	1, 701. 88		2, 600	1, 492. 47	50	83¾	[1] 51. 45
Dec. 14, 1933	Davis, Ida G	7, 195. 43	$1, 500. 00	8, 000	6, 341. 09	38⅞	84⅜	769. 85
Dec. 9, 1933	Meunier, Jules	6, 368. 27		7, 900	4, 419. 03	42¾	84	354. 71
Dec. 23, 1933	ExKano, Paul	1, 010. 24		1, 800	1, 000. 00	50	83¾	[1] 62. 50
Jan. 9, 1934	Cook, Mrs. Walter	9, 080. 49	2, 284. 54	10, 000	7, 889. 09	39	92½	1, 112. 79
Jan. 12, 1934	Acosta, J. P	1, 112. 19	344. 00	1, 500	1, 158. 19	38	92	151. 36
Jan. 15, 1934	Landry, E. J	2, 066. 10	919. 88	2, 000	2, 141. 04	37½	92	49. 84
Jan. 20, 1934	Cooper, Thos. B	3, 992. 83	1, 521. 00	3, 000	3, 308. 24	39½	92¼	345. 63
Feb. 1, 1934	Valenti, Mrs. C	5, 697. 76	1, 182. 00	5, 000	3, 813. 00	39	96	528. 48
Jan. 27, 1934	Thomas, Mrs. M. S	4, 868. 75	1, 100. 00	4, 000	3, 234. 26	40	95	372. 30
Jan. 30, 1934	Walther, F. L	7, 099. 46	475. 00	6, 500	3, 787. 08	39½	95	555. 15
Feb. 6, 1934	Bianca, Mrs. Louis	3, 927. 40	250. 00	4, 000	2, 233. 86	40⅛	97⅞	330. 54
Feb. 23, 1934	Weinmann, Mrs. J. M	3, 457. 72	1, 250. 04	2, 200	2, 388. 93	40¼	95¼	139. 03
Mar. 1, 1934	Waguespack, Mrs. F	4, 991. 64	1, 685. 76	3, 500	3, 623. 07	40¼	94⅜	324. 69
Mar. 2, 1934	Sheldon, Ernest	1, 642. 44		1, 900	931. 12	40¼	97¼	140. 64
Mar. 9, 1934	Buffet, A. J	4, 291. 18	2, 346. 00	2, 000	3, 551. 09	40¼	97⅛	297. 90
Mar. 15, 1934	Brown, et al., Mrs. Paul	3, 600. 00		3, 250	1, 625. 39	40¼	97¼	273. 19
Mar. 23, 1934	Christophe, F. J	3, 172. 31	968. 00	2, 200	2, 138. 38	41	98⅞	227. 51

[1] Loss.

EXHIBIT 1.—*Liberty Homestead Association, transactions with Home Owners' Loan Corporation handled through Stanley W. Ray*—Continued

Date of sale	Name of borrower	Total amount due	Cash received	Stock received	Home Owners' Loan Corporation bonds and cash received	Market quotation stocks	Market quotation Home Owners' Loan Corporation bonds	Profit to Ray
Mar. 23, 1934	Horanz, Rosine	$5, 210. 39	$3, 300. 00	$2, 000	$4, 549. 20	41	98⅛	$343. 70
Do	Lamarie, M. B	6, 019. 57	2, 620. 00	3, 500	4, 549. 20	41	98⅛	408. 70
Mar. 22, 1934	Mercier, Jos. E	1, 428. 36		2, 000	997. 77	41¾	98⅛	143. 30
Do	Rasmussen, H. F. W	5, 751. 66	1, 048. 00	5, 000	3, 617. 33	41	98⅛	451. 18
Feb. 21, 1934	Catamia, S	3, 500. 00	1, 618. 33	2, 000	2, 840. 59	40¾	96½	307. 27
	Total	110, 153. 02	24, 412. 55	99, 150	79, 155. 07			8, 458. 93

EXHIBIT 2.—*Transactions in the Acme Homestead Association, New Orleans, La., sales for stock manipulated through the Home Owners' Loan Corporation*

Date of sale	Name of purchaser	Book value	Cash received	Stock received	Commissions paid	Bond quotations	Attorney's fees	Estimated profit	Estimated bond proceeds	Other expenses	Bonds issued	Name of original owner
Dec. 18, 1933	Briant, H. A. (P.J.L.)	$6, 443. 31		$7, 100	$284. 00	84	$384	$1, 058. 49	$4, 040. 49	$500	$4, 810. 11	H. A. Briant.
Jan. 27, 1934	Prieto, Virginia M. (P.J.L.)	3, 402. 53	$500. 00	3, 500	160. 00	95		450. 09	2, 420. 09		2, 558. 52	George Huet.
Do	do	2, 963. 66	192. 00	4, 500	187. 68	95		841. 81	2, 923. 81		3, 077. 70	Mr. and Mrs. A. Berthelot.
Feb. 23, 1934	do	1, 615. 67	102. 40	2, 000	84. 10	95¼		621. 66	1, 564. 03		1, 642. 03	Luke Francis.
Mar. 5, 1934	Thrift Realty Co., Inc. (Sigeler)	9, 105. 23	560. 00	11, 440		96¾		1, 285. 83	6, 089. 63		6, 873. 66	Mrs. H. K. Elmer.
Do	do	3, 812. 86	250. 00	3, 950	168. 00	96¾		413. 00	2, 322. 00		2, 400. 00	E. J. Colgas.
Do	Leaman, Mrs. Virginia P. (P.J.L.)	5, 209. 81	360. 00	6, 100	258. 40	96¾		1, 287. 60	4, 209. 63		4, 351. 04	Mrs. Eva Beelman.
Mar. 7, 1934	do	6, 365. 25	900. 00	6, 200	355. 00	96¾		1, 247. 93	4, 809. 93		4, 971. 51	Frank Di Georga.
Do	do	1, 303. 87	250. 00	1, 500	70. 00	96¾		543. 51	1, 443. 51		1, 492. 27	Jonas Wormser.
Mar. 23, 1934	Dumaine Realty Co. (Moyor)	6, 229. 79		6, 600	264. 00	98⅛		593. 70	3, 355. 70		3, 429. 61	A. A. Antoine.
Do	Dumaine Realty Co. (Eiseman)	6, 171. 78	300. 00	6, 700	280. 00	98⅛		466. 16	3, 580. 16		3, 648. 58	Clarence L. Smith.
	Total							8, 809. 78				

Amount of bonds issued obtained from Home Owners' Loan Corporation.
Stock quotations actual.
All transactions calculated on basis of stock valued at 42.

EXHIBIT 3.—*Transactions handled by Meyer Eiseman for Union Homestead Association, New Orleans, La.*

Date	Name of borrower	Total due	Cash received	Stock received	Bonds approved	Stock quotations	Bond quotations	Brokers' estimated profit	
Dec. 27, 1933	Bullitman, O. C	$2, 271. 78	$700. 00	$1, 600	$1, 940. 00	48	84	$161. 68	
Jan. 16, 1934	Gomez, Mrs. A. P	1, 942. 49		2, 000	1, 500. 28	48	92	420. 00	
Dec. 12, 1933	Jones, J. O	20, 484. 59		20, 500	10, 947. 83	48	84	870. 00	$12, 750
Jan. 12, 1934	Fenasscl, E. J	1, 675. 41		1, 750	1, 102. 80	48	92	321. 00	1, 262
Feb. 1, 1934	Dieck, H. T	3, 993. 37	300. 00	3, 650	1, 900. 00	48	96	371. 04	2, 524
Feb. 17, 1934	Eiserloh, N. W	3, 093. 24	800. 00	2, 500	2, 427. 74	48	95¼	499. 00	2, 624
Mar. 21, 1934	Brown, Y. E	7, 309. 07	553. 41	7, 000	4, 690. 91	51	98⅛	478. 63	
Mar. 27, 1934	Braquet, T. V	1, 931. 35	447. 90	1, 700	1, 560. 24	51	98	213. 90	

EXHIBIT 4.—*Eureka Homestead Society, New Orleans, La., loans negotiated through Home Owners' Loan Corporation by Stanley W. Ray*

Name	Apparent profit figured from bid prices	Date sold by association	Book value	Payment in cash	Payment in stock of association	Home Owners' Loan Corporation net amount of par value bonds issued after deductions	Bonds		Stock		Home Owners' Loan Corporation folio no.
							Bid	Offered	Bid	Offered	
Peter Yuratich	$133. 96	Mar. 21, 1934	$5, 299. 90		$5, 299. 90	$3, 265. 04	98¼	98⅝	58		A-502
Frank Sullivan	1, 449. 38	Feb. 28, 1934	10, 012. 27	$4, 500. 00	5, 512. 27	9, 504. 49	94¾	95¼	57¼		A-321
H. C. Bocage	954. 14	Mar. 2, 1934	2, 699. 15		2, 699. 15	2, 570. 08	97¼	98	57¼		A-330
Mrs. Katherine K. Oertling	357. 20	Feb. 23, 1934	7, 690. 60	6, 000. 00	1, 690. 60	7, 690. 60	95¼	95¾	57¼		A-279
Mrs. Laura Mersch	1, 639. 89	Dec. 26, 1933	5, 333. 29		5, 333. 29	5, 333. 29	83¾	84½	53		A-80
Mrs. C. Eustes	2, 053. 66	Jan. 16, 1934	17, 663. 85		17, 663. 85	13, 019. 44	91¾	92½	56	60	A-144
J. R. Nagle	687. 98	Dec. 20, 1933	2, 619. 93		2, 619. 93	2, 604. 28	84	84½	57¼		A-61
Mrs. T. Puneky	1, 077. 18	Jan. 15, 1934	4, 823. 96		4, 823. 96	4, 106. 58	92	92¾	56	60	A-138
L. T. Schrer	1, 005. 61	Mar. 7, 1934	4, 798. 05	800. 00	3, 998. 05	4, 232. 36	96¼	97¼	57¼		A-375
Mrs. L. McDonald	826. 52	Jan. 15, 1934	2, 530. 84		2, 530. 84	2, 471. 88	92	92¾	56	60	A-114
Uncas Tureaud	452. 25	Dec. 28, 1933	1, 675. 39		1, 675. 39	1, 675. 39	84	84½	57	58½	A-84
Mrs. Myrtle Schwartz	1, 654. 58	Nov. 15, 1933	16, 500. 00		16, 500. 00	13, 126. 52	83	84	56		A-8
B. S. Boree	263. 93	Dec. 29, 1933	5, 000. 00		5, 000. 00	3, 702. 64	84¼	84¾	57		A-48
Charles Goulon	320. 11	Jan. 6, 1934	4, 052. 09		4, 052. 09	2, 872. 23	90½	92½	56	59	A-112
Mrs. Athene Harvey	1, 191. 97	do	4, 908. 41		4, 908. 41	4, 709. 72	90½	92½	56		A-115
Frank Albert	382. 76	do	1, 259. 11		1, 259. 11	1, 208. 35	90½	92½	56		A-116
Felix Simms	574. 52	Jan. 4, 1934	2, 768. 45		2, 768. 45	2, 403. 23	86¾	87½	56		A-107
Joseph Brown	861. 08	Feb. 27, 1934	2, 281. 43		2, 281. 43	2, 281. 43	95	95½	57¼	60	A-291
Jean and A. Perret	721. 19	Jan. 6, 1934	2, 156. 33		2, 156. 33	2, 131. 59	90½	92½	56	59	A-118
George C. Muhs	1, 160. 65	Mar. 15, 1934	3, 979. 81	700. 00	3, 279. 81	3, 852. 94	97¼	97⅝	57½		A-434
Total	17, 768. 56		108, 052. 86	12, 000. 00	96, 052. 86	92, 762. 03					

EXHIBIT 5.—*Transactions of the Hibernia Homestead Association with the Home Owners Loan Corporation, New Orleans, La.*

Date	Name of mortgagor	Amount due	Bonds approved	Stock received	Cash value of stock	Cash value of bonds	Profit to broker	Name of brokers
Mar. 29, 1934	P. L. Miller	$1, 989. 35	$1, 989. 35	$2, 000	$800	$1, 971	$1, 171	A. L. Sizler.
Mar. 23, 1934	Mrs. L. J. Kline	2, 712. 85	2, 712. 85	2, 800	1, 120	2, 661	1, 541	John Henry Brown.

The article requested by Mr. FESS to be printed in the RECORD is as follows:

[From the Baltimore (Md.) Sun, Apr. 12, 1934]

THE HOME LOAN INCIDENT

By Frank R. Kent

WASHINGTON, April 11.—No clearer case of devotion to the spoils system has ever been given than that of House Democrats in the vote yesterday on the amended Home Owners' Loan Corporation bill. It was not only a degrading act but a stupid one. It ought to arouse public resentment. It exhibits the House leaders, who prate about patriotism and public spirit, as wholly hollow and insincere.

The facts are these: Senator NORRIS, of Nebraska, had inserted an amendment which provided that "no partisan political test shall be permitted, but all agents and employees shall be appointed or promoted solely on the basis of merit and efficiency." It is hard to see how any man who believes in decent government, or wants the administration to succeed, could oppose that. One great weakness of the H.O.L.C. is that it is so largely manned by politicians. In many States it is entirely in their hands, and in some, notably Illinois, this has led to festering abuses.

The Board endorsed the Norris amendment. The President endorsed it and the Senate passed it. Mr. Roosevelt went further, and personally communicated with Chairman STEAGALL, of the House Banking Committee, expressing hope the House would concur. There seemed no ground upon which it could be decently opposed. Yet the House committee deliberately dropped the Norris amendment, and reported the bill without it. Under the rule by which it was considered last Wednesday no amendment not proposed by the committee could be offered on the floor. There was no chance to vote on the Norris proposal. This did not, however, prevent discussion, and a stirring speech pointing out the devastating effects of the committee's action was made by Representative JOHN HOLLISTER, of Ohio, who believed the whole purpose of the plan can be defeated by the mire of politics in which it is steeped. At that time there was no way to put the House on record and the bill was almost unanimously passed as it came from the committee.

But a way was found yesterday when a motion was offered directing the House conferees to restore the Norris amendment. On this a roll call was taken. It was defeated by 230 to 116. All the negative votes were Democrats. Thus, the Democratic House proclaimed itself unwilling to curb its appetite for pie even at the risk of crippling an important administration policy, even when proposed by friends of the administration, even when adopted by the Democratic Senate, even when requested by the Democratic President. A more indefensible act has not been committed in Congress for a long time.

The primary purpose of the bill was to give Federal guaranty to the principal as well as interest of the home loan bonds, which the corporation exchanges for distressed mortgages. There was, however, an amendment put in that still further shocks those who believe most of the mortgages taken over will be a complete loss. This amendment sets aside $200,000,000, which the corporation is authorized to loan in cash for maintenance, repair, rebuilding, and modernization. This, it is claimed, ridiculously enlarges the scope of the scheme. It means that after the Government has taken over a mortgage upon which neither principal, interest, nor taxes can be paid, it will then lend to the mortgagee money to repair and maintain his home. Under this, it is held, a man cannot only unload his mortgage on the Government but borrow cash to paint his porch or put in a new kitchen sink. All the Government asks for this additional cash is another lien on the property.

It is a new idea that got by without discussion. The contention is that this extension of H.O.L.C. authority can ultimately have but two results. Either the Government, forced to foreclose, will find itself the owner of literally innumerable modernized and repaired houses, with which it will not know what to do; or Congress will wipe out all the obligations, leaving the home owner with his house free of mortgage, repaired and modernized at Government expense. Most incline to the latter view. They see another organized minority in the making, which will be able to put pressure on Congressmen to be relieved from paying the Government, just as the veterans do to have their pay restored.

INTERNAL-REVENUE TAXATION

The Senate resumed the consideration of the bill (H.R. 7835) to provide revenue, equalize taxation, and for other purposes.

Mr. KING. Mr. President, as I came into the Chamber I was advised that an amendment proposed to the pending bill by the Senator from North Dakota [Mr. NYE] was under consideration. I am in sympathy with the general purpose of the amendment but it occurs to me that in the consideration of a revenue bill, limited in its scope and in its duration, it is not a proper vehicle to carry the important amendment offered by the Senator. My recollection is that several weeks ago a resolution was offered by a number of Senators, including the Senator from North Dakota, which called for an investigation of the manufacture, sale, and distribution of munitions and implements of war. The resolution, as I recall, was comprehensive and went far beyond what I have just indicated. Under that resolution a study would be made of questions relating to war, and as ancillary to the same, a study of what legislation should be enacted for the purpose of raising revenues to meet military expenditures.

The amendment offered by the Senator could, with propriety, be referred to this committee in order that it might consider what legislation should be enacted in the event of war looking to the conscription of property to meet the expenses of such conflict.

Several years ago I offered in the Senate a measure which, in effect, declared that in the event of war all property should be at the disposal of the Government in order to enable it to successfully prosecute such war. I think a number of other amendments, similar in character, have been offered since then.

I believe that the general sentiment in the United States is that in the event of war our resources shall be devoted to the cause of our country. The American people, upon many occasions, have demonstrated their devotion to our country, and their willingness to surrender property, as well as to give their lives, in the defense of this Republic. It has been my view that heavy as were the burdens of taxation imposed during the war, larger taxes should have been imposed upon those who derived enormous profits. Many corporations, as well as individuals, derived colossal profits from their enterprises by reason of the war. Even before the United States entered the war it is known that great fortunes were made by many corporations and individuals in the United States. They supplied the Allied, as well as the Central Powers, with commodities of various kinds, as well as war munitions, from which they derived stupendous profits, and after our country entered the war the profits which flowed into the coffers of various corporations, as well as individuals, were entirely too great. It has been claimed that several thousand millionaires were made during the war.

It is unfortunate that during periods of conflict such as that through which the world passed, corporations and individuals should be enriched and that hundreds of millions should be added to the wealth of those who furnished supplies and munitions made necessary by war activities.

If the world should again be called upon to pass through the tragedies and horrors of a great war, legislation should be enacted that would prevent profits from being reaped and war profiteers and millionaires being developed.

I repeat, Mr. President, that the amendment offered by the Senator expresses, I believe, the views of a great majority of the people, and I have no doubt that in the event of war, legislation would promptly be enacted that would deny to individuals or corporations opportunities for profit from the suffering and death of American boys. War is hateful and horrible and it must not return profits and fortunes to individuals and corporations.

I sincerely hope that the resolution to which I have referred and which was offered by a number of Senators several weeks ago will be passed and that the comprehensive investigation called for by the resolution will be made. As I have stated, the amendment now before us would logically and properly fall within the purview of such investigation.

Mr. HARRISON. Mr. President, I am very anxious, and I know other Senators are very anxious, to move ahead as rapidly as possible with the revenue bill now before us. I think we can make a good deal of headway tonight. I would make this suggestion. I do not know whether it will meet with the approval of other Senators, but I see no objection to this course. The Senator from Michigan [Mr. VANDENBERG] referred to a resolution now on the calendar providing for the appointment of a committee to investigate this question. I would suggest that that resolution be considered and adopted at this time and that the amendment of the Senator from North Dakota be referred to that committee when it shall be appointed.

Mr. VANDENBERG. Mr. President, that would be agreeable to me.

Mr. NYE. Mr. President, I know there are many Senators who would like to have a chance to vote upon the pending amendment, and yet I realize there are good reasons why there should be wider consideration given to the sort of legislation that is required. For my own individual part, I shall be quite willing to have that course taken.

Mr. HARRISON. I hope it may be taken.

Mr. NYE. Then I will move——

Mr. HARRISON. Mr. President, if the Senator will merely ask unanimous consent for immediate consideration of the resolution, I think that will accomplish the purpose.

MANUFACTURE AND SALE OF MUNITIONS OF WAR

Mr. NYE. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 623, being Senate Resolution 206, providing for the appointment of a special committee to investigate the subject matter which we have had under discussion.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

There being no objection, the Senate proceeded to consider the resolution (S.Res. 206) submitted by Mr. NYE and Mr. VANDENBERG on March 12, 1934, and reported from the Committee to Audit and Control the Contingent Expenses of the Senate with amendments, on page 2, line 2, to strike out "five" and insert "seven"; in line 5, after the word "individuals", to insert "firms, associations"; and in line 6, after the word "corporations", to insert "and all other agencies"; on page 3, line 11, after the word "committee", to insert "or any subcommittee thereof"; and in line 21, to strike out "$50,000" and insert "$15,000", so as to make the resolution read:

Whereas the influence of the commercial motive is an inevitable factor in considerations involving the maintenance of the national defense; and

Whereas the influence of the commercial motive is one of the inevitable factors often believed to stimulate and sustain wars; and

Whereas the Seventy-first Congress, by Public Resolution No. 98, approved June 27, 1930, responding to the long-standing demands of American war veterans speaking through the American Legion for legislation "to take the profit out of war", created a War Policies Commission, which reported recommendations on December 7, 1931, and on March 7, 1932, to decommercialize war and to equalize the burdens thereof; and

Whereas these recommendations never have been translated into the statutes: Therefore be it

Resolved, That a special committee of the Senate shall be appointed by the Vice President to consist of seven Senators, and that said committee be, and is hereby, authorized and directed—

(a) To investigate the activities of individuals, firms, associations, and of corporations and all other agencies in the United States engaged in the manufacture, sale, distribution, import, or export of arms, munitions, or other implements of war; the nature of the industrial and commercial organizations engaged in the manufacture of or traffic in arms, munitions, or other implements of war; the methods used in promoting or effecting the sale of arms, munitions, or other implements of war; the quantities of arms, munitions, or other implements of war imported into the United States and the countries of origin thereof, and the quantities exported from the United States and the countries of destination thereof; and

(b) To investigate and report upon the adequacy or inadequacy of existing legislation, and of the treaties to which the United States is a party, for the regulation and control of the manufacture of and traffic in arms, munitions, or other implements of war within the United States, and of the traffic therein between the United States and other countries; and

(c) To review the findings of the War Policies Commission and to recommend such specific legislation as may be deemed desirable to accomplish the purposes set forth in such findings and in the preamble to this resolution; and

(d) To inquire into the desirability of creating a Government monopoly in respect to the manufacture of armaments and munitions and other implements of war, and to submit recommendations thereon.

For the purposes of this resolution the committee or any subcommittee thereof is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Congress until the final report is submitted, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $15,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The amendments were agreed to.

Mr. FESS. Mr. President, is the proposed investigation to be conducted by a Senate committee?

Mr. HARRISON. Yes. The resolution was reported favorably from the Committee on Military Affairs and then referred to the Committee to Audit and Control the Contingent Expenses of the Senate. The latter committee reported the resolution favorably with certain amendments, among which was one reducing the amount from $50,000 to $15,000.

Mr. FESS. The Committee to Audit and Control has already approved the resolution?

Mr. HARRISON. Yes; it has been reported favorably by that committee with certain amendments which have just been agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to.

The preamble was agreed to.

Mr. HARRISON. Mr. President, I now ask unanimous consent that the amendment submitted by the Senator from North Dakota [Mr. NYE] may be referred to the special committee provided for in the resolution just adopted when the committee shall be appointed.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 606) to authorize the waiver or remission of certain coal-lease rentals, and for other purposes.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 2032) for the relief of Richard A. Chavis, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HILL of Alabama, Mr. THOMPSON of Illinois, and Mr. CARTER of Wyoming were appointed managers on the part of the House at the conference.

The message further announced that the House insisted upon its amendments to the bill (S. 828) to authorize boxing in the District of Columbia, and for other purposes, disagreed to by the Senate; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mrs. NORTON, Mr. PALMISANO, and Mr. WHITLEY were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

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

S. 163. An act for the relief of Capt. Guy M. Kinman;

S. 3022. An act to amend sections 3 and 4 of an act of Congress entitled "An act for the protection and regulation of the fisheries of Alaska", approved June 26, 1906, as amended by act of Congress approved June 6, 1924, and for other purposes; and

S. 3209. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in the case of United States of America against Weirton Steel Co. and other cases.

INTERNAL-REVENUE TAXATION

The Senate resumed the consideration of the bill (H.R. 7835) to provide revenue, equalize taxation, and for other purposes.

Mr. HARRISON. Mr. President, I should like, if possible, to clear up one or two matters before we take up the next subject, which will lead to debate.

I send to the desk a clarifying amendment to the substitute offered by me, on behalf of the committee, for the surtax

amendment. The substitute was offered and adopted on April 4.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. In the second bracket, after the phrase "7 percent", there should be inserted "in addition."

The amendment was agreed to.

Mr. HARRISON. Mr. President, in view of the adoption of the so-called "Borah amendment" as to consolidated returns, it is necessary to make certain clerical changes at other places in the bill; and I ask unanimous consent that these changes may be made.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 155, it is proposed to strike out lines 10 to 13, both inclusive.

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 158, it is proposed to strike out lines 10 to 13, both inclusive.

The amendment was agreed to.

On page 161 it is proposed to strike out lines 11 to 14, both inclusive.

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 242, line 19, it is proposed to strike out "sections 131 and 141" and insert "section 131."

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 76, it is proposed to strike out "this act or" in line 2, and again in line 5, and again in lines 10 and 11, and again in line 14.

The amendments were agreed to.

Mr. HARRISON. Mr. President, I ask that the order I send to the desk may be entered. It is the usual order following the consideration of each of these bills authorizing certain changes to be made.

The PRESIDING OFFICER. The order will be read.

The order was read and agreed to, as follows:

Ordered, That in the engrossing of the amendments of the Senate to the pending bill (H.R. 7835) the Secretary of the Senate be authorized:

(1) To make such changes in the table of contents as may be necessary to make such table conform to the action of the Senate in respect of the bill;

(2) To make such clerical changes as may be necessary to the proper numbering and lettering of the various portions of the bill, and to secure uniformity in the bill in respect of typography and indentation; and

(3) To amend or strike out cross-references that have become erroneous or superflous, and to insert cross-references made necessary by reason of changes made by the Senate.

Ordered further, That the said bill, when passed, be printed showing the Senate amendments numbered.

Mr. HARRISON. Mr. President, there are two committee amendments remaining that have not as yet been acted upon. One is with reference to "hot oil", under which informants are to be paid something. The committee struck out the House provision. I do not think they knew much about it, or made much investigation. I should like to have the Senate act on the matter. The committee recommended striking out the House provision.

Mr. LA FOLLETTE. Mr. President, is it the Senator's desire that this matter should go to conference, or otherwise?

Mr. HARRISON. I think it would be very well for it to go to conference. Only by striking out the House text can it go to conference.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 210 it is proposed to strike out lines 1 to 24, inclusive, and on page 211 it is proposed to strike out lines 1 to 8, inclusive, in the following words:

SEC. 514. Penalties and awards to informers with respect to illegally produced petroleum: (a) Any person liable for tax on any income from illegally produced petroleum, who willfully fails to make return showing such income within the time prescribed by law, or 30 days after the enactment of this act, whichever expires later, shall, in addition to all other penalties prescribed by law, be liable to a civil penalty of $500 plus $50 for each day during which such failure continues.

(b) Any person not an officer of the United States who furnishes to the Commissioner or any collector original information leading to the recovery from any other person of any penalty under this section may be awarded and paid by the Commissioner a compensation of one half the penalty so recovered, as determined by the Commissioner.

(c) As used in this section, the term "income from illegally produced petroleum" means any income (not shown on a return made within the time prescribed by law, or 30 days after the enactment of this act, whichever expires later) arising out of any sale or purchase of crude petroleum withdrawn from the ground subsequent to January 1, 1932, in violation of any State or Federal law (not including withdrawal in violation of any code of fair competition approved under the National Industrial Recovery Act or illegal withdrawal, the penalties for which have been mitigated or satisfied in pursuance of law prior to the enactment of this act), or arising out of any fee derived from acting as agent for any seller or purchaser in connection with a sale or purchase of such petroleum or products thereof, or any amount illegally received by any person charged with the enforcement of law with respect to such petroleum or products thereof.

The amendment was agreed to.

Mr. HARRISON. Mr. President, there is one other provision, with reference to the produce tax, on which I understand the Senator from North Dakota desires to be heard. I should like to get some idea about what other amendments there are.

Mr. LA FOLLETTE. Mr. President, I desire to offer an amendment to make income-tax returns public records. I understand that the Senator from Missouri [Mr. CLARK] has an amendment with relation to the taxation of tax-exempt securities. Those are the only amendments about which I can inform the Senator.

Mr. HARRISON. I understand that the Senator from Arizona [Mr. ASHURST] has an amendment and that the Senator from Minnesota [Mr. SHIPSTEAD] has an amendment. Unless some Senator raises an objection, it is my purpose to accept the amendment that is to be offered by the Senator from Minnesota. We might dispose of some of these matters now, and tomorrow take up the other subjects that are to be discussed briefly.

Mr. LA FOLLETTE. Has the Senator abandoned any hope of disposing of the bill today?

Mr. HARRISON. I really do not think we can dispose of the bill today.

Mr. LA FOLLETTE. In that case it will be perfectly agreeable to me to withhold until tomorrow the offer of the amendment in which I am interested.

Mr. NORRIS. Mr. President, the Senator from Missouri [Mr. CLARK], whom I do not see in the Chamber at the present time, has a very important amendment.

Mr. HARRISON. I understood that the Senator from Missouri was planning to offer that amendment and that it might involve some discussion.

Mr. NORRIS. It will involve some discussion.

Mr. ASHURST. On what particular subject is the amendment?

Mr. NORRIS. On the taxation of what are now called "tax-exempt" securities.

Mr. HARRISON. Will the Senator from Minnesota offer his amendment now?

Mr. SHIPSTEAD. Yes, Mr. President. I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 237, after line 20, it is proposed to insert the following:

Section 2 of the Liquor Tax Act of 1934 is amended to read as follows:

"SEC. 2. Paragraphs (3) and (4) of subdivision (a) of section 600 of the Revenue Act of 1918, as amended (relating to the tax on distilled spirits generally and the tax on distilled spirits diverted for beverage purposes) (U.S.C., supp. VI, title 26, sec. 1150 (a) (1) and (2)), are amended to read as follows:

"'(3) On and after January 1, 1928, and until the effective date of title I of the Liquor Taxing Act of 1934, $1.10 on each proof-gallon or wine-gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof- or wine-gallon; and

"'(4) On and after the effective date of title I of the Liquor Taxing Act of 1934, $2 on each proof-gallon or wine-gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof- or wine-gallon.

"'*Provided, however,* That on and after the effective date of the Revenue Act of 1934 any manufacturer finding it necessary to use alcohol (other than denatured or specially denatured alcohol) in the arts or sciences or in the manufacture, extraction, solution, or preservation of any article of commerce which when manufactured and prepared for the market is unfit for use for intoxicating-beverage purposes, may use the same under regulations which shall be prescribed by the Secretary of the Treasury, and upon satisfying the collector of internal revenue for the district wherein he resides or carries on business that he has complied with such regulations and that such alcohol has been used therein for no other purposes than hereinabove stated, and exhibiting and delivering up the stamps which show that a tax has been paid thereon, shall be entitled to receive from the Treasury of the United States a rebate or repayment of 90 cents on each proof-gallon or wine-gallon of alcohol when below proof and a proportionate amount at a like rate on all fractional parts of such proof- or wine-gallon: *Provided, however,* That such rebate or repayment shall not be made in the case of any alcohol withdrawn from bonded warehouses prior to the effective date of the Revenue Act of 1934.

"'The Secretary of the Treasury shall forthwith prescribe the regulations provided for herein for the supervision and enforcement of this act.'"

The PRESIDING OFFICER. The question is on the amendment of the Senator from Minnesota [Mr. SHIPSTEAD].

Mr. COPELAND. Mr. President, I simply desire to appeal to the Senator from Mississippi [Mr. HARRISON] to take this amendment to conference, because it is a matter which ought to be given consideration.

Mr. McKELLAR. Mr. President, I desire to join in that request.

Mr. HARRISON. Mr. President, the committee gave consideration to the question of alcohol going into medicinal preparations. We received many telegrams from over all the country with reference to the subject. I thought it was another amendment that the Senator was going to offer. I did not know it was this one; but I am willing to let the amendment go to conference and be considered there.

Mr. COUZENS. Mr. President, I desire to ask the Senator from Minnesota a question about the last sentence of the amendment. There seems to be a blank there.

Mr. SHIPSTEAD. The last sentence of the printed amendment has been stricken out.

Mr. COUZENS. The whole paragraph?

Mr. SHIPSTEAD. No; the regulations are provided for.

Mr. COUZENS. May I ask that the clerk read again the last section of the amendment?

The PRESIDING OFFICER. The clerk will reread the last section of the amendment.

The legislative clerk read as follows:

Provided, however, That such rebate or repayment shall not be made in the case of any alcohol withdrawn from bonded warehouses prior to the effective date of the Revenue Act of 1934.

The Secretary of the Treasury shall forthwith prescribe the regulations provided for herein for the supervision and enforcement of this act.

The PRESIDING OFFICER. The Chair is advised that the amendment has been modified from the form in which it was originally printed.

The question is on agreeing to the amendment offered by the Senator from Minnesota.

The amendment was agreed to.

Mr. SHIPSTEAD. Mr. President, I send to the desk another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 236, line 10, it is proposed to strike out "$20" and insert "$75", so as to read:

SEC. 607. Tax on furs: The tax imposed by section 604 of the Revenue Act of 1932 shall not apply to articles sold by the manufacturer, producer, or importer, after the date of the enactment of this act, for less than $75.

Mr. SHIPSTEAD. Mr. President, it will be necessary to reconsider the action on the committee amendment that was agreed to the other day in order to present this amendment; and I hope the Senator from Mississippi will consent to have that done.

Mr. HARRISON. I ask unanimous consent that the action on the committee amendment may be reconsidered for the purpose of considering the amendment offered by the Senator from Minnesota.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and the vote whereby the committee amendment was agreed to is reconsidered.

The question is on the amendment offered by the Senator from Minnesota to the amendment of the committee.

Mr. HARRISON. Mr. President, the Senator from Minnesota has talked to members of the committee with reference to this amendment with regard to fur coats which are used in the northern part of the country. May I ask the Senator from Minnesota whether such coats cost $75 or more?

Mr. SHIPSTEAD. Not much of a coat can be purchased for $75, but a person can get along with a $75 fur coat. The amendment will save a poor man who has to have a fur coat for himself or his wife from paying a tax upon what is really a necessary article. Though not of universal use in the country, in the northern half of the United States fur coats are necessities for the people.

Mr. COPELAND. Mr. President, I desire to add my appeal to that of the Senator from Minnesota.

Mr. HARRISON. The Senator from Minnesota talked to me about this matter. We have had a great deal of trouble about the fur section of the bill. I had hoped we might be able to strike it out altogether, but we cannot lose the revenue. If the Senate wishes to adopt this amendment, it will be perfectly agreeable to me up to a value of $75.

Mr. COUZENS. Mr. President, has the Senator from Mississippi made an estimate of the amount of revenue that will be lost in case this amendment shall be adopted?

Mr. HARRISON. We received $7,000,000 of revenue from the whole fur tax. The experts think that if this amendment should be adopted we probably would lose around $2,000,000 of revenue.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Minnesota to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. McKELLAR. I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 127, after line 4, it is proposed to insert the following new subsection:

(d) Under regulations prescribed by the Commissioner, with the approval of the Secretary, every corporation subject to taxation under this title shall, in its return, submit a list of the names of all officers and employees of such corporation and the respective amounts paid to them during the taxable year of the corporation by the corporation as salary, commission, bonus, or other compensation for personal services rendered, if the aggregate amount so paid to the individual is in excess of $15,000. The Secretary of the Treasury shall submit an annual report to Congress compiled from the returns made containing the names of, and amounts paid to, each such officer and employee and the name of the paying corporation.

Mr. HARRISON. Mr. President, I hope the Senate will agree to this amendment, because already the corporations have to furnish the Secretary of the Treasury a salary list. This amendment would merely direct that the Secretary of the Treasury shall transmit that list of salaries, where they amount to $15,000 or more, and of bonuses of $15,000 or more, so that they might be published.

Mr. McKELLAR. Mr. President, I was very sorry the other amendment was voted down a day or two ago, but this will compensate in part.

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

The amendment was agreed to.

Mr. HARRISON. Mr. President, I ask the Senator from North Dakota [Mr. FRAZIER] whether we cannot now take up the produce amendment and get it out of the way?

Mr. FRAZIER. I am perfectly willing to proceed at this time.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 237, after line 11, it is proposed by the committee to insert the following amendment:

SEC. 611. Stamp tax on sales of produce for future delivery: (a) Effective on the day following the enactment of this act subdivision 4 of schedule A of title VIII of the Revenue Act of 1926, as amended, is amended by striking out "5 cents" wherever appearing in such subdivision, and inserting in lieu thereof "1 cent".

(b) Section 726 (c) of the Revenue Act of 1932 is repealed.

Mr. HARRISON. Mr. President, the Senator from Oklahoma [Mr. GORE] and the Senator from South Carolina [Mr. SMITH] are very anxious to be present when this amendment is discussed. I now notice that neither of those Senators is present, so I hope some other amendment may be taken up.

Mr. NORRIS. Mr. President, I should like to have an amendment I desire to offer considered at this time.

Mr. HARRISON. Very well.

Mr. NORRIS. When the last revenue act was before the Senate, the question was raised of the exemption from taxation of some of the farmers' cooperative organizations. A construction had been placed upon the existing law to which objection was made. The matter was referred by resolution to the Committee on Agriculture and Forestry of the Senate. That committee took considerable testimony on the Senate resolution which bore on the subject. As a result of the hearings, at which appeared the representatives of the farm organizations as well as the representatives of the Bureau of Internal Revenue, no objection was raised to the change, except that the representatives of the Bureau of Internal Revenue contended that a construction which they had placed upon the law was a correct one.

It was a controverted question. In order to settle it, I was directed, as chairman of the committee, to propose an amendment to the revenue bill which was about to be brought before the Senate. I did that. We took it up in the Senate; and after some debate on it and a full explanation, the amendment was agreed to. It went into the measure. Most Senators thought it remained in the bill. As a matter of fact, it was one of the many amendments which went out in conference. I am presenting now the same amendment, and I send it to the clerk's desk and ask that it be reported.

I might say that while I do not remember the exact figures it would result in a very small loss in revenue. The committee was of the opinion that the decision of the Bureau of Internal Revenue was too severe, that it was not correct, but we felt that the way to remedy the situation was to insert an amendment in the revenue bill, and that is how it came before the Senate.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 53, after line 16, it is proposed to insert the following:

Neither shall any such association be denied exemption because it does not keep ledger accounts with nonmembers of the business it transacts with such nonmembers, but it shall only be required to keep such records of its business with nonmembers as will show the actual business done with such nonmembers; and provided further, that the profits, if any, derived from its business with nonmembers in any fiscal year of the association shall be allowed to remain in the business of the association, subject to the right of such nonmember to use his share upon a patronage basis to qualify as a member of the association.

Mr. HARRISON. Mr. President, the Senator from Nebraska will recall that this matter was debated at length in 1932. As I understand, it is the same proposal that was presented by the Senator at that time.

Mr. NORRIS. Yes.

Mr. HARRISON. The Senate adopted the amendment then.

Mr. NORRIS. It did.

Mr. HARRISON. And it went out in conference.

Mr. NORRIS. It went out in conference.

Mr. HARRISON. It went out in conference at that time because the conferees adopted the view of the Treasury Department.

Mr. NORRIS. I might discuss the matter fully, since I know all about it as far as the arguments go; but, as a matter of fact, some of the representatives of the Bureau of Internal Revenue at that time were unfriendly. I do not go any higher than those representatives, because I do not blame the administration. I had an agreement with the representatives of the Bureau, and with the attorney for the farmers-union elevators in my State, and I thought the whole controversy was to be settled. It was not settled, because of the unfriendliness of some of the officials of the Bureau of Internal Revenue.

I have reason to believe, from my conversations and from my correspondence with the present officials of the Bureau of Internal Revenue, that they would put a construction on the law different from that put on it by their predecessors, and no amendment of this kind would be necessary if it had not been that they were confronted with the old record, and they want some legislation in order to meet the situation.

Mr. HARRISON. Mr. President, I am willing to let the matter go to conference.

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

The amendment was agreed to.

Mr. HARRISON. Mr. President, if the Senator from North Dakota is ready to proceed with the produce matter, the Senator from Oklahoma [Mr. GORE] is here. Following that I think I shall move that the Senate take a recess, if it will meet with the approval of the Senate. I should like to get this matter out of the way tonight.

Mr. McNARY. Mr. President, may I supplement the Senator's statement by saying that the Senator from South Carolina [Mr. SMITH] wanted to be present when this matter was considered.

Mr. HARRISON. I sent for the Senator from South Carolina, who is very much in favor of the Senate committee action, and he came to the Chamber, but had a conference to attend, so he left again, and I promised to send for him if it was necessary. I had hoped that the Senator from North Dakota might allow the amendment to be adopted, and let us try it out this way for a while.

Mr. FRAZIER. Mr. President, I do not intend to make any serious objection to the adoption of the amendment, but I want to speak on it before it is adopted. I am perfectly willing to speak tonight, or when the Senate meets tomorrow.

Mr. LA FOLLETTE. Mr. President, I desire to offer an amendment to the pending bill, which I ask to have printed and lie on the table. I should also like to have the amendment printed in the RECORD.

The amendment was ordered to be printed and to lie on the table, and to be printed in the RECORD, as follows:

On page 45, to strike out, beginning in line 23, down through line 5, on page 46, and insert:

"(a) Returns made under this title upon which the tax has been determined by the Commissioner shall constitute public records and shall be open to public examination and inspection under rules and regulations promulgated by the Secretary and approved by the President. Whenever a return is open to the inspection of any person, a certified copy thereof shall, upon request, be furnished to any person under rules and regulations prescribed by the Commissioner with the approval of the Secretary. The Commissioner may prescribe a reasonable fee for furnishing such copy.

"(b) (1) The Secretary and any officer or employee of the Treasury Department, upon request from the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, or a select committee of the Senate or House specially authorized to investigate returns by a resolution of the Senate or House, or a joint committee so authorized by concurrent resolution, shall furnish such commitee sitting in executive session with any data of any character contained in or shown by any return.

"(2) Any such committee shall have the right, acting directly as a committee, or by or through such examiners or agents as it may designate or appoint, to inspect any or all of the returns at such times and in such manner as it may determine.

"(3) Any relevant or useful information thus obtained may be submitted by the committee obtaining it to the Senate or the House, or to both the Senate and the House, as the case may be.

"(c) The proper officers of any State may, upon the reqeust of the Governor thereof, have access to the returns of any corporation, or to an abstract thereof showing the name and income of the corporation, at such times and in such manner as the Secretary may prescribe.

"(d) All bona fide shareholders of record owning 1 percent or more of the outstanding stock of any corporation shall, upon making request of the Commissioner, be allowed to examine the an-

nual income returns of such corporation and of its subsidiaries. Any shareholder who pursuant to the provisions of this section is allowed to examine the return of any corporation, and who makes known in any manner whatever not provided by law or permitted by regulation the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any such return, shall be guilty of a misdemeanor and be punished by a fine not exceeding $1,000 or by imprisonment not exceeding 1 year, or both.

"(e) The Commissioner shall as soon as practicable in each year cause to be prepared and made available to public inspection in such manner as he may determine, in the office of the collector in each internal-revenue district and in such other places as he may determine, lists containing the name and the post-office address of each person making an income-tax return in such district."

RECESS

Mr. HARRISON. Mr. President, we have worked pretty hard today, and I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 45 minutes p.m.) the Senate took a recess until tomorrow, Friday, April 13, 1934, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 12, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Our divine Father, Thou whose heart throbs with yearning and who waits to forgive, let in Thy light, whose splendor streams through the countless windows upon this old, rugged world. Show us Thyself that we may see ourselves. We thank Thee for divine love touched with pity. Oh, the blending of majesty with sympathy, of strength with gentleness, of passion with repose, of perfection with sinful, sorrowing men. Blessed Lord God, how inaccessible Thou art; yet we see Thee in our Savior's compassion, which arches over all like a rainbow from sky to sky. Heavenly Father, sustain us in our daily circumstances and experiences. Be with us, bravely fighting, nobly living, patiently suffering, and joyfully climbing, all because we live. Glory be unto Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

A PARLIAMENTARY QUESTION

Mr. WARREN. Mr. Speaker, I rise to propound a parliamentary inquiry.

I have always thought that this fool discharge rule that we have here in the House is an abomination; that it is an ever-present threat to orderly procedure, party responsibility and leadership, and that it will finally club off the heads of its proponents and those who seek to perpetuate it. Believing as I do, I should like to see it made as odious as possible. I therefore hesitate to propound this inquiry that might make it more palatable.

In yesterday's Washington Times there appeared an article on the McLeod bill which stated that a petition was on the Speaker's desk to discharge the committee. This article carries the names of 123 Members of the House who have signed the petition and it has been published now to the world. We have a clear-cut decision on this rule, although it was only adopted in December 1931. The first discharge petition, as I now recall, was one to discharge the Committee on Rules from a bill that was reported out by the Committee on Irrigation and at that time—February 23, 1932—Mr. Hall, of Mississippi, called attention to the presence of the petition on the Speaker's desk. Speaker Garner at that time ruled:

Any Member desiring to file such a petition may file it with the Clerk and notify the Members, as he sees proper, either from the floor or by written communication. These signatures cannot be made public until the required number of Members have signed the petition.

Mr. Speaker, I desire to ask by what authority any Member, officer, or employee of the House has given out this information in violation of the rules, or if there has been any relaxation in that rule?

Mr. O'CONNOR. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from New York.

Mr. O'CONNOR. I am glad the gentleman has brought up this point, because it recalls to me the time when there was a petition on the desk, Mr. Longworth being the Speaker, and the names were given out to the public in some way. There was also an allegation at that time that somebody had taken the petition book or paper off the desk and had gone out on the steps of the Capitol and had it photographed, with a great hullaballoo and show about the matter. At that time Speaker Longworth suggested to some of the leaders of the House that he would welcome an investigation and would gladly appoint a committee to investigate the matter and submit it to the House for proper punishment to be inflicted upon anybody who was guilty of disclosing the names on the petition before it had been completed. He felt, and the leaders did, that such conduct was a gross violation of the rules of the House.

Mr. McDUFFIE. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Alabama.

Mr. McDUFFIE. I am glad the gentlemen from New York, who is a prominent member of the Rules Committee, is present, because I shall ask him as a member of that committee if he thinks there is a possibility of having his committee report a resolution that he has introduced, not repealing the discharge rule, and I do not think the House wishes to repeal the discharge rule, but to amend it so that when a majority of the Members of this House signify their intention or suggest by signing a petition for the discharge of a committee, even the Rules Committee, from further consideration of a bill, such a bill can and should be presented to this House for consideration. May I say, as the gentleman from North Carolina has so well said, I know of nothing that this House could do that will interfere more with orderly procedure than to continue to operate under the present discharge rule.

It is an ideal thing, it is true, for a block or a minority, to be used, not altogether for purposes of good legislation, but for political purposes. It is a millstone about the neck of the majority charged with the responsibility for legislation. We, the majority, are held responsible for legislation. A minority has its useful purpose. Under our form of government indeed it is well to have a minority in the legislative branch of the government.

Mr. SNELL. Will the gentleman yield for a question?

Mr. McDUFFIE. I yield to the gentleman from New York.

Mr. SNELL. The gentleman would not lay the adoption of this rule to the present minority?

Mr. McDUFFIE. Not at all. Nor did I suggest that.

Mr. SNELL. I just wanted to know the gentleman's attitude.

Mr. McDUFFIE. I am hoping the gentleman, who is a good legislator, will join with those on this side who wish to eliminate or amend the rule so as to provide that a majority of the Members of this House may have any legislation considered that such a majority may deem necessary. It is wrong for 145 Members of this House to force 435 Members to consider and vote for bills that may not be approved by a majority.

I have had gentlemen in this House who at first were thoroughly in favor of this discharge rule but who observed its operation, tell me that they now appreciate the handicaps of such a rule, and that they are now willing to eliminate or amend the rule.

I am calling upon the leaders of this House, whose hands I have tried to uphold, and especially upon the Rules Committee, to report the resolution offered by the gentlemen from New York, [Mr. O'CONNOR] to amend the so-called "discharge rule."

Mr. PATMAN. Will the gentleman yield?

Mr. McDUFFIE. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman realizes that 21 members of a committee can get consideration of any proposal. The

gentleman further realizes that one Member of the other body may get consideration of any proposal. Does not the gentleman believe that 145 Members of this House should receive as much consideration in reference to getting consideration of a proposal as 21 members of a committee or one Member of the other body?

Mr. McDUFFIE. This House is thoroughly representative of the sentiment of the American people and this sentiment is reflected in the committees as well as on this floor. The committees will act when a majority sentiment of this House is in favor of action. I believe in majority government. The trouble with this Government today is that we are drifting toward block government, a government by minorities, the very thing that this administration is trying to obviate, if you please, and the very thing, under our form of government, which will ultimately lead to the destruction of the government.

Mr. COLDEN. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. COLDEN. I wish to inquire of my esteemed colleague if he would require——

Mr. BLANTON. Mr. Speaker, I rise to a point of order. This violation of the rules of the House was by the Hearst newspapers. No newspaper in Washington knows our House rules better than Mr. Hearst's, for he once served in this House.

Mr. RICH. Regular order, Mr. Speaker.

Mr. BLANTON. I am making a point of order, which is the regular order.

Mr. BOILEAU. Mr. Speaker, regular order.

The SPEAKER. The gentleman from Texas is stating a point of order.

Mr. BLANTON. I have the floor on a point of order.

I repeat that no newspaper knows better what the rules of the House are than the Hearst newspapers. They have deliberately violated this rule. They do not care anything about the rules of the House.

Mr. BOILEAU. Mr. Speaker, I make the point of order that the gentleman is not discussing the point of order.

Mr. BLANTON. But the Speaker has held I have the floor on my point of order. I repeat the Hearst newspapers know the rules of this House, yet deliberately break such rules. They deliberately ignore the House rules.

Mr. BOILEAU. Mr. Speaker, I make the point of order that the gentleman from Texas is not addressing his remarks to the point of order.

Mr. BLANTON. I am addressing the Speaker of this House on my point of order.

The SPEAKER. The House will be in order and the gentleman from Texas will proceed.

Mr. BLANTON. What do the Hearst newspapers care about the rules of the House?

Mr. SNELL. Mr. Speaker, I do not care to get into this, but this is not the proper time for such a statement if the gentleman is making a point of order.

Mr. BLANTON. I want to submit to the Speaker that on his own motion he ought to appoint a committee to find out what employee of this House, or what Member of this House, has violated the rules and given these names to the Hearst newspapers.

I want every colleague in this House to look in this morning's Herald and see how the Hearst newspapers try to make monkeys out of the Members of the United States Senate. After printing all of the names of the 46 Senators who were for the Couzens' tax amendment, Hearst's Herald this morning said they are "all members of the new demagogic party", and that they are "all believers in un-American class distinction and discrimination", and that they are "all supporters of the cold deck and the misdeal", and are "all headed for the discard."

Just how much longer will the House and Senate stand for that?

Mr. McDUFFIE. Mr. Speaker, the gentleman from North Carolina [Mr. WARREN] very kindly yielded to me, and I assure the House I shall detain them but a moment longer.

Mr. COLDEN. I desire to ask my esteemed colleague why he would require such a petition to have 218 signatures when that is more than is required to pass the average bill in this House; in other words, you are stifling the House and such a number is not based upon the number shown on the roll calls that have been had in the House.

Mr. McDUFFIE. Mr. Speaker, I did not mean to precipitate all this trouble. I simply rose to say that I was ready to join with the Speaker and the leader and others in authority in the leadership of this House to act promptly and immediately to amend the rules of the House by eliminating this assinine discharge rule. There are now about 25 petitions for discharge of committees on the Clerk's desk, and under this foolish rule there is no telling what manner of bill the Members of this House will be called to vote on if the Congress remains here long enough. Such a rule means legislation by petition of blocks and minorities.

Mr. BYRNS. Mr. Speaker, will the gentleman from North Carolina [Mr. WARREN] yield to me a moment?

Mr. WARREN. Certainly.

Mr. BYRNS. I need not tell this House what I think of the discharge rule permitting 145 Members to take from a committee the consideration of important legislation pending before that committee. There is, of course, a reason, and a good reason, for the appointment of committees. We are getting to the point now where we are undertaking to legislate by discharge of committees rather than giving the committees an opportunity to report upon the bills pending before them. I do not have to tell you gentlemen how impossible it is for this House to legislate on the floor of the House upon any important matter of legislation. The very idea in appointing committees is to give them an opportunity to investigate and have hearings and report measures to the House so that the House may have complete information before it is called upon to vote.

Something has been said about amending this rule. The Speaker—and I take it I am authorized to say this—and myself and other gentlemen upon the floor of this House made a very earnest effort at the special session to get up a resolution amending the rule, and again at the beginning of this session. I think that a majority of this House should always have the right to control legislation, but I do not think any minority should have the right, over the protest of a majority, to take an important bill from a committee which is considering it and have the measure considered here on the floor of the House without the deliberation which all legislation should receive.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. MARTIN of Massachusetts. Why did not the gentleman bring up the resolution amending the rule, which the Committee on Rules reported out over a year ago?

Mr. BYRNS. I will tell the gentleman why. I spoke to many Members on his side of the Chamber as to whether or not they would give their support to an amendment of this rule, and I was never able to get the slightest intimation from any Member upon the Republican side that he would give us such support. The gentleman himself is upon the Rules Committee——

Mr. MARTIN of Massachusetts. Does the gentleman want to admit that with a majority of 3 to 1 he cannot control the House?

Mr. BYRNS. It is not a question of control. It is the question of the Republican Members, who did not have this particular rule, joining those Democrats who are honestly opposed, and defeating it, as they did the rule when it was before the Rules Committee. The gentleman is a member of the Rules Committee, and I want to ask the gentleman, and, of course, he is privileged to speak of his own action, if he was not against that rule in the committee.

Mr. MARTIN of Massachusetts. I voted against it, and if you bring it up I will vote against it again, but you have not had the courage to bring it up.

Mr. BYRNS. How can we bring it up when the gentleman's committee has failed to report it out?

Mr. MARTIN of Massachusetts. How many votes would you need to bring up that rule?

Mr. BYRNS. We would need to have the committee first report it.

Mr. MARTIN of Massachusetts. The committee has reported the bill.

Mr. BLANTON. After we bring it up, will the gentleman support it?

Mr. MARTIN of Massachusetts. No.

Mr. BLANTON. Will the gentleman from New York [Mr. SNELL] support it—no.

Mr. BYRNS. I think the rule ought to be amended, but I think it should be amended at the beginning of a session. After you get up a proposition such as the one pending now, I do not know whether we can amend it or not, or, indeed, whether it would be the fair thing to do; but I do want to appeal to the Members on this side of the Chamber who have not signed this petition to permit the committee which has the measure under consideration to report on it so that it may be considered in the regular way and with due deliberation. [Applause.]

The SPEAKER. The Chair is ready to answer the inquiry by the gentleman from North Carolina. The Chair will read the part of the rule applicable to the gentleman's inquiry.

Clause 4, rule XXVII:

"4. A Member may present to the Clerk a motion in writing to discharge a committee from the consideration of a public bill or resolution which has been referred to it 30 days prior thereto (but only one motion may be presented for each bill or resolution). Under this rule it shall also be in order for a Member to file a motion to discharge the Committee on Rules from further consideration of any resolution providing either a special order of business, or a special rule for the consideration of any public bill or resolution favorably reported by a standing committee, or a special rule for the consideration of a public bill or resolution which has remained in a standing committee 30 or more days without action: *Provided*, That said resolution from which it is moved to discharge the Committee on Rules has been referred to that committee at least 7 days prior to the filing of the motion to discharge. The motion shall be placed in the custody of the Clerk, who shall arrange some convenient place for the signature of Members. A signature may be withdrawn by a Member in writing at any time before the motion is entered on the Journal. When Members to the total number of 145 shall have signed the motion, it shall be entered on the Journal, printed with the signatures thereto in the CONGRESSIONAL RECORD, and referred to the Calendar of Motions to Discharge Committees."

This matter has been passed upon before when presented to Speaker Garner, and with reference to this matter he said:

Any Member desiring to file such a petition may file it with the Clerk and notify the Members as he may see proper, either from the floor or by written communication. These signatures cannot be made public until the required number of Members have signed the petition.

There is a reason for not publishing the names, of course. Publishing the names in the newspaper invites people generally throughout the United States to bring pressure on those who have not signed the petition to sign it, and pressure upon those who have signed the petition to take their names off. Publication of the names of those who have signed the petition before it is published in the RECORD and the Journal has the effect to deny completely to the petition that secrecy to which it is entitled under the rule.

The Chair holds that the publication of the names prior to the signing of the petition by 145 Members was improper and should not have been done.

CITIZENSHIP AND NATURALIZATION

Mr. BANKHEAD, from the Committee on Rules, reported the following resolution, which was referred to the House Calendar and ordered to be printed:

House Resolution 329 (Rept. No. 1229)

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 3673, a bill to amend the law relative to citizenship and naturalization, and for other purposes; and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Immigration and Naturalization. The bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. RICH. Mr. Speaker, under the decision of the Speaker with reference to the McLeod bill, what is going to be done about it?

The SPEAKER. The Chair is not deciding anything in reference to the McLeod bill. The Chair in answering the parliamentary inquiry of the gentleman from North Carolina stated that the publication of the names was a violation of the rule, and so rules.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, I want to present a unanimous-consent request, and in explanation I want to say that there are on the calendar seven Senate bills known as jurisdictional bills. They are on the Speaker's desk. In other words, they are bills simply referring certain claims to the Court of Claims for consideration and decision. So far as I know there can be no possible objection to this reference. They have been reported by the committees of the House, and as I understand, unanimously. There is nothing involved except the question whether or not the claims shall be referred to the Court of Claims.

Mr. SNELL. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. SNELL. My attention has been called to the bills but I have not been over them carefully. Some of the bills I remember way back when I was a member of the Committee on War Claims of the House. I wonder if the gentleman has given attention enough to them to know that a great number of them would run into millions of dollars if they got judgment in the Court of Claims, and also that the statute of limitations has run against some of them—I do not know that it has run against all of them.

Mr. BYRNS. I will say to the gentleman frankly that I have not had an opportunity to do so. It was in my mind that some of these seven bills are meritorious, and perhaps all of them.

I believe these bills ought to be considered one by one, and let the House pass on them. If there is any objection to them on the part of any Member, of course, they will not be passed.

Mr. SNELL. Just what was the unanimous-consent request?

Mr. BYRNS. The request I was about to submit was that there be first called the following Senate bills: S. 1934, S. 1935, S. 503, S. 2905, S. 2898, S. 232, and S. 1091.

Mr. SNELL. The gentleman just wants to have them called now?

Mr. BYRNS. My request is that they be first called, and then after they have been disposed of, that we proceed with the calendar.

Mr. SNELL. I would not object to that. I thought the gentleman wanted them passed right now.

Mr. BLANCHARD. Reserving the right to object, have these Senate bills been to the House Committee on Claims?

Mr. BYRNS. My information is that the Senate bills have not, but House bills upon the same subject have been before the House committee and are now upon the calendar.

Mr. BLANCHARD. The request is to call them first on the calendar today?

Mr. BYRNS. Yes.

Mr. BLANCHARD. Of course, I would have to object to that, because no one has had an opportunity to look them over.

Mr. BYRNS. Oh, they are on the same calendar.

Mr. BLANCHARD. But they are not the first bills to be called, and have not been examined.

Mr. BLANTON. Oh, yes; we who work on this calendar have examined them, and the Clerk will call the calendar

number, and all there is to do is to turn to the bill on the calendar.

Mr. BLANCHARD. Well, I object to that request.

Mr. BYRNS. I submitted the request yesterday, and I understood from that side that the matter would be looked into and that there would be no objection.

Mr. BLANCHARD. If the gentleman will modify his request that they may be called up during the day sometime, I will not object.

Mr. BLANTON. Then we will go right back to the start.

Mr. BLANCHARD. I am not going to permit them to be disposed of except by objection, and I do not want to do that, because I want an opportunity to look them over.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. TABER. Reserving the right to object, Mr. Speaker, if the gentleman will prefer a unanimous consent request that on the next day on which the Private Calendar is called, these will be called first, I shall not object, but if it is going to be asked that they go ahead now, I shall object. If the gentleman will modify his request so that they could be first on the next day the Private Calendar is called, I shall be satisfied, but I shall object if it is to be done today.

Mr. BYRNS. Of course, the gentleman can control that, and I will have to withdraw my request if the gentleman insists. I will submit the request in a modified form, as suggested by the gentleman from New York, that at the next call of the Private Calendar the bills which I have enumerated will be the first called.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. TARVER. Reserving the right to object, I desire to ask if among those bills there is one for the relief of George A. Carden and Anderson T. Herd, which proposes to vest the Court of Claims with jurisdiction to consider the claims of these gentlemen, under which an award might be made of a large amount. Is that bill included in the list which the gentleman named?

Mr. BYRNS. I do not know the bill, but someone tells me that it is included.

Mr. TARVER. I shall object to there being accorded a bill of that character special consideration.

Mr. BYRNS. If this request is granted, the gentleman will have a right to object to the bill when it is called.

Mr. TARVER. I understand that, but I am not willing to agree that that bill shall be given preferential consideration.

Mr. BYRNS. I do not know anything about the bill to which the gentleman refers. I have the bills by numbers, but not by title.

Mr. TARVER. The bill was reported from my committee—that is, the House bill—but the Senate bill, I presume, is the same thing.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee, as modified?

Mr. TARVER. Unless there is withdrawn from the request the Herd and Carden bill, I object.

Mr. BYRNS. What is the number of that bill?

Mr. TARVER. I do not know the number of it. That is the one that involves the question of vesting the Court of Claims with jurisdiction to consider the claims of these gentlemen for profits that they would have received had they been allowed to operate certain ships during the World War.

Mr. BYRNS. Mr. Speaker, I modify my request a second time to meet the views of the gentleman from Georgia [Mr. TARVER], and I hope it will be satisfactory to the other Members, by eliminating from the request the Senate bill which corresponds with House bill 8482, and to which the gentleman from Georgia has referred, as the claims of Messrs. George A. Carden and Anderson T. Herd. That would leave only six bills which would be given this preferential call.

Mr. TABER. The request is that they shall be called on the next day the Private Calendar is called?

Mr. BYRNS. That is the understanding.

Mr. McFADDEN. Reserving the right to object, has the gentleman in mind fixing another date for calling the Private Calendar?

Mr. BYRNS. Just as soon as we can, but I am not able to tell the gentleman when we can do it.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee, as modified?

There was no objection.

RICHARD A. CHAVIS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2032) for the relief of Richard A. Chavis, with a Senate amendment, disagree to the Senate amendment, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. HILL of Alabama, THOMPSON of Illinois, and CARTER of Wyoming.

TOBACCO TAXES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert therein a speech of my colleague from North Carolina [Mr. HANCOCK].

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech of my colleague from North Carolina [Mr. HANCOCK], before the subcommittee of the Ways and Means Committee, March 30, 1934:

Mr. HANCOCK. Mr. Chairman and gentlemen of the committee, may I, in utter sincerity, congratulate you for the very fair, earnest, and intelligent manner in which these hearings have been conducted. The cause of the farmer and the business man may ever expect fair and wise treatment, in my judgment, before the present constituted Ways and Means Committee, of which North Carolina's distinguished son, the Honorable R. L. DOUGHTON, is its able chairman. To my own knowledge, for years he has shown a keen interest in every form of legislation looking to the material well-being of the farmers of his own State and the country at large. I also want to say that, in my judgment, there is no man in this country, including the "brain trust" more competent to lead in the consideration of this question than my friend, the distinguished gentleman from Kentucky, the chairman of this subcommittee.

I feel that such an admirable case has already been made out for an immediate correction of the tax injustice which has for years laid its heavy, cruel hand upon the tobacco grower, that any attempt on my part might be useless at this time. I am, therefore, appearing not so much with the idea of making an intelligent contribution to the solution of this problem as I am for the purpose of manifesting my genuine interest.

In discussing this problem, I should abhor the idea of injecting any sectional view, for this is no time to see parts of this great Nation without seeing all parts. We must, if we meet our duty, keep our eyes constantly fixed on the country as a whole without regard to classes or groups. I should with equal abhorrence dislike to engage in maudlin or sentimental discussion. To my way of thinking, there is nothing that could happen of greater importance to a very large portion of the farmers of the South than immediate action by this Congress providing for an adjustment downward of the present excessive and monopolistic tax on tobacco products. Careful analysis shows that this tax finally rests upon the grower and his land. No sane man would be bold enough to undertake an argument in favor of its fairness. Plain, ordinary justice adds its condemnation. Shortly after taking the oath of office as a Representative from the State of North Carolina I began to battle against this injustice, and introduced a bill to cut the tax in half. One thing and another has, up to a few weeks ago, seemed to work against and frustrate every effort in this direction. We have at last, however, come to our day in court, and under the new deal I am confident that our efforts in this direction will not be in vain. In our approach to this problem we must consider the rights of all concerned, but in this consideration the welfare of the grower is paramount. This committee must, of course, concern itself with the fiscal condition of the Government, for upon the committee rests at times the unpleasant duty of exacting taxes from the people. Viewed in the light of present economic conditions, and particularly the problems of agriculture, all will admit that the grower, consumer, and manufacturer for years to come will be materially affected by the nature of such revision of these taxes as may be made, but none to the extent of the grower if the proper safeguards and regulations are applied.

Those who are familiar with the operations of the tobacco industry, removed from personal attachment and selfish interest, realize that there has never been an equitable distribution of the income and profits. With the Government exacting 3, 4, 5, 6, and sometimes 7 dollars in tax for every dollar received by the grower, and the manufacturers receiving in net profits an amount double the gross income received by the grower, and the consumer paying 15 times the price for the finished product that is paid to the farmer for the raw product, it takes no expert to see the blunder or admit the economic crime. A cursory review of all facts and figures shows that the invested dollar has been multiplied and protected at the expense of human labor and social justice. Fundamental human rights have been all but forgotten. This is not, however, peculiar to this industry.

A new conception of business fairness is in vogue, and a new application of neighborliness is slowly but surely finding lodgment in the business world.

No doubt the injustices of the past have been those human-nature characteristics visited upon man since the early days. With the awakening of a new public conscience and a greater social responsibility, I am confident that by proper Government regulation the welfare of all will come ahead of the welfare of a few. Few of the few would demand a different situation.

I have the honor and responsibility of being one of North Carolina's Representatives in Congress. The Fifth District, from which I come, is a large tobacco-producing district, and grows almost exclusively bright flue-cured cigarette tobacco. This same district is perhaps the largest tobacco-manufacturing district in the United States and pays through collections of taxes on tobacco products an amount larger than any other district in the United States, with perhaps one or two exceptions. Granville County, where I was born, has been a pioneer tobacco-growing county, and wherever tobacco has made its march of progress the leader could find his ancestry back in Granville. It is therefore little wonder that I make claim to an intimate knowledge of tobacco in whatever form it may be made or used. I am perhaps more familiar with the growers' problem than any other phase of the industry. It is his interest that I seek first to improve and then protect.

I would not at this time undertake to depict to you the horrible plight of his unenviable existence. Not more than 1 out of 4 years does the average grower of tobacco show even a meager profit. If his records were accurately kept on the same basis that an up-to-date business institution's records are kept, you would marvel at his courage and determination to carry on. It might conservatively be estimated that one third of the working people of North Carolina are engaged in some form of activity involving the making, handling, or processing of tobacco. The income from this work is the lifeblood of our State. The health, morale, and happiness of our people rise and fall in comparison to the income from tobacco. It is the sine qua non of our economic existence. Low and unfair prices for the past several years, together with other contributing factors, have reduced a large number of our people to abject poverty. Disease and undernourishment have attended those of younger years, and many a home has been wrecked on the rift of this economic dislocation. The privations and sufferings have been unbearable, and the dignity of good men's souls has been lowered. Under the present system a large percentage of our farmers are bound in slavery even as the children under Pharaoh were bound. They can no longer enjoy the freedom that was their fathers'.

Under the present system the tobacco farmer has little, if any, voice in pricing his product; it is not a question of what he will take, but it is a question of what he can get. He does not often even have a fair gambler's chance. I scorn and resent the idea that he would seek alms or charity from anyone. There is not another class of people in the world who have taken such punishment standing up and on the chin, so to speak. If you gentlemen could visit some of their homes and see the squalid conditions under which they must live, be patriotic, and rear their children to good citizenship, you would glory in their spunk, their faith, and their fortitude. No one can make me believe that the average capitalist who controls their labor and almost their very destinies is not as much ashamed of this situation as I am. It is not the men, but the system that I am attacking.

At this point I want to say that the growers of tobacco are not primarily concerned with any squabble between the manufacturers or with any legislation which does not look to the general welfare of all. They are interested in all those who make a market for their product. All of the properly operated companies serve a useful purpose and are no doubt needed in the trade. I have no financial interest whatever in any tobacco company, but I am concerned in seeing that their proper relative position in the economic picture is maintained and preserved. Any person who lives in the great State of North Carolina and does not feel likewise should, in my opinion, move his citizenship to another land.

In approaching a discussion of the immediate problem before this committee, I want to presume to remind you that Government is not something, but that Government is for something. It is today for the rehabilitation of the economic structure of this Nation, and to that end the President and the Congress are waging a valiant and, I hope, victorious battle. My effort to aid in the solution of this problem has no concern with the individual position of any manufacturer. I want to see such action taken by this committee as will best serve those whose needs are greatest and whose rights must be protected. The big issue, to my mind, is one of farm relief. What can this committee do to rehabilitate and stabilize this great agricultural industry and thereby contribute to the recovery program under way? I am not so much concerned with the kind of tax revision as I am with the justice and effect of the tax revision, and after careful study and deliberate thought I submit the following views for your earnest consideration.

Looking back, instead of forward, will help but little in the solution of this problem. It is necessary to look at it realistically. In doing this we face two stubborn facts: There are in the Carolina-Virginia-Kentucky region, as well as sections of other States producing tobacco, a great multitude of people and a great extent of land hitherto engaged in the production of tobacco, mainly cigarette stock, which population and acreage cannot be transferred by any sort of sudden magic to other purposes. The other is that no sort of outside regulation of industry, in defiance of the laws of economics, can be made permanent. The question of a revision of the taxes is primarily a matter of concern to the grower, as well as of great social and economic importance to all our people. It is, however, the grower who needs most to hold and add to what has been gained for him under the new deal. A return to a situation in which he cannot make wages fair and in just proportion to the industry's income, after 1 year of fair prices following so long a period of unjustified, heart-breaking loss, would be worse than tragic. Leaving the war burden and the prohibition burden on tobacco, and particularly on cigarettes, makes for an ill-balanced tax program, and I seriously doubt if there is a single taxation expert who would not say that it not only lacks equity but is a blunder and worse than a crime. All of us are concerned in the solution of this problem, both as taxpayers and consumers. But these considerations concern us more intimately and more materially in the cigarette-tobacco section, because it has been conclusively shown during these interesting hearings that the reduction of the tax would benefit directly a class of our people numerically large and upon whose profits and income the rest of us are largely dependent—the growers of tobacco.

I am both delighted and encouraged that this committee has gone to work in earnest to study this question, with the idea of recommending to the Congress an equitable revision of these taxes. One proposal which has been sponsored before the committee is to reduce the tax so that the manufacturers of 10-cent cigarettes can have a safe margin to insure a continuation of their business and to provide for them a moderate profit. Some of the manufacturers of the 10-cent cigarettes reduced their prices several years ago, and, perhaps, at that time could not anticipate the increased costs resulting from a compliance with N.R.A. requirements and other governmental demands. They now seek a revision of the taxes on cigarettes on a classified or price-selling basis. The other proposal facing this committee would be to recommend to the Congress a uniform general reduction in the tax on all tobacco products. The theory of the proponents of the classified tax seems to be that their advent on the market has aided the price for the lower grades of the leaf. There is no doubt but that there is a large aggregate trade that will take cigarettes at 10 cents that will not take them at 12½ or 15 cents. An increased price for lower grades will certainly raise the average and the value of the cigarette-crop stock as a whole, provided the price of the higher grades is maintained. Would a classified tax or a differential to the 10-cent manufacturers aid in maintaining the higher-priced grades? I take it that no one here would consider seriously at this juncture any revision of taxes, the benefit of which would flow to the consumer and manufacturer alone. From the statement of profits made by the cigarette manufacturers, they show little, if any, suffering on the average throughout this entire period of business depression. If the importance of this matter did not lie primarily with the growers of tobacco, I could not approach it with any zeal or enthusiasm.

At the same time, I recognize that the manufacturers are interested in anything that tends to increase their volume of business. I also appreciate the much-needed saving, in the penny times we have been experiencing, which would accrue to the individual consumer if by a general reduction in the tax the price of cigarettes were, as they must be, lowered in full proportion. I have not the slightest doubt that if a proper general reduction of the tax rate were made, it would all be passed on by the manufacturers to the growers and consumers, with no benefit to the manufacturers except from an increased volume of business which would put them unquestionably in a position to push for even greater consumption, thereby further expanding the market for the farmer's overproduced product. In my candid judgment, that is what the grower needs and is the only thing that in the end will be helpful to the grower in the long run without such measure of governmental restriction of production as would tend to defeat its own purpose.

Let me divert to the fact that everything that has been done or is being done in Washington in aid of farm prices proceeds from the assumption, as is necessarily the economic fact, that price is a matter of balance between production and consumption. When more is produced than is consumed, prices are necessarily weak, and when less is produced than is desired for consumption prices are just necessarily strong. A natural balance of consumption and production means stable, satisfactory prices for the product. Balance can be restored in either of two ways when conditions permit. Of course, where there is no chance of increasing consumption to take up the overproduction—and thereby attain balance and a satisfactory price—there is no way out except through reducing production and getting that way the balance that makes price.

But, desirable as that method may be, it is always subject to the objection that even when it is successful in raising the price, the

grower gets that raised price only on a restricted production. How much better for him, and for the country generally and the recovery plan itself, if balance between production and consumption, with resultant satisfactory prices, could be worked out without too much restriction of production? Do not misunderstand me. I am not criticizing the Government's plan for trying to get the grower a good price. I have given my support as a Member of Congress to every such proposal. To see that the growers get good prices is the prime consideration. That is the main purpose of these hearings. But I am pointing out that if through expansion of consumption, on top of the Government's plan for restricting production, the good price when obtained could be obtained on a larger quantity of tobacco instead of a smaller quantity, the grower would thereby be enormously benefited above any benefit that can come to him through restriction of production without taking full advantage of opportunities for increasing consumption at the same time. It is as simple as saying that hogs will go up faster when the consumers double their consumption at a time when the producers are cutting their production in half than they will when the only thing being done is to have the producers reduce their production.

Here is the unique position of tobacco.

The possibility of an enormous increase in consumption of tobacco products is the thing that differentiates the tobacco grower's problem, and his opportunities, from the problem and the opportunities of the growers of any other farm commodity in this country. In this respect, tobacco holds a unique position, quite different from all other commodities. I know of no easy, immediately workable and effective way of greatly increasing the consumption of any other farm product than tobacco. What can be done to increase greatly and immediately the consumption of wheat, or corn, or cotton, or pork, or beef, or silk, or any other farm product, save tobacco, upon which the Government is at work? I know of no special opportunity and have heard none suggested for any special, heavy increase in consumption that can be made effective at once. The way to the market is already wide open for each of these products. No special barrier stands between the grower and a price for his product. Therefore, each of these products is now enjoying, however disastrous it may be, its full potential market under these conditions. Is that true of the tobacco grower's product? With the road, to whatever market there is, wide open for every other grower of a farm product in this country, the Government stands by the tobacco grower's road to market and exacts on cigarette tobaccos the grower would sell about $1.08 a pound and on the tobaccos that go into smoking and chewing tobacco and snuff, $0.18 per pound. Is that an open market, or even a fair market for the tobacco grower? Does that kind of a handicap placed on his product give him any fair opportunity for those who manufacture and sell his product to develop for him that full volume of consumption of his product that is open to every other grower of an agricultural product in this country?

No wonder the Government feels the urge to reduce production heavily. It has cut consumption enormously by almost prohibitive tax rates on the product, and if it is to continue to maintain rates that choke off consumption the only way to get that balance of production and consumption that will give the grower a satisfactory price is to choke off production, a process which, however well it may be justified in any given circumstance, always carries with it at least a partial defeat of its own purpose. I mean that even when price is attained, it stands, under a restricted production procedure, attained for a smaller volume of product instead of a larger, as would be the case if price could be obtained, to an extent, at least, through increasing consumption and without having to go too far in the matter of restricting production. Other things equal, the grower does not want his acres thrown out of use and himself out of work and opportunity. More use for acres instead of less, more work for the grower, more work in the warehouses and in the factories, more business for the distributors, greater volume all along the line from grower to consumer is the policy that fits with everything which I understand Mr. Roosevelt, our great and courageous leader, is trying to do in his attempt to effect recovery by eliminating unemployment and by making satisfactory farm prices possible. He well knows that there can be no lasting, permanent prosperity or human contentment until the farmer is liberated from his chains of economic slavery and paid for his labor and produce a price that will permit him to live and move as those who have been getting, in one way or another, the income that was rightfully his. The vast difference between the price he receives and what the consumer pays is a tale of unrighteousness.

Again I say that, in my view of it, the question to be studied by your committee has its prime importance for the grower and not for the manufacturer. I do not think that the manufacturer has a particularly big stake in it, but I do believe that this hearing with its resulting change in the tax law, if any, is of enormous importance to the grower.

And I believe, further, that if the growers really demand such a change in the law as will give them their best opportunity for a satisfactory market for their product in increased volume, the administration and the Congress will be very slow to deny that demand, even if the return to the United States Treasury is somewhat less at least for a while. But, in my opinion, no relief of this kind will be given the grower except upon his own and his true representatives' insistent demand for it. I can see a great opportunity for the growers in this situation, and I know that real aid to them is the first and controlling thought of this committee. The manufacturers have to admit that the excessive taxes hurt the grower more than they do the manufacturer, and except as the growers are demanding the relief for themselves the Government will hardly act, because, of course, the United States Treasury likes that heavy return from tobacco products. And even the fact that while liquor taxes were out tobacco all but carried the full load that liquor and tobacco used to carry between them, and that liquor is now back, carrying its part of the old load, will not suffice to move the Congress except upon the demand of the growers. They are now paying both a maximum prohibition rate and a maximum war rate on their product. To illustrate by the cigarette tax, it went from $1.25 a thousand to $2.05 a thousand during the war, and then in anticipation of the loss of revenue from liquor in 1919 was pushed up to $3, where it has been ever since.

The war and prohibition are only history now, but nobody has taken the war harness or the prohibition burden off the tobacco growers, and I think the growers are the only persons who can accomplish this removal. In the matter of tobacco taxes, the Government has its mouth on a wet teat, and it is not in nature to give up that kind of thing except on somebody's demand.

In this connection, I believe the committee will heartily concur in this further observation. If tobacco taxation is to be approached in the future, as in the past, almost exclusively from the point of view of the Treasury Department, then there will not, in my opinion, be much accomplished out of this hearing. But, gentlemen, this is the new deal. This is an attempt to deliver the country from a condition brought about very largely through the purchasing power of the farmer falling back until he could no longer buy the products of industry. A fundamental object is to rebuild the farmer's purchasing power. The farmer is out in front. He is a prime concern in the new deal. There is almost no reasonable limit to what will be considered and should be considered for him if only it offers promise of rehabilitation and stabilization of the farm situation. This of necessity must continue to be our great objective.

Only a few weeks ago authorization was made to spend $200,000,000 to rehabilitate the beef-cattle industry. And that out of general funds. There are no special funds paid into the Government on account of the beef-cattle industry. But the product of the tobacco grower has been piling up in the United States Treasury for many years an annual return of nearly $400,000,000, a thing no other farm product has ever done. Is the tobacco grower to be denied the benefits of a greatly increased market for his products through reduction of tax rates solely because, forsooth, for the time being the United States Treasury might collect somewhat less from his product? And that when millions of general funds are being spent freely in attempting to rehabilitate and stabilize other industries through measures not so sure of success or of such a fine measure of success as a reduction of tobacco taxes would be? It is my thought that at last the time has come, and come under Mr. Roosevelt, when tobacco taxation may and should be looked at from the point of view of its effect upon the power and not solely from the point of view of the return of tax to the Treasury. Surely the billions tobacco has paid into the Treasury would warrant its taking a few millions less for a while if a great constructive work of rehabilitating and stabilizing tobacco growing can thereby be accomplished.

But to go to the immediate propositions that are before the committee. These are important in two ways: First, from the angle of the possible danger to the grower; that is, in the idea of a differential in the cigarette tax rate; and, second, from the angle of opportunity for the grower; that is, in a substantial reduction of the tax rate by, say, 40 percent.

As to the danger for the grower in the differential, it is a matter of common knowledge that the tobaccos that go into the higher-priced brands of cigarettes, the big or so-called "standard brands", are the tobaccos that have sold relatively high and have held the market averages up. It is almost equally well known, to those who know the facts, that one of the prime reasons the larger manufacturers had for refusing for 4 years to bring out and press 10-cent cigarettes was the fact that they felt that if they did so they would to a large extent destroy the higher market growers now have open to them for tobaccos that can go into the higher-priced cigarettes. With an overproduction of tobaccos in almost all classifications, it is a question of preserving to the greatest possible extent the market for those tobaccos out of which the growers can get the highest return. Obviously, the manufacturers' ability to pay high prices for leaf tobacco is greater when the cigarette consumption of the country is on two-for-a-quarter brands than when it is on 10-cent brands; and just as obviously, when a smoker is moved from the higher-priced brand to a lower-priced, the farmer has gotten a market for some of his tobacco at a lower price by sacrificing his market for some of his tobacco that otherwise would sell at a higher price. That is literally going forward one step and slipping back two. The grower cannot get where he wants to go by doing that; and if, by establishing a differential in tax, based on selling price, the Government is going to force the manufacturers to do what they have so long, in the interest of the farmers and perhaps their own, refused to do, then the result has to be, as I see it, that to the extent that the business is transferred to the cheaper brands the farmer loses the high market for the leaf that goes into the higher-priced brands.

If the top price which the manufacturer can pay for tobaccos to be marketed in the form of cigarettes is to be no higher than that which can now be paid for them for use in 10-cent cigarettes, or that could be paid for such use even after a 30-cent differential in tax were established, then indeed, it seems to me, the average for

the crop would have to fall so low as to work great hardship on the grower. It cannot be said too emphatically that, in my thinking of this serious problem, the one thing from a domestic standpoint that offers hope of keeping tobacco growing on a basis that can be made satisfactory to the farmer is the preservation and the extension of the market for tobaccos in cigarettes at prices that leave the manufacturers a chance to pay for such tobacco prices very much above the market averages for tobaccos. If the top is to come down to or close to the average, as a differential alone as suggested unquestionably would accomplish, then the new average must be distressing indeed. My thought is that if all of the cigarette business were put on 10-cent brands, under the present tax or with the tax on them reduced to $2.70 as they have asked, the result would be that nobody able to pay anything like the too low prices now paid for tobaccos to go to market in the form of higher-priced cigarettes, those tobaccos would have to find a market at a very much lower level, with resulting crop averages even more disastrous to the growers than the prices for the past several years. Then when they checked back heavily on growing, tobaccos would get to be scarcer and therefore higher. Then the manufactured products would have to go back up, with the result that we would be back where we started from, with no result from our trip around a vicious circle except that many growers would have been destroyed and much of opportunity for all of them thrown away meanwhile in the years it would take to go through that cycle.

That is a suggestion of a prime reason, as you know, why, as I have been reliably informed, some manufacturers at least have refused to try to put the business on cheap brands. Now, if the Government, by establishing a tax differential, should force the manufacturers or processors to do this thing that for 4 years, at great sacrifice of volume of business on their higher-priced brands, they have refused to do, then the worst may be surely expected unless the Government steps in and uses the strong arm. But if once the grower sees the sure result to him and makes his position known to the Government, such action will not, in my opinion, be taken. I know that this administration is trying earnestly to help the farmer and will not make itself a party to something that is to work injury to him. And it is not hard for anybody to see that an established tax differential, based on selling price, offers such a reward, if you please, for selling the farmer's product so low that everybody in the business would immediately find himself under the urge—yes, even the necessity, if he wants to preserve his volume of business—of getting into that game. It will be a disastrous day for the grower of tobacco when and if the Government offers the suggested reward for marketing his product cheap instead of at the best possible price.

Of course, many cigarettes can be sold at 10 cents to purchasers who are not able to pay 12½ or 15. Likewise, many can be sold at 8 cents or two for 15 to purchasers who will not buy even at 10 cents. I recognize the value of lower prices to the consumer as making for the maximum consumption of leaf from the grower and therefore for better prices for him. But it is one thing to get more consumption by sacrificing price on existing consumption through offering a reward to the manufacturer to sell the farmer's product low; and it is an entirely different thing to get that increased consumption, and even more, without at all impairing the capacity of the manufacturers to continue to pay the higher prices now paid for tobaccos for use in meeting already existing demands. And there is where the great opportunity for the grower lies in the existing situation and in the work of this committee following its hearings.

I think that it is perfectly clear, on a study of all angles of the situation, and in the light of the facts adduced before the committee, that every advantage for the grower that is contended for in the plea for the $2.70 tax on the cheaper as against $3 tax on the higher cigarettes, can be realized in another way without any of the dangers and hurts of the differential and without injury to the present 10-cent brands; and that in the same way many other advantages of a more far-reaching effect will at the same time be accomplished for the grower.

Let us contemplate a 40-percent reduction in the taxes on cigarettes, tobacco, and snuff. That passed on by the manufacturer, as it ought to be and must be, would result in a 10-cent retail price for all of the larger brands of cigarettes now selling at 12½ cents or more in States not levying special State taxes. Likewise, it would seem to mean for the present 10-cent cigarettes a retail price of two packages for 15 cents. But best of all, from the grower's point of view, it leaves the manufacturers' ability to pay the grower maximum prices—though I doubt whether this has ever been done—for cigarette leaf absolutely unimpaired and does not put the manufacturer under the temptation or the necessity to sell the farmer's product at the lowest price in order to benefit by the concession that is sought for those undertaking to sell at the low figure.

By such a tax reduction the grower would have opened to him immediately all of the advantages of increased consumption that would come to his product from a 10-cent price on the present big brands and the added consumption that would come from having the present 10-cent brands, which could then sell at two for 15 cents, reach still other smokers who are not now willing to pay either 10 or 12 or more cents and are consequently not consuming or are rolling their own out of granulated or other tobaccos which can never net the farmer anything approaching what he gets for tobaccos that can be marketed through cigarettes. As has been stated, there are presumably, according to Government reports on cigarette papers, some 50 or 60 billion cigarettes rolled by smokers each year. If this business could be put on a manufactured-cigarette basis, the benefits to the farmer, it seems to me, would be very great, indeed. It would also go far in making up the temporary loss to the Treasury.

And then there is the great volume of women smokers who, when money is short or prices high, do not change to rolling their own, but simply quit consuming. They could, if it were desirable, be brought back as consumers through proper tax adjustments. I am not arguing in favor of the woman smoking or dipping snuff, either, for that matter. And in pipe tobaccos, chewing tobaccos, and snuff, there is, too, an enormous possibility of increasing consumption through a tax rate that would permit more tobacco in a package or piece.

In other words, lying right by the destructive danger that I see for the tobacco grower in the proposal for the differential in tax on cigarettes selling at different prices, I think I see in a uniform reduction of 40 percent on tobacco, snuff, and cigarettes, the greatest opportunity for a perfectly definite and very extensive contribution to recovery and stabilization, at least in this one phase of the agricultural problem. It is the farmer's case, and whether it has any recognition in the Congress will, I think, depend on whether and how vigorously the growers present it. Makeshifts through emergency measures may stimulate, but permanent relief on a sound economic basis can be accomplished by no other practical and immediately workable plan save a general reduction in the excise taxes on tobacco products.

God knows, as I believe you gentlemen do, from the testimony you have heard, that there has never been presented to a committee of any Congress a more worthy, just, and humanitarian appeal. Personally, I have every confidence that it will not go unheeded. The tobacco growers of your country and mine leave their cause with faith and hope to your judgment and conscience.

Mr. WOODRUFF. Mr. Chairman, I find it necessary to leave, but before I do so, I express the hope that before the hearing is closed the expert on tobacco in the Agricultural Department, and also some representative from the Treasury Department who has knowledge of these facts and can give us some idea of what we can and cannot do, will appear before the committee and give us the benefit of all their information.

Mr. VINSON, I may say, for the benefit of the gentleman from Michigan, the committee, and the folks who are here, we have found in making this fight for a reduction in tobacco taxes that when we talk to officials, regardless of how much they know about general subjects, unless you get a specialist on tobacco, you might as well be using a foreign tongue.

It was my thought, and I hoped it was agreeable to the subcommittee, to do our best toward painting the real picture as it exists, getting all of the data and information we could obtain on this, and then lay that on the doorstep of the Agriculture Department and the Treasury Department; and I hope that they will give consideration to the facts and figures obtainable, and then subsequent to that, to call them in before this committee to testify on the subject.

That was the thought I had, and if that is agreeable to the committee, will be the course we pursue.

Mr. WOODRUFF. In that connection, when these hearings are placed in the hands of the officials you speak of, I hope that a request will accompany that presentation that the officials who will appear before the committee read the hearings that we have had heretofore very carefully.

Mr. VINSON. I do not know whether you would make that through a written or verbal request, but it was the hope, at least, that they would consider these hearings very carefully. That was the very thought I had in mind.

Mr. HANCOCK. Mr. Chairman, if there are no questions, I will retire.

Mr. WOODRUFF. I hope when you submit the hearings of the committee to the representatives of the Department you refer to, that they will read very carefully the full testimony at these hearings.

Mr. MCCORMACK. Mr. HANCOCK, have you anything you want to say as to what you would consider to be a fair price to the producer of the tobacco?

Mr. HANCOCK. I have an idea based on conditions in my own county. I know something about the cost of labor, and know something about what it takes to make a crop of tobacco, or a barn of tobacco. Of course, that varies in different places, and it depends somewhat on the weather and the skill with which a man attends his crop.

I was talking to a group of farmers in my home county about 3 weeks ago, and one of them happened to have been here the other day, Senator Curry, and it seems that the director of the experiment station there, who engages in experiments involving tobacco, requested a group of farmers to compute the best they could the cost per pound to make a barn of tobacco. Those figures, of course, vary, but under present conditions, and basing the schedule of wages similar to the schedule recognized by the Government under the N.R.A. operations, I do not believe that tobacco can possibly be made in my part of the country for less than 20 cents a pound, on the average. Of course, you understand, it costs as much to make a sorry grade of tobacco as it does a good grade.

The CHAIRMAN. As to what its cost is, I did not quite get your statement; did you say "probably" or "possibly"?

Mr. HANCOCK. I said "possibly" it could not be profitably made for less than 20 cents.

Mr. MCCORMACK. Did you mean 20 cents a pound to make a reasonable profit, or that 20 cents would be the cost of production?

Mr. HANCOCK. I think at around 20 cents the farmer could make a profit, under normal conditions.

Mr. MCCORMACK. That would include a reasonable return on capital investment and fixed charges?

Mr. HANCOCK. I doubt whether it would. There is not 1 percent of them that ever figure that, in arriving at the cost of their product, down our way.

Mr. MCCORMACK. I realize that, but I think they ought to do it.

The CHAIRMAN. You mean it would take that price to make a decent living for the man and his family?

Mr. HANCOCK. That is correct, Mr. DOUGHTON.

Mr. VINSON. We thank you, Mr. HANCOCK, for your very fine statement.

I think it is only fair to state that from the first day I ever saw FRANK HANCOCK in Congress, up until this good hour, he has been waging a battle in the tobacco growers' interest as he saw it, and because of our having cooperated in this common cause, I am going to impose upon him and ask him to secure the data and submit it for the record showing the various rates of tobacco taxes in the 13 or 14 States that impose tobacco taxes.

We have been talking about Federal taxes so much I had forgotten almost that in Arkansas they have a 5-cent-a-pack tax on cigarettes.

Mr. HANCOCK. Mr. Chairman, I shall be glad to furnish that information for the committee.

THE VETO OF THE INDEPENDENT OFFICES BILL

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. TABER. Mr. Speaker, on March 20, 1933, upon President Roosevelt's urgent recommendation, the Economy Act was passed, effecting definite savings in the civil expenses of the Government approximating annually about $125,000,000. These savings, along with $150,000,000 more, which had been made prior to the advent of the Democratic administration, expire automatically on the 30th of June 1934.

The Economy Act also revamped the entire pension system, beginning with the Spanish-American War and running down to date. The President was authorized to determine by regulations what pension should be paid to veterans of the different wars and their dependents. This power was given to him because it was believed that he was in a position to effect certain economies that were necessary for the stability of the Government and because the Congress trusted the President to do the job and do it right—and a little more, perhaps, because this was the first great delegation of power to the President in the hysterical situation in which the Congress and the President and everyone else were. It was impossible to realize the fundamentals of liberty and to realize what the delegation of authority meant. It was believed by most Members of Congress that the President would keep his word and would establish fair regulations which would give the veterans a fair deal and at the same time give the taxpayers a fair deal.

As administered, the regulations first put into effect accomplished reductions of about $440,000,000 in the expenditures of the Veterans' Bureau. That these regulations were bad, poorly drawn, ill considered, and not of the type that the country would stand for is evidenced by the fact that the President had already, at the time his veto message was signed on March 27, 1934, changed the regulations so as to place back on the roll of the Veterans' Bureau $117,000,000. At that time, he also signed regulations which would, for the fiscal year 1935, according to the best information I can obtain, cost the country $60,000,000 more. Thus, nearly half of the original savings were given back by order of the President, so that it is wrong to say that Congress wrecked the Economy Act.

There are still more than $250,000,000 of savings under the veterans' provision of the Economy Act.

Five hundred thousand non-service-connected veterans, put off the rolls by the Economy Act, are still off the rolls.

Let us recite some of the high points in the promulgating of regulations and in the administration of this act by the President. In the first place, the Spanish War veterans, approximately 200,000 in number, were all thrown off the rolls. They were given, however, a chance to establish service connection for their disability and the regulations stated that the burden of proof was placed on the Government to prove that they were not service connected. Because of the methods of the Veterans' Bureau practically all of the Spanish War veterans' cases failed to establish service connection.

Was this done in accordance with the regulations? No. In case after case I charge that the Spanish War veterans were thrown off the roll without their folder even being examined by a representative of the Veterans' Bureau. In case after case it has appeared that such an examination shows, on the face of the papers already in the Veterans' Bureau at the time the regulations were drawn, that the case is entitled to service connection. Nevertheless, seldom, except where it was requested by a Member of Congress, did they call upon the War Department for the Adjutant General's records to find out whether the veteran was entitled to service connection for a disability incurred in service.

This method of handling the Spanish War cases had created such a furore that prior to the end of Congress in June 1933 the President was forced by public opinion to modify his regulations so as to provide a non-service-connected $15-per-month pension to the Spanish War veterans. Thereby he disposed of any program of restricting the Spanish War group to service connection. The furore that was created at that time did not subside, but the bad administration of the Veterans' Bureau, insofar as the Spanish War cases go, was continued. Nothing apparently was learned from experience, and when Congress came back here in January the same failure to give fair consideration to the Spanish War cases continued. It was only possible to have their cases considered where the Congressman, in the individual case, went over and stood over the Veterans' Bureau with a sledge hammer. The furore reached such heights that by the time the independent offices bill had reached the Senate, Congress felt that unless it took the matter in its own hands and attempted to solve this problem in some practical way that the entire Economy Act would be wrecked.

With reference to the World War veterans, the regulations provided for a straight 10-percent cut in war-service-connected cases, and in addition, a change in the method of rating cases so that the war disabled were cut from 25 to 30 percent on an average, and in some cases were cut as high as 60 percent. I had one case of a man who had lost a leg on the battlefield where at first he was cut from $113 a month to $8, and only after I had raised a storm of protest was any kind of a fair adjustment made.

All presumptive service-connected cases—that is, most of the tuberculosis and shell-shocked cases—were thrown off the rolls.

The non-service-connected cases were thrown off the rolls, with the exception of about 32,000 who were totally and permanently disabled. These totally and permanently disabled non-service-connected cases were paid $30 a month.

In the administration of the direct service-connected group, reasonably fair speed was made in taking away from the war disabled, the 25 to 30 percent cut which was made. When it came to handling the presumptive cases, practically no speed and practically no results were obtained in determining whether these people were actually entitled to relief from the Government.

The Board of Appeals did not function in many cases, and the cases were permitted to pile up on the theory that Congress would meet this situation by legislation. This action, together with the furor that was aroused by the direct cut of the war disabled, created another storm of protest and resulted in the writing into the bill in the Senate of the restoration of $30,000,000 for the war disabled to restore them to their old rating schedule and to wipe out the cut of 25 to 30 percent which the President had placed upon them. It created a sentiment which demanded what the bill contained—restoration to the roll of all presumptives, the tuberculosis, and nerve cases—on a 75-percent basis, pending the review of their cases, with the burden of proof on the Government to show that their case was not service-connected. After these cases have been disposed of by the

Board of Appeals in the Veterans' Bureau in accordance with this rule, they will either go on the roll as direct service-connected cases or they will go off entirely.

The independent offices bill carried the following increases to veterans:

1. For Spanish War veterans	$37,400,000
2. To restore the war-disabled veterans to the rates they were receiving prior to the 19th of March 1933	30,000,000
3. To restore the World War presumptively service-connected cases on a 75-percent basis	9,312,500
Total	76,712,500

As to presumptives, the President, by his Executive order of March 27, 1934, the date of the veto message, restored 29,000 to the rolls, as against 25,000 in the bill. Otherwise the President's action as to presumptives was practically the same as the bill.

As to the Spanish War veterans, he restored them pending a new review of their cases and final determination by the Board of Appeals without any limit as to the dates of service, or anything of that kind, and without limitation as to whether the cases were of misconduct origin. The President's regulations of March 27 would have cost, for the Spanish War veterans, in my opinion, nearly $50,000,000 for the fiscal year 1935, or more than it will cost to pay the pensions for the Spanish War veterans according to the bill.

The thing that the President did not approve of and did not want to go along on was restoring compensation to the war disabled, amounting to $30,000,000. On the other items he presents himself as almost in substantial agreement with the bill. The cost of his regulations of March 27 for Spanish War veterans and the presumptives would have been approximately $60,000,000 for the year 1935. On April 6, the President canceled his regulations of March 27, so nothing will ever be learned as to what they would cost by practical experience. It can only be estimated.

On the overriding of the veto there was presented to the Congress the question of whether or not they would spend $16,000,000 more for veterans than the President would and continue certain economies which were carried in the bill, which would die on June 30, 1934, if the bill did not become a law, amounting to $125,000,000; so that we had on the one side of us, Shall we spend $16,000,000 more than the President is willing to and save $125,000,000? There were in addition some small expenditures which the President had not recommended for the civil forces of the Government, but they were small as compared to the saving to be effected by the overriding of the veto.

It is true that the bill did not carry an extension of as great economies as the President had finally urged in his Budget message, but after a hard fight it was the best compromise that could be worked out and put through. No one believes that if this veto had been sustained that it would have been possible to pass any bill effecting economies in this session of Congress. To save one half of $250,000,000 of economies in civil expenses in the face of the President's orgy of expenditures reflects credit on Congress. To meet our sacred obligation to the veterans who were actually disabled in the World War is a credit and not a source of shame for Congress.

We have all learned, as a result of this whole thing, that nothing can come from a delegation of the authority of Congress to the President except disaster—in this measure and many others.

If Congress had not taken the bit in its teeth and made these reasonable adjustments, which will call for no additional taxes, the entire remaining savings of the Economy Act, amounting to $250,000,000 a year, would be wiped out.

By voting to override the veto Congress did not pass the bonus. The bonus was not in this bill.

Personally I have always stood and still stand for economy in government; for fair treatment of our soldiers; and for fair treatment of our Government employees. I do not believe that a failure to meet one's legitimate obligations is economy. Congress has been berated by many people who do not know what was in the independent offices bill. It has been exceedingly difficult to set the country right on this subject, in view of the false propaganda which has been put out by people who did not know what they were saying.

I hope that those who have been disturbed by the action of Congress in overriding the veto will now realize, after the facts have been presented to them, that Congress voted to override the veto because it was right that it be overridden, and that the overriding was in the interest of the taxpayers and saved money for the taxpayers.

THE PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first bill on the Private Calendar, beginning at the star.

GIUGLIO ZARELLA

The Clerk called the bill (H.R. 5415) for the relief of Giuglio Zarella.

Mr. HOLLISTER. Mr. Speaker, I object.

JOSEPH RICCO

The Clerk called the next bill, H.R. 5416, for the relief of Joseph Ricco.

Mr. ZIONCHECK. Mr. Speaker, I object.

JULIA SANTIAGO

The Clerk called the next bill, H.R. 5579, for the relief of Julia Santiago.

Mr. HOPE. Mr. Speaker, I object.

A. H. MARSHALL

The Clerk called the next bill, H.R. 5588, for the relief of A. H. Marshall.

Mr. HOPE. Mr. Speaker, I object.

Mr. WILLIAMS. Mr. Speaker, will the gentleman withhold his objection?

Mr. HOPE. Mr. Speaker, I withhold my objection to permit the gentleman from Missouri to make an explanation.

Mr. BLANTON. Well, Mr. Speaker, I am going to object. This is a bill to appropriate $20,000. The report from the Department shows that he was granted more benefits than the extent of his injuries, and that the Government owes him nothing. We must save this $20,000. I shall object to it, so what is the use of taking further time on it?

NORTHWEST MISSOURI FAIR ASSOCIATION

The Clerk called the next bill, H.R. 5674, for the relief of the Northwest Missouri Fair Association, of Bethany, Harrison County, Mo.

Mr. HOPE. Mr. Speaker, I object.

Mr. MILLIGAN. Mr. Speaker, will the gentleman reserve his objection a moment?

Mr. HOPE. Mr. Speaker, I withhold my objection to permit the gentleman to make an explanation.

Mr. MILLIGAN. I would like to know what the gentleman's particular objection to this bill is.

Mr. HOPE. I may say to the gentleman that this is a bill which proposes to appropriate $25,000 from the Federal Treasury to pay damages which are alleged to have been caused by a fire at the State fair grounds in Bethany, Mo. I have gone over the report very carefully and also the letter from the War Department and the findings of the military commission which held hearings in this matter. I am unable to find anything in that report or those hearings which would indicate that there is any liability whatever on the part of the United States Government.

Mr. MILLIGAN. I may state to the gentleman that the record does not show how this fire started, but it does show that this military unit was in absolute control of these fair grounds and had complete policing power of it, and that while they occupied this fair ground the fire did occur and destroyed the property.

The record, as I stated, does not show how the fire started, but this unit was in absolute control of these fair grounds at the time it occurred.

Mr. HOPE. The record does show that the fire started in the grandstand, I believe.

Mr. MILLIGAN. Yes.

Mr. HOPE. And at that time the grandstand was occupied by a crowd witnessing a baseball game.

Mr. MILLIGAN. And they had been invited by this military organization which had control of the fair grounds.

Mr. HOPE. The crowd was there to witness the baseball game between members of this military organization and an outside team, as I understand it; town people and members of the military organization, I assume, were there.

Mr. MILLIGAN. Not of this particular town where the grounds were located, but another town.

Mr. HOPE. As I understand it, none of the buildings were occupied by these troops at the time; they were simply camping there in the open.

Mr. MILLIGAN. It is true that the buildings themselves which were destroyed were not occupied, but they were on the fairgrounds, and the fairgrounds as a whole were under the control of this military organization. There is no doubt the organization was using the grandstand where the fire originally started.

Mr. HOPE. I think that if it could be shown that this fire was caused by the occupancy of these buildings by this military organization and that somebody belonging to the organization was responsible for starting the fire, either willfully or through gross negligence, there might be some claim against the Government of the United States; but the finding of this military tribunal which met to consider this matter clearly indicates, it seems to me, that such was not the case.

Mr. MILLIGAN. But they had complete jurisdiction and charge of these grounds. They held this ball game. They invited guests or at least allowed guests to come there and occupy the grandstand during this ball game.

The fire occurred in the grandstand which these guests were occupying at the time of the fire.

Mr. LOZIER. May I say to the gentleman from Kansas that this military unit was traveling from Fort Leavenworth to a fort in Iowa. On a Saturday afternoon they came into the town of Bethany and requested the privilege of camping in the fairgrounds. This privilege was granted. Troops took possession and had charge of the fairgrounds from Saturday afternoon until after the fire Sunday afternoon. They were occupying these fairgrounds by the generosity and courtesy of the fair association. They had complete charge of and policed the grounds. On Sunday afternoon they scheduled a baseball game in which a team drawn from this military unit participated, and to which the general public was invited. The troops had charge of the gates and in a military manner directed the traffic and crowd. During the progress of the game, fire was discovered in the rear part of the grandstand. No one knows how this fire originated.

The question involved in this bill is, Will the United States Government escape liability in a case of this kind, where its troops marching through the country are granted the privilege of camping on grounds owned by a county fair association and, while they are in possession of the fair grounds, $25,000 worth of property is destroyed? Of course, no one saw the fire originate, but in all good conscience and equity, certainly the Government of the United States should indemnify the fair association for the damages the property sustained while in possession of the troops and the Government ought not to put upon the Fair Grounds Association the burden of proof and compel the association to affirmatively show that this fire originated as a result of the negligence of some member of that troop.

I think in all fairness that the Government of the United States ought not raise this issue or resist this payment. The troops were there by the courtesy of the fair association, and it would be unconscionable to require the Fair Association to affirmatively establish the origin of the fire or to show that it resulted from the negligence of the troops. The military forces were in charge of the buildings. They were in charge of the grounds. They were in charge of the crowd which was there by the invitation of the troops. The visitors were guests of the regiment. While the troops were occupying these grounds, putting on a show to which the public was invited, $25,000 worth of buildings were destroyed. I repeat it is unconscionable for the Government of the United States under these conditions to say to the fair association: "You turned over these grounds to us. You permitted us to encamp here. While we are in possession, your buildings were destroyed by fire, which originated from an unknown cause. Now we are going to put upon you (the association) the responsibility to affirmatively show that the fire originated through some overt act or negligence on the part of some of these troopers." The Government of the United States, in all equity and good conscience, should be willing to respond for the reasonable damages sustained under these conditions.

Mr. MILLIGAN. It is true that they maintained a wire fence 10 feet high around the grounds. The gates were locked at all times, and were opened and unlocked for this organization, which put guards on the gates.

Mr. LOZIER. That is true. May I say that the evidence also shows that the troops in moving their trucks ran across a fire hose, damaging the hose and preventing it from functioning efficiently.

Mr. HOPE. There is some difference of opinion on that point. The evidence is quite conflicting.

Mr. LOZIER. There is no contradiction of the fact that the Government trucks did run over the fire hose and as a result the hose was damaged to such an extent that it was not able to deliver a sufficient supply of water to extinguish the flames. It is perfectly all right for the gentleman from Kansas to object, but I hope the time has not come when the Government of the United States can escape liability in a case of this character. A company of troops, marching from one State to another, enters a friendly community, asks the people to give them a camping place in a fairground owned by public-spirited citizens; and while in possession of this property, it is destroyed. Is it conceivable that the Government of the United States, after enjoying these courtesies, and doing this damage, can say to the people whose hospitality they have enjoyed, "We will place upon you the burden to affirmatively show that some member of the troop is responsible for the conflagration"? If the fire was caused by one of the guests of the United States dropping a cigar or lighted match in trash, certainly the Government of the United States ought not to escape liability.

Mr. HOPE. The gentleman is an attorney, of course. If these grounds had been leased to a tenant and a fire occurred while that tenant, a private individual, was in control and in occupancy of these premises, would the gentleman say that the tenant was responsible for any damage that might occur as a result of the fire?

Mr. LOZIER. Answering the gentleman, may I say that the question as to what caused the fire is a question of fact. If the evidence in this case were submitted to a jury to try the issue of fact as to whether or not this fire resulted from negligence on the part of the United States or some of its guests, the jury would find from the evidence that the Government of the United States was responsible for this conflagration.

Mr. HOPE. That is not answering the question. My question was, If this were a case where a private individual was occupying the property as a tenant and the property burned under these circumstances, no one knowing the cause of the fire, would the gentleman say the tenant was liable for the damage that occurred?

Mr. MILLIGAN. The agreement was when they took over the grounds that they would return them in as good, if not better, condition than when they received them.

Mr. HOPE. The gentleman understands an act of God, such as a fire, is always an exception.

Mr. MILLIGAN. This was not an act of God under the law, and there is no evidence to that effect.

Mr. HOPE. There is nothing to show that it was not.

Mr. LOZIER. May I answer the gentleman's question by saying that the gentleman is familiar with the principle that a greater degree of care is required when the bailee or the person in possession is there by tolerance, accommodation, and courtesy and not for hire?

Mr. HOPE. The gentleman understands that there was rent paid. The Army paid a rental charge of $10, as I understand, and the water bill.

Mr. LOZIER. Just a nominal rent.

Mr. HOPE. I do not know how nominal it was, but there was a charge made for the occupancy of these grounds.

Mr. MILLIGAN. I beg the gentleman's pardon. They did not charge for occupying these grounds, but the next day the lieutenant in command of this organization came and paid $10 and the water bill just before he left.

Mr. ZIONCHECK. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded.

Mr. HOPE. Whether there was compensation paid or not, I think the same principle would apply. Mr. Speaker, I object.

B. EDWARD WESTWOOD

Mr. COOPER of Ohio. Mr. Speaker, I ask unanimous consent to return to Private Calendar 297, the bill (H.R. 4516) for the relief of B. Edward Westwood, that was passed over yesterday without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General is authorized and directed to credit the account of B. Edward Westwood, postmaster at Youngstown, Ohio, in the sum of $891.17, such sum representing the deficit in the account of the said B. Edward Westwood, caused by burglary to the post office on December 25, 1931, and for which casualty the said B. Edward Westwood was in no way responsible.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VETERANS' LEGISLATION

Mr. COLMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a speech made last evening by the gentleman from Texas [Mr. BAILEY] on the question of veterans' legislation as affected by the independent offices bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following speech made last evening by the gentleman from Texas [Mr. BAILEY] on the question of veterans' legislation as affected by the independent offices bill.

Friends of the radio audience, I am greatly indebted to the National Broadcasting Co. for the invitation to speak to you tonight, not only because of the pleasure it gives me, but also because it may serve to clear up a considerable misunderstanding which seems to prevail concerning the independent offices appropriation bill. This is the bill which was recently vetoed by the President and subsequently passed by both Houses of Congress.

I have seen a number of editorial comments in daily papers concerning this bill and its effect on veterans that, to say the least, astounded me. It is quite apparent that those comments were written by men who had never read this bill, or who did not understand it even if they had read it.

So far as I have seen, there have been no comments about the employees' pay restoration, and I am going to confine myself solely, for the present at least, to the provisions of the bill specifically dealing with veterans' benefits, because these are the provisions which have been so greatly misunderstood and because of which most of the difficulty has arisen.

I have before me a letter from the Budget Bureau advising that the figure of increased benefits awarded to veterans by this bill is a total of $103,000,000, $20,000,000 of which comes in the fiscal year 1934 for the remainder of that year, and $83,000,000 of which is the estimated annual increase in appropriation for the year 1935. I have also before me a photostatic copy of the calculations of the Veterans' Bureau in which this $83,000,000 is detailed. In round figures this calculation shows the increased payments to World War veterans admittedly disabled in service equal to $30,000,000; the increased payments to 29,000 presumptives, pending disposal of their cases on appeal, at the rate of $11,750,000; the increased payments to Spanish-American War veterans equal to $37,427,000; and certain small miscellaneous items for pensions prior to the war of 1898, insurance, etc., amounting to approximately $4,000,000.

Turning now to the provisions of the bill itself, it will be found that the veterans' provisions come under title 3, being amendments 26 to 35, inclusive. It is these amendments which contain the appropriation of $83,000,000. I think I can show you that $61,750,000 of this amount was, or would have been, necessary to take care of expenditures authorized and to be incurred under regulations issued by the President.

Referring to the veto message, the President said:

"I intend now by regulation forthwith to direct an appeal by the Administrator of Veterans' Affairs in each and every one of these disallowed 29,000 cases with the further direction that in the final determination of these cases every reasonable doubt be resolved in favor of the veteran, and every assistance be rendered in the preparation and presentation of these cases. While these cases are pending the veterans will be paid 75 percent of the compensation they received prior to the time they were removed from the rolls. If the appeal is allowed, they will receive back compensation. Only in cases disallowed by the Board of Appeals will the veteran thereafter be permanently removed from the rolls. This regulation will be put into effect at once."

The necessary initial cost incurred under this order is $11,750,000 annually.

Further the veto message said:

"By regulation 12 a presumption of service origin was extended to Spanish-American War veterans on the rolls on March 19, 1933. In order to take the same action which I am taking in regard to World War veterans, I am directing the restoration to the rolls, as of this date, at 75 percent of the amount they were receiving on March 19, 1933, all Spanish-American War veterans pending a final determination of their cases before the Board of Appeals."

The necessary initial cost of this order is at the rate of $50,000,000 a year. It will be seen that by adding the cost of these two orders the total expense authorized by the President is at the rate of $61,750,000 a year, which, deducted from $83,000,000, the amount provided by the bill, leaves a net increase of only $21,000,000 in round figures.

By calculations on the same basis, the Presidential regulations added $16,000,000 for the balance of this fiscal year, while Congress appropriated $20,000,000—an increase of only $4,000,000. Adding this $4,000,000 to the $21,000,000 shows that Congress only added $25,000,000 out of the total of $103,000,000 provided in the bill for the balance of this year and the whole of next year.

I have seen editorial comments to the effect that it was a "veterans' steal", that it restored undeserving cases to the pension roll, that Congress yielded to the pressure of the veterans' lobby because of fear of reelection. There is not a one of these statements true. I say unhesitatingly that this law does more for the deserving cases and less for the undeserving cases than any general law passed by Congress since the war. It affected three general classes of veterans—two of the World War and one of the Spanish-American War.

Not a single World War veteran was permanently restored to the rolls whose disability did not arise directly by reason of the service which he performed to his country. Some non-service-connected disabled men among the presumptives may have been restored temporarily pending appeals, but none permanently. Not a single veteran was restored to the roll who had not joined the Army prior to the expiration of the war, nor was anyone restored whose disability arose by reason of his own misconduct, and in Spanish-American War cases the pension was allowed only to veterans who did not have sufficient income to pay a Federal income tax.

Now let us take the actual bill and analyze it.

First. You will remember that under the Economy Act World War veterans suffering from disabilities admittedly proven to have been incurred by their service had their compensation reduced from an average of $43 a month to an average of $34 a month. This bill restored the previous compensation, or an average of $9 a month. The total cost, according to the Veterans' Bureau, of this provision, is $30,000,000 per year. There certainly can be no objection on the part of anybody to that feature of this law. The Government has a sacred obligation to these men who sacrificed their bodies and their health to our cause.

Second. This bill restored to the pension rolls, pending appeal, certain men who contracted a disability such as tuberculosis, dementia praecox, paralysis, etc., prior to January 1, 1925. Under a law passed in 1925 these men had been presumptively entitled to a service-connected rating, and that being true, they had not attempted to obtain evidence of the origin of their disability, but had relied, as they were entitled to rely, solely upon the presumption. Last year we provided, and the Chief Executive signed, a bill entitling these men to their compensation pending a review of their cases. The present bill gave these men 75 percent of their compensation pending an appeal from this review. This bill specifically provided, however, that the Government could show "by clear and convincing evidence" that their disability arose prior to or subsequent to their service. So that these men are not permanently on the rolls. They are entitled to the benefit of the doubt. They are relieved of the burden of proof, but if their disabilities did not arise by reason of their service they will go off the pension rolls after the decision of their cases on appeal.

If you will read the veto message, you will see that the Chief Executive offered to and actually did do exactly the same thing that this bill does, restore these men at 75 percent of their previous compensation pending appeal and giving them the benefit of any reasonable doubt. A very careful study of this regulation and this bill leads me to the conclusion that the result of the words used in the Executive order and in the bill will be almost exactly the same. The cost of this was $11,750,000.

The third class of veterans affected was the Spanish-American War veterans, and this case was the only one in which men whose disabilities were not strictly of service origin were put on

the pension rolls. I might say in this connection that the Federal Government has granted these service pensions to the veterans of every war since the Revolution when they arrived at ages between 55 and 60. Spanish-American War veterans are now an average of 61 years of age and have received since 1930 service pensions ranging from $20 to $60 per month for total disability, irrespective of the origin of this disability. All this was changed under the Economy Act and in its place the Chief Executive allowed these men $15 per month if over 55 years of age, 50 percent disabled, and in need, and $30 per month if totally disabled and in need. All this bill did was to make this service pension begin at $15 for men 25 percent disabled and run up to $45 for men totally disabled. The total additional cost of this legislation would be $37,500,000.

In this connection let me call your attention again to the veto message, wherein the Chief Executive offered to restore all the Spanish-American War veterans who had previously been receiving pensions to the rolls at 75 percent of their previous amount, pending a review of their cases, to determine the service-connected origin of their disability. The total cost of this would be $50,000,000 a year for the first year. This was an increase of $13,000,000 over this bill, which arises by reason of the fact that the recent law excluded approximately 15,000 veterans, 12,000 of whom joined the service after the close of the Spanish-American War; approximately 1,000 of whom were suffering from diseases caused by their own misconduct; and 2,000 of whom were not exempted from the payment of an income tax and therefore not in need. Of course it might be said that these men, under the President's plan would ultimately go off the rolls because they cannot prove their service connection. I do not want to enter into the difficulty, even the impossibility, of requiring such proof from these veterans after 36 years of separation from the service. I know that difficulty, as does everyone who has tried to help them in the preparation of their affidavits. But I do call your attention to the fact that if the boards of review handled an average of 60 cases a day that it would take over 3,000 workings days—more than 10 years, to complete the review of all these cases.

Now if you will review these facts you will find that the additional cost of full compensation to men admittedly disabled by their service constitutes the increased annual cost of $21,250,000 over and above that recommended by the administration. I have said that this cost was $30,000,000, but you will remember that the administration recommended a $13,000,000 increase to Spanish-American War veterans. There are in the bill certain increases of 5 percent in the pensions of veterans of the Civil War, Indian wars, etc., amounting to about $4,000,000, and after deducting these amounts from the $13,000,000 it leaves the net increase of $21,250,000.

This bill passed the House originally without any legislation with respect to veterans. It went to the Senate and was amended to include a 15-percent pay restoration costing $187,500,000 and considerably increased veterans' benefits. When it came back to the House we wrote our own amendment, which afterward became the law, and by that amendment excepted from the provisions all soldiers who joined after the close of each war, all misconduct cases, all cases that were on by fraud, accident, or mistake, and all cases of Spanish-American War veterans who had sufficient income to be required to pay an income tax, all widows who remarried, and in every way limited the operation of this bill to veterans whom everybody admits are truly deserving.

We voted for it at that time and subsequently voted for it when the Senate again disagreed. It was our duty to make a study of the legislation, and we did so, and having reached that conclusion and voted that way, we could not go back on the conviction which had been formed.

The editorial comment has referred to this action of Congress as a revolt against the President. There is nothing further from the truth than that statement. The leadership of Franklin D. Roosevelt cannot be impaired by such a minor disagreement as this. There is no Member of Congress who today does not yield as great a measure of admiration and respect for our President as before this occurrence. The legislative branch of the Government had its duty to perform, the executive branch had its duty to perform; and the leadership in the White House remains unimpaired in the confidence of the Congress, just as whole-heartedly and as sincerely as it remains unimpaired in the confidence of the people.

THE PRIVATE CALENDAR

COAL-LEASE RENTALS

The Clerk called the next bill, H.R. 5703, to authorize the waiver or remission of certain coal-lease rentals, and for other purposes.

There being no objection the Clerk read a similar Senate bill (S. 606), as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to waive and remit all rentals due the United States and charged against the Alaska Matanuska Coal Co., holder of Anchorage, Alaska, coal-land lease no. o4794–o5236, between April 3, 1926, and May 3, 1929, during which period the lessee company was out of possession and prevented from operating said mine because same was in the hands of a receiver appointed by the United States Court for the District of Alaska; also between July 10, 1931, and August 10, 1932, during which period the Alaska Railroad was in possession of said mine and operating same, reimbursing itself therefor by mining, removing, and using coal.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES G. JOHNSON, STATE TREASURER OF CALIFORNIA

The Clerk called the next bill, H.R. 5855, for the relief of Charles G. Johnson, State treasurer of the State of California.

Mr. TRUAX. Mr. Speaker, reserving the right to object, is the author of the bill present?

Mr. CARTER of California. Mr. Speaker, the author of the bill, the gentleman from California [Mr. ENGLEBRIGHT], is unavoidably detained at a very important committee meeting, but I know some of the circumstances.

The gentleman will, perhaps, recall that the President, a few days ago, vetoed a somewhat similar bill on the ground it could not be determined whether or not the interest coupons had ever been paid, as they had no means of checking that. However, in this case the bonds are in the denomination of $100,000. There are several of them—10, I believe—and it is the interest coupons that are lost. Now, owing to the fact that these bonds are of large denominations, the Treasury Department has been able to check them, and it finds that these coupons have never been redeemed. The 10 coupons set out here which were lost or destroyed, inadvertently, by the State treasurer of California, have never come in. The State treasurer offers to put up a bond to indemnify the Government in the event these interest coupons should ever appear.

Mr. TRUAX. In view of the fact the President did veto a similar bill, would not the gentleman be willing for this bill to be passed over without prejudice?

Mr. CARTER of California. Let me say to the gentleman that the President vetoed the other bill because they were of small denominations, and it would have taken months and months of search to determine whether or not the interest coupons had been paid. That is not the case here. A search has been made in this case, and they found the sacks in which interest coupons from bonds of the same series have been cashed, and the coupons on these particular bonds have not been cashed. This takes it out of the rule on which the President vetoed the other bill. I think the bill is absolutely fair. The Government is amply protected by the bond that the State of California, through its treasurer, will put up. A long time has already elapsed, and the interest coupons have not come in. If I could not make this statement with certainty, then the gentleman's objection would be absolutely good and valid.

Mr. TRUAX. The gentleman will note the concluding paragraph of Mr. Ogden L. Mills' letter, in which he states:

> I do not desire to make any recommendation as to this bill or to express an opinion as to its merits. If it is to be passed, however, it should not be in its present form, for the reason that it does not sufficiently identify the coupons for which relief is to be given. I am enclosing herewith a draft of the bill in the form preferred by the Treasury Department if it is decided to grant relief.

Mr. CARTER of California. That objection which the gentleman raises is perfectly reasonable and logical. If the gentleman will turn to the first part of Mr. Ogden Mills' letter, he will note that the number of the bill Mr. Mills is talking about is H.R. 11525. The bill the gentleman has in his hand is H.R. 5855, which is the bill that the Secretary of the Treasury said should be introduced.

Mr. TRUAX. But he did not recommend the passage of the bill.

Mr. CARTER of California. In this form; yes. This is the bill he said should be passed.

Mr. TRUAX. In view of the circumstances, I ask the gentleman to let this bill be passed over without prejudice until the next call of the calendar.

Mr. CARTER of California. To be taken up later in the day? I should be very agreeable to that.

Mr. TRUAX. Either later in the day or at the next call of the calendar.

I ask unanimous consent, Mr. Speaker, that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

OSCAR P. COX

The Clerk called the next bill, H.R. 5935, for the relief of Oscar P. Cox.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Oscar P. Cox, United States marshal for the district of Hawaii, the sum of $524.37. Said sum represents the amount charged Oscar P. Cox by the United States by reason of his hiring extra guards to accompany Federal prisoners from Hawaii to Leavenworth, Kans.

With the following committee amendment:

At the end of line 10 insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

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

A motion to reconsider was laid on the table.

MABEL CARVER

The Clerk read the next bill on the calendar, H. R. 6324, for the relief of Mabel Carver.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mabel Carver the sum of $2,500 for injuries sustained on August 24, 1929, as a result of being shot by a United States Marine while visiting the United States navy yard at Philadelphia, Pa.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this Act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

In line 5, after the figures "$2,500", insert "In full settlement of all claims against the United States."

The committee amendment was agreed to.

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

A motion to reconsider was laid on the table.

TO RESTORE WATER OF HIGH MINERAL CONTENT ON LAND OWNED AND CONTROLLED BY THE FEDERAL GOVERNMENT

The Clerk called the next bill on the calendar, H.R. 6366, making appropriation to restore water of high mineral content on land owned and controlled by the Federal Government.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That a sum not to exceed $250 is appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the supervision of the postmaster at Lincoln, Nebr., for the purpose of providing a pump which will restore the flow of mineral water to the fountain, the well being dug on Government square about March 15, 1872. The well was put down at large expense by the citizens of Lincoln, Nebr., and was known as "Market Square Well." The well is now covered over by the Lincoln post-office building, but is in good state of preservation and can be restored to its former use without a large expense. After the well is restored to its former status the citizens of Lincoln are to maintain the well without expense to the Government. The Government owning and controlling the ground, the citizens in justification believe that this restoration of water of great mineral benefit to the community should be made by the Government by means of a small Federal appropriation, as stated, to purchase and install the necessary pump.

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

A motion to reconsider was laid on the table.

LUCIEN M. GRANT

The Clerk called the next bill on the calendar, H.R. 6386, for the relief of Lucien M. Grant.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lucien M. Grant, lieutenant commander, Construction Corps, United States Navy, the sum of $184.02 for actual and necessary expenses incurred by him in transportation of his dependents and personal effects from Philadelphia, Pa., to Pensacola, Fla., and return, while carrying out orders of the Navy Department.

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

A motion to reconsider was laid on the table.

MRS. PLEASANT LAWRENCE PARR

The Clerk called the next bill on the calendar, H.R. 6890, for the relief of Mrs. Pleasant Lawrence Parr.

The SPEAKER. Is there objection?

Mr. HOPE. Reserving the right to object, Mr. Speaker, I ask that the bill be passed over, and that we may return to it later in the day.

The SPEAKER. Without objection, it is so ordered.

J. F. HUBBARD

The Clerk called the next bill on the calendar, H.R. 6936, for the relief of J. F. Hubbard.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York. Reserving the right to object, I note from the record that this claim originated in 1902—32 years ago. It would look as if this claimant had slept on his rights.

Mr. COFFIN. I do not know when the bill was introduced.

Mr. HANCOCK of New York. It seems that he was guilty of lapses in not enforcing his claim until this late day. I think we ought to discourage the revival of these old claims.

Mr. COFFIN. I only know from the report that the money was placed to the credit of the United States Treasurer and shows an outstanding liability.

Mr. HANCOCK of New York. The gentleman sees that the claimant made no effort to collect it since 1907, when he made a feeble effort. I feel that I must object.

MRS. JOSEPH RONCOLI

The Clerk called the next bill on the calendar, H.R. 7028, for the relief of Mrs. Joseph Roncoli.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Joseph Roncoli the sum of $2,500 in full settlement of all claims against the Government of the United States for injuries sustained by her when struck by a truck owned and operated by the Navy Department while alighting from a street car at Twenty-third Street and Seventh Avenue, in New York City: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

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

A motion to reconsider was laid on the table.

ST. ANTHONY'S HOSPITAL, MICHIGAN CITY, IND.

The Clerk called the next bill, H.R. 7067, for the relief of St. Anthony's Hospital, at Michigan City, Ind.; Dr. Russell A. Gilmore; Emily Molzen, nurse; and the Hummer Mortuary.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to pay, out of the naval hospital fund, to St. Anthony's Hospital at Michigan City, Ind., the sum of $224.30; to Dr. Russell A. Gilmore the sum of $170; to Emily Molzen, nurse, the sum of $203; and to the Hummer Mortuary the sum of $10; in all, $607.30, for services and professional treatment rendered to Max Harmon Connelly, fireman, third-class (F-1), United States Naval Reserve, while ill with typhoid fever contracted during the period from August 8 to August 22, 1931, while on active duty.

With the following committee amendments:

Line 8, after the figures "$607.30", insert "in full settlement of all claims against the Government of the United States"; page 2, line 6, after the word "duty", insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider laid on the table.

ESTATE OF NELLIE LAMSON

The Clerk called the next bill, H.R. 7168, for making compensation to the estate of Nellie Lamson.

The SPEAKER. Is there objection?

Mr. HOPE. Mr. Speaker, I reserve the right to object, to inquire whether the author of the bill would have any objection to the usual formal amendments relating to the attorneys' fees and that the amount mentioned in the bill shall be in full settlement of all claims against the Government of the United States.

Mr. DIMOND. Mr. Speaker, I am very glad to accept those amendments.

Mr. ZIONCHECK. Mr. Speaker, I reserve the right to object. I don't think the Government should pay for the loss of some fox pups, which were alleged to have been killed by careless blasting. I think it would be hard to establish a cause of action.

Mr. DIMOND. Will the gentleman reserve his objection until I can make an explanation?

Mr. ZIONCHECK. Certainly.

Mr. DIMOND. Mr. Speaker, while I was not present on the ground—I live within 200 miles of the place where the injuries occurred—yet I am familiar with the matter. The blasting was the cause of the death of these foxes just as much as if the gentleman were to shoot me and I should drop down dead. He could say that I died of heart disease and not of the shot, but after all, when a man has a bullet through him, that is generally considered the cause of his death.

Mr. ZIONCHECK. Is it not true that along the Alaska Railroad they were continually blasting?

Mr. DIMOND. This was not the Alaska Railroad, it was the Alaska Road Commission.

Mr. ZIONCHECK. They were doing a considerable amount of blasting along that highway.

Mr. DIMOND. They were warned in advance, and orders were given by the superintendent to put the blasts off in such fashion that they would not do this particular damage, but instead of that the blasting was turned over to an inexperienced man, and instead of putting the blasts off in proper fashion he was grossly negligent and permitted the blasts to go off in such fashion that they caused this damage.

Mr. ZIONCHECK. Could they not have taken the foxes and the pups away from there?

Mr. DIMOND. That was not possible. That would have resulted in the death of the foxes, anyway. Although I have never raised foxes, I am familiar with their breeding. You cannot move them when they are young.

Mr. ZIONCHECK. Does the gentleman contend that this blast killed the adult foxes later on?

Mr. DIMOND. Yes; the blasts were the cause of the deaths of all these foxes.

Mr. ZIONCHECK. They died the next day.

Mr. DIMOND. Foxes are very sensitive animals, and as nearly as anybody can arrive at a reasonable conclusion, these blasts did cause the death of all of them. Any loud or violent noise is liable to bring about the same result. I hope the gentleman will not object, because this is a very just claim.

Mr. ZIONCHECK. Not being an authority on foxes or fox pups, I shall take the word of the gentleman from Alaska for it and withdraw my objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $325 to Frank A. Lamson, as the administrator of the estate of Nellie Lamson, of Lower Tonsina, Alaska, deceased, as compensation for the loss of 19 foxes, the property of the said Nellie Lamson, which were killed as a result of careless dynamite blasting on the homestead of the said Nellie Lamson by the employees of the Alaska Road Commission while engaged in public work for the Government on May 2, 1931.

Mr. HOPE. Mr. Speaker, I offer the following amendments, which I send to the desk.

The Clerk read as follows:

Amendments by Mr. HOPE: Page 1, line 5, after the figures, insert "in full settlement of all claims against the Government of the United States", and at the end of line 12, page 1, insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to.

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

A motion to reconsider laid on the table.

H. A. SODERBERG

The Clerk called the next bill, H.R. 7289, for the relief of H. A. Soderberg.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object. Is the author of the bill present?

Mr. MURDOCK. Yes.

Mr. TRUAX. Will the gentleman please explain this?

Mr. MURDOCK. This is a bill to compensate H. A. Soderberg, United States commissioner at Ogden, for services rendered by him during the time intervening between the expiration of one commission and his reappointment to the same office a few months later on. The matter was submitted to Comptroller General McCarl and the amount was reduced from $169, the original amount of the bill, to $147.

Mr. TRUAX. Does the gentleman mean that Mr. Soderberg was fulfilling the duties of his office in the interim that occurred between the two appointments?

Mr. MURDOCK. Yes.

Mr. TRUAX. His original appointment had lapsed?

Mr. MURDOCK. Yes.

Mr. TRUAX. And later on he was reappointed and continued his duty?

Mr. MURDOCK. Yes.

Mr. TRUAX. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to settle and certify for payment to H. A. Soderberg, out of any money in the Treasury not otherwise appropriated, the sum of $147 in full for services rendered as a de facto United States commissioner at Ogden, Utah, from January 4 to August 19, 1931: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

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

A motion to reconsider was laid on the table.

ELIZABETH T. CLOUD

The Clerk called the next bill, H.R. 190, for the relief of Elizabeth T. Cloud.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elizabeth T. Cloud, of Atlantic City, N.J., the sum of $771.97 on account of personal injury sustained by her on October 17, 1916, by falling on the steps of the Atlantic City post-office building.

With the following committee amendments:

Page 1, line 6, strike out the figures "$771.97" and insert in lieu thereof the figures "$596.97"; page 1, line 9, after the word "building", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendments were agreed to.

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

A motion to reconsider was laid on the table.

JACOB DURRENBERGER

The Clerk called the next bill, H.R. 200, for the relief of Jacob Durrenberger.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PIERRE E. TEETS

The Clerk called the next bill, H.R. 206, for the relief of Pierre E. Teets.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ANNE B. SLOCUM

The Clerk called the next bill, H.R. 210, for the relief of Anne B. Slocum.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

BENJAMIN STERN ET AL.

The Clerk called the next bill, H.R. 265, for the relief of Benjamin Stern, and Melville A. Stern and Benjamin Stern, as executors under the last will and testament of Louis Stern, deceased, and Arthur H. Hahlo as executor under the last will and testament of Isaac Stern, deceased, all of New York City, N.Y., for compensation and in settlement of their damages and loss sustained by virtue of a lease in writing, dated September 12, 1919, between the said parties and the United States of America, by Daniel C. Roper, Commissioner of Internal Revenue.

Mr. ZIONCHECK. Mr. Speaker, I object.

WILLIAM A. REITHEL

The Clerk called the next bill, H.R. 290, for the relief of William A. Reithel.

Mr. ZIONCHECK. Reserving the right to object, unless the author of the bill agrees to a reduction in amount to $3,000, I shall have to object to the bill.

Mr. RUDD. The author of the bill is sick.

Mr. ZIONCHECK. Mr. Speaker, under the circumstances, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

ARTHUR RICHTER

The Clerk called the next bill, H.R. 308, for the relief of Arthur Richter.

Mr. ZIONCHECK. Mr. Speaker, I object.

DOUGLAS B. ESPY

The Clerk called the next bill, H.R. 325, for the relief of Douglas B. Espy.

Mr. ZIONCHECK. Mr. Speaker, I object.

CON MURPHY

The Clerk called the next bill, H.R. 326, for the relief of Con Murphy.

Mr. ZIONCHECK. Mr. Speaker, I object.

MORRIS DIETRICH

The Clerk called the next bill, H.R. 374, for the relief of Morris Dietrich.

Mr. ZIONCHECK. Mr. Speaker, I object.

BROOKHILL CORPORATION

The Clerk called the next bill, H.R. 458, for the relief of the Brookhill Corporation.

Mr. ZIONCHECK. Mr. Speaker, I object.

YVONNE HALE

The Clerk called the next bill, H.R. 492, for the relief of Yvonne Hale.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

JOHN N. BROOKS

The Clerk called the next bill, H.R. 704, for the relief of John N. Brooks.

Mr. ZIONCHECK. Mr. Speaker, I object.

KATHRYN THURSTON

The Clerk called the next bill, H.R. 878, for the relief of Kathryn Thurston.

Mr. HOPE. Mr. Speaker, I object.

Mr. LAMNECK. Will the gentleman reserve his objection?

Mr. HOPE. I will withhold it.

Mr. LAMNECK. This is a case where a detective working during the time the railroads were under control of the Federal Government was murdered.

For a long time afterwards it could not be proven that he was murdered. About 12 years after his death a man confessed to his murder and the guilty party was executed. Now, according to all the rules and regulations the widow of this murdered detective was entitled to compensation for his death in the discharge of his duty. His widow is in destitute circumstances. At one time she was paid a small amount of money because it could not be proven that this man was murdered in the discharge of his duty; but later it was found that he had been murdered in the discharge

of his duty and it was thought that this destitute widow was entitled to fair compensation for the loss of her husband. It is a just case and ought to be allowed.

Mr. HOPE. Of course, the former settlement was supposed to be in full settlement of all damages for which the Railroad Administration was liable, was it not?

Mr. LAMNECK. They could not prove any liability on the part of the Railroad Administration because they did not know that he was actually murdered until 12 years after his death.

Mr. HOPE. If, however, he was killed in the discharge of his duties as a watchman, there would have been some liability whether he was murdered or had been killed in some other manner.

Mr. LAMNECK. But they could not prove that he was actually killed in the discharge of his duties.

Mr. HOPE. Does the gentleman think the legal liability of the Railroad Administration would have been any greater had this man been murdered than if he had been killed in some other manner in the discharge of his duty?

Mr. LAMNECK. I certainly do. Had it been known at the time of his death that he was killed in the discharge of his duties, the widow would have been entitled to a much greater sum than she was paid.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. LAMNECK. She was paid $1,000. That did not pay even the funeral expenses. This woman is in terrible circumstances now and certainly is entitled to more than $1,000, as I see it.

Mr. HOPE. There is nothing in the report except the bare statement that indicates that there was any proof that this man was actually murdered. There is a statement in the report that later his murderer was found and confessed.

Mr. REED of New York. What are the facts in that connection?

Mr. LAMNECK. The facts were that at the time he lost his life the circumstances were mysterious. They did not really know what happened. Later when this criminal was caught and confessed, he said he had murdered this man, that he had broken into a box car and when the detective came up he shot the detective.

Mr. REED of New York. What amount is ordinarily allowed in such cases?

Mr. LAMNECK. It varies a great deal.

Mr. REED of New York. But it is more than $1,000?

Mr. LAMNECK. Yes; it is at least $5,000 or $6,000. Under the workmen's compensation law they are allowed $6,000.

Mr. REED of New York. Is it not the usual custom of Congress to allow $5,000 on a death claim?

Mr. LAMNECK. I urge the gentleman from Kansas to be lenient in this case, for the claimant is a worthy person. The widow is entitled to this money. If ever there was a just claim this is it.

Mr. REED of New York. Has the widow any children?

Mr. LAMNECK. Yes; she has a family.

Mr. HOPE. This was a claim which originated 15 years ago during the war period.

Mr. LAMNECK. That is right.

Mr. HOPE. The correspondence is set out in the report.

Mr. LAMNECK. I have absolute proof in my files. I did not know that we were going to cover a hundred bills in such a short time or I would have had my files here. I have a copy of the confession in the files.

Mr. HOPE. I am perfectly willing to take the gentleman's word for it. The only reason I made the inquiry was that in the report the matter is disposed of with the bare statement that later it was discovered that he had been murdered.

It seems to me, in view of the great length of time which has elapsed, and in view of the further fact that the former settlement was supposed to be a full and complete settlement, that this bill calls for a little too large an amount to be paid.

Mr. LAMNECK. I am willing to compromise on the amount.

Mr. HOPE. I would suggest that if the gentleman would be willing to accept an amendment reducing the amount to $2,500 I would not offer any objection.

Mr. LAMNECK. Mr. Speaker, I will accept the amendment the gentleman suggests.

Mr. HOPE. With that understanding, Mr. Speaker, I withdraw my objection.

Mr. LAMNECK. That much is better than nothing.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Kathryn Thurston, widow of Charles Thurston, the sum of $4,000 in full settlement of all claims against the United States because of the death of the said Charles Thurston, who was an employee of the United States Railroad Administration and who was killed while in the performance of his duties as such employee on or about February 2, 1920, at Columbus, Ohio: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. HOPE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 1, line 6, strike out "$4,000" and insert in lieu thereof "$2,500."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY E. RONEY

The Clerk called the next bill, H.R. 940, for the relief of Mary E. Roney.

Mr. BLANTON. Mr. Speaker, there are a number of reasons why this bill should not pass, I may state to our good friend from Maryland.

In the first place, we have established here a rule of practice for the guidance of all Members—and it is the Members themselves who have established it—that on a death claim the maximum shall be $5,000. This is a Washington case. This Government has done much for Washington and the people of Washington.

This man was killed by being struck by a police patrol; not a Government patrol but a District of Columbia police patrol. Under the law the widow did not have to go to court, she did not have to employ a lawyer, she did not have to go to any trouble like the gentleman's constituents and mine have to when they get hurt at home. The Commissioners of the District very promptly, under the law, granted her the full maximum for a death claim, $5,000; and they paid her in cash and she has received the money. Now, one of the most prominent Members of Congress, one of our most valuable Members, one of our popular Members, happens to be her Congressman, the gentleman from Maryland [Mr. LEWIS], and he comes in and wants the Government, in addition to the $5,000 which is the maximum for a death claim, which amount the claimant has received, to pay her $3,000 more.

Under all the circumstances the Government is not liable for one penny; it is not liable morally, it is not liable legally, it is not liable equitably.

Does the gentleman want us, because we are his good friends and because we appreciate him and because we would vote for him for probably any position for which he might run, to stand by and let this bill pass?

Mr. LEWIS of Maryland. The gentleman from Maryland only wants the gentleman from Texas to be willing to sub-

mit this matter to the conscience of the House and not deny this widow lady her day in court by a merely arbitrary objection.

Mr. BLANTON. The gentleman admits that she has received $5,000 in cash?

Mr. LEWIS of Maryland. I do; but this one fact does not constitute the whole case.

Mr. BLANTON. The gentleman is a just man. Does he not think that there have been some pathetic cases here where men have been killed and have left their widows and little children in a terrible state of dependency? Does not the gentleman think that, if we pass his bill, we ought to go back and open up all the other cases and increase the amount allowed them from $5,000 to $8,000?

Mr. LEWIS of Maryland. The gentleman is a very skillful actor from the courthouse, one can see. All I am asking you and other Members here is that this matter be submitted fairly to the conscience of this body. May I make a further statement of the facts in a most general way.

Mr. BLANTON. Certainly.

Mr. LEWIS of Maryland. George H. Rooney, a man 37 years of age, a World War veteran, privately employed as a certified watchmaker in the city of Washington, was on his way home on October 14, 1930. He was earning a salary of $4,000 a year. Alighting from a street car, he was run down by a police patrol automobile operating on the wrong side of the road.

Mr. BLANTON. In Washington, for Washington, and for the District of Columbia.

Mr. LEWIS of Maryland. If the gentleman has any doubt about the liability of the District of Columbia under this bill rather than the General Government, I shall thank him for an amendment which will relieve his doubt.

Mr. HOLLISTER. Will the gentleman yield?

Mr. LEWIS of Maryland. I yield to the gentleman from Ohio.

Mr. HOLLISTER. Does not the gentleman feel that when we have adopted a rule of thumb, you might say, over quite a period of time as to the amount that may be paid in a particular case we should stick to the rule?

Mr. LEWIS of Maryland. I do not. A rule that violates the laws of conscience and justice lives long enough if it lives but one session; and I should not be bound by it.

Mr. HANCOCK of New York. Is it not true that the law of the District fixes $5,000 as the limit in such cases?

Mr. LEWIS of Maryland. The law probably does. This particular matter has been taken to the District Commissioners and they themselves confessed the injustice and inadequacy of the compensation paid. I may pay this tribute to their sense of justice. They tried to give the widow some sort of a position in the District service that would complete the compensation, but none could be found.

Mr. HOLLISTER. Was this man not an employee of the District?

Mr. LEWIS of Maryland. He was not. He was a private employee.

Mr. HOLLISTER. I mean the employee that caused the accident.

Mr. LEWIS of Maryland. The District police patrol was running along the wrong side of the road. As the decedent got out of the street car the police patrol struck him and hurled his dead body some 60 feet.

Mr. HOLLISTER. But a District employee did cause the accident and there is a limitation in the District of Columbia in such cases of $5,000.

Mr. LEWIS of Maryland. That is to govern litigation in a courthouse. The bill provides that nothing shall go to attorneys. The gentleman from Texas has told us that nothing has gone to attorneys so far. Here is a widow with a child to raise, and with a little property on which there is a mortgage.

Mr. HANCOCK of New York. On what theory is there liability on the part of the Government?

Mr. LEWIS of Maryland. The liability is upon the District of Columbia and the bill is intended to fix the liability only of the District of Columbia. It asks for additional compensation of $5,000.

Mr. BLANTON. Will the gentleman yield further?

Mr. LEWIS of Maryland. I yield to the gentleman from Texas.

Mr. BLANTON. Where the District has a law fixing the maximum liability at $5,000 for death from a tort, and where the people of the District of Columbia have to respond in taxes for all the money paid out of their funds, and where their rights are in our charge—we are the custodians of their rights—does the gentleman think it would be fair for us to override their laws and regulations in a particular case because it appeals to his heart and his conscience, not general to everybody, but just in this particular case? Does the gentleman think we ought to throw the law and all rules aside and pay out more money?

Mr. LEWIS of Maryland. Mr. Speaker, my answer to that is that whatever the rule of justice is when applicable to a private defendant is equally a rule of justice applicable to the District of Columbia. I know of no principle of justice upon which the District of Columbia may be permitted to reduce its obligation one half as compared with the liability of a private defendant.

Mr. BLANTON. I want to be fair with the gentleman from Maryland.

Mr. LEWIS of Maryland. I want the gentleman to be fair to this case.

Mr. BLANTON. It is now 23 minutes to 2 o'clock. If the gentleman will ask unanimous consent that at 3 o'clock we take this bill up under the general rules for consideration and each side be given 15 minutes' debate, and then vote on the question, we will meet the gentleman on the issue and let the Membership vote. If the gentleman will ask unanimous consent to that effect, I will not object.

Mr. LEWIS of Maryland. I think the gentleman's proposal has been made in good faith. The gentleman suggests that I ask that consideration be postponed until 3 o'clock?

Mr. BLANTON. If the gentleman will ask unanimous consent that at 3 o'clock we take this up under the general rules of the House, allowing 15 minutes on the side for debate, and let the Membership of the House vote on this matter, I shall not object, because I do not believe the House, after such debate, will pass the bill.

Mr. LEWIS of Maryland. Mr. Speaker, I make such a unanimous-consent request.

Mr. HOLLISTER. Mr. Speaker, reserving the right to object, may I point out again that we are establishing a precedent that is going to interfere with the orderly procedure in reference to the calling of the Private Calendar. A great many gentlemen have put aside a certain amount of time to come here and take care of their private bills. A precedent of this kind merely invites similar procedure in other cases, and I am therefore compelled to object.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. HOLLISTER. I object.

AMATEUR BOXING IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table S. 828 to authorize boxing in the District of Columbia and for other purposes, with House amendments thereto, insist on the House amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The Chair appointed the following conferees: Mrs. NORTON, Mr. PALMISANO, and Mr. WHITLEY.

BERYL ELLIOTT

The Clerk called the next bill, H.R. 1000, for the relief of Beryl Elliott.

Mr. HANCOCK of New York. Mr. Speaker, I object.

Mr. McKEOWN. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. HANCOCK of New York. I withhold it, Mr. Speaker, to permit the gentleman from Oklahoma to make a statement.

Mr. McKEOWN. Mr. Speaker, this bill has been reported favorably and passed by the House on one or two occasions.

Mr. HANCOCK of New York. I also note it has been objected to on several occasions, I may say to my friend.

Mr. McKEOWN. The only man who ever objected to it was Mr. Stafford.

Mr. HANCOCK of New York. Let me say very frankly to the gentleman from Oklahoma that I admire him for his persistence and aggressiveness. I note he appeared for this claimant before the Compensation Commission in 1926 and pleaded her cause and then made an application to reopen the case and filed additional evidence. The gentleman was unsuccessful in both of these attempts. For some reason he did not file an appeal but has been introducing bills for this woman's relief from 1926 to date. However, it does not seem to me we should be called upon to sit here as a court of appeals.

Mr. McKEOWN. They made it quite plain that this is the only appeal she can have. There is really no appeal from the order of the Commission, and they did not give us any appeal. They were willing to grant the relief if they had the power to do it. As a matter of fact, this woman is sick with tuberculosis, and she is a widow with a child. All we have asked is that she be given the same thing that has been given everybody else under the present rules. This case came up at a time when the rule was different from what it is today, and for that reason she was denied this relief. At that time they did not permit such tuberculosis cases to be considered, and that is why this relief was not granted. Since that time the rule has been changed.

This party contracted tuberculosis while she was employed in this hospital and today has active tuberculosis, and the only reason I have been persistent is because of the merit in the case.

Mr. HANCOCK of New York. We all admire the gentleman for his loyalty to his constituents.

Mr. McKEOWN. This woman does not even live in my district. She is now in San Antonio, Tex., where she has to live because of her tubercular condition. She was originally in my district, but in the early days she went into the service of the Government, and I have taken up her case, although she is not in my district. I have followed it with all the earnestness I possess, because of its real merit.

At the time this case was heard there was no allowance because of presumptive tuberculosis, and such claims were not paid.

This bill passed the House at one time, and I hope the gentleman will not press his objection. The gentleman will note that there is an amendment to the bill giving the Commission the right to consider this woman's case.

Mr. HANCOCK of New York. The Compensation Commission has specifically found twice, after very full hearing and careful consideration of the evidence to which the gentleman now refers, that the claim should not be allowed on the ground that the evidence did not show that the disease was incurred as a result of her employment by the Government. It is, of course, most unfortunate that anyone should have to suffer from tuberculosis, but there is no reason why the Government should pay an annual retirement allowance unless the disease was the result of her service with the Government. After careful consideration we have two decisions that the tuberculosis was not incident to such service, and I do not feel we are qualified here to overrule the decision of the Compensation Commission.

Mr. McKEOWN. I may say to the gentleman that Dr. Erwin, who was considered one of the ablest men on the gentleman's side of the House, went into this case very thoroughly, and he was the first man to report this bill from the Committee on Claims, based upon the evidence we have in these affidavits showing her contact with this disease.

Mr. HANCOCK of New York. That evidence was before the Employees' Compensation Commission?

Mr. McKEOWN. Not these affidavits.

Mr. HANCOCK of New York. And it was submitted by the Employees' Compensation Commission to the Committee on Claims of the House?

Mr. McKEOWN. Only part of the evidence was submitted to the committee. Mr. Underhill was chairman of the committee at that time and had this woman examined to ascertain her condition, and I am sure the gentleman does not want to do this poor woman an injustice.

Mr. HANCOCK of New York. It is extremely difficult to deny my friend from Oklahoma anything, but I do not think we are justified in overruling two decisions of the Employees' Compensation Commission, based on the same evidence.

Mr. McKEOWN. At the time those decisions were rendered, this new rule had not been adopted. If any such person contracts tuberculosis I think he ought to be paid just the same as he would be paid for losing a finger or anything of that sort.

Mr. HANCOCK of New York. I do, too, but that question has twice been determined by the Commission adversely to this claimant.

Mr. McKEOWN. But the decisions were not based upon that theory.

Mr. HANCOCK of New York. The gentleman's bill amounts to an adjudication that this woman is entitled to compensation.

Mr. McKEOWN. The committee had this matter up, and I am sure the gentleman does not want to do this poor widow an injustice. It does not mean a thing to me, because she does not even live in my district and she cannot even vote for me. I am simply pleading now that the gentleman, out of the goodness of his heart, will do the right thing by this woman, because I know the circumstances are just as set out here. She was a very healthy woman and was put in the room where these men were who were suffering from tuberculosis, and she was thrown in constant contact with them, and there was not proper ventilation, and so forth. There is no question about the facts.

Mr. HANCOCK of New York. I feel I must object to the bill for the present.

Mr. McKEOWN. I hope the gentleman will not do that.

Mr. HANCOCK of New York. If I can see it in any different way after further study, I shall ask that we return to the bill and consider it.

Mr. McKEOWN. That means killing the bill, and I have been working on this for 5 years. Mr. Stafford was the only man who ever objected to the bill, and the bill has been passed by the House.

Mr. HANCOCK of New York. I myself shall ask that it be reconsidered if, after further study, I come to the conclusion that the gentleman's viewpoint is correct, but at the present time I cannot see it in that way.

Mr. McKEOWN. I do not think the gentleman should object.

The SPEAKER pro tempore (Mr. LAMNECK). Is there objection to the present consideration of the bill?

Mr. HANCOCK of New York. I object, Mr. Speaker.

LYDIA C. SPRY

The Clerk called the next bill on the calendar, H.R. 1248, granting insurance to Lydia C. Spry.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

JAMES E. DETHLEFSEN

The Clerk called the next bill on the calendar, H.R. 1402, for the relief of James E. Dethlefsen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to James E. Dethlefsen, who sustained injuries at Nenana, Alaska.

With the following committee amendment:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendment was agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I offer the following amendment: In line 5, after the word "appropriated", insert "in full settlement of all claims against the Government of the United States."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIRST CAMDEN NATIONAL BANK & TRUST CO., CAMDEN, N.J.

The Clerk called the next bill on the calendar, H.R. 1488, for the relief of the First Camden National Bank & Trust Co., of Camden, N.J.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. I reserve an objection.

Mr. WOLVERTON. The purpose of the bill is to authorize the Secretary of the Treasury to pay to the First Camden National Bank of Camden, N.J., the sum of $11,120.97 in full satisfaction of its claim for refund of taxes erroneously paid for the year 1927 on income from certain securities, through a mutual mistake made by the bank's accountant and by the representative of the Internal Revenue Department of the Government.

Mr. TRUAX. When was the claim filed?

Mr. WOLVERTON. I do not understand what the gentleman means by "filed."

Mr. TRUAX. With the Treasury Department.

Mr. WOLVERTON. It is not a case that comes within the statute permitting a claim to be filed with the Treasury Department. While the Treasury admits that the claimant made an overpayment, yet the Treasury Department takes the position that they cannot set aside the agreement which resulted in the overpayment and which was clearly an error. In other words, the Government of the United States is now in possession of $11,120.97 to which it admits it is not entitled because of the error made by the accountant of the bank and which error was likewise made by its own representative from the revenue department.

Mr. TRUAX. I will say that I am opposed to this bill on the same ground that I have objected to others, namely, that for years I have been protesting against the refund of income taxes to corporations and individuals. I believe we have drained our Treasury in the past 12 years through illegal and unjust refunds to large corporations and rich individuals.

In this particular case the sum of $11,120.97 is involved, which amount is considerably more than the salary of any one of us for a year.

Mr. WOLVERTON. It is not a question of amount. It is a principle that is involved. Should the Government retain money which it acknowledges was paid through a mutual mistake? It may be that in the past refunds have been made by the Treasury to large corporations and others which the gentleman may feel were not justified; however, that is not the case of this claim. This is an overpayment to the Government which has been acknowledged as such by the Treasury, but, unfortunately, holds that by the signing of a settlement agreement under section 606 of the revenue act, the Treasury is precluded from making a refund, even though the original payment was through an error, and one in which the Government participated through its representative. If such agreement had not been signed, this claimant would not be in the position it is now in; that is, required to obtain legislative sanction for the Treasury to repay the money. The bank had been honest and fair in making its return of income to the Government and should not now be penalized for having made a mistake and for having signed an agreement form presented in a casual way by the Government representative, and which form had no proper use in this particular case.

Mr. TRUAX. We have also advanced to the banks of this country $4,000,000,000 through the Reconstruction Finance Corporation and other agencies. The banks have not passed this credit on down to the people who deal with the banks but they have hoarded this money to keep themselves liquid. As one Member of the House, I have reached the point where I refuse to go along on any plan that will help the banks and not the individual depositors. Hence my urgent and enthusiastic support of the McLeod bill.

Mr. WOLVERTON. I join with the gentleman in that. I have likewise signed the petition to bring the McLeod bill before the House for action.

Mr. TRUAX. I congratulate the gentleman on that.

Mr. WOLVERTON. Will the gentleman allow me to state the actual facts in this matter? I desire to show how unjust it would be to deny this claim.

Mr. TRUAX. I am sorry, but I must inform the gentleman in advance that I am going to object to this bill.

Mr. WOLVERTON. Will the gentleman hear me through?

Mr. TRUAX. Yes.

Mr. WOLVERTON. I think the gentleman will find, from a careful examination of the underlying facts of this case, that whatever objection he may have to the Government making general refunds in tax cases, such would not apply to this particular case. Nor do I believe that if he gives careful consideration to the facts will any reason be found to justify an objection.

Mr. ZIONCHECK. Mr. Speaker, I demand the regular order.

Mr. WOLVERTON. Will the gentleman withhold that demand?

Mr. ZIONCHECK. I think that adequate explanation has been made. The gentleman from Ohio [Mr. TRUAX] is either going to object or not object.

Mr. BLANTON. Let me appeal to my friend from Washington. The gentleman from New Jersey [Mr. WOLVERTON] has done some of the most valuable work in this House on the Committee on Military Affairs that has been done by anyone, and he deserves some special consideration. I think the gentleman should be permitted to complete his statement.

Mr. ZIONCHECK. Is this an $11,000 speech that he is making now?

Mr. BLANTON. He has saved for the Government 11 times $11,000 in some of the work that he has done.

Mr. ZIONCHECK. Very well, I withdraw my demand for the regular order.

Mr. WOLVERTON. I thank you. With reference to the suggestion that large payments in the form of refunds have been heretofore made without proper justification, and to which the gentleman's approval——

Mr. TRUAX. Large and small, I would say.

Mr. WOLVERTON. I have voted every time the opportunity has been given on this floor against the method that permits that sort of thing to be done in the privacy of the departments without knowledge thereof coming to this House. But, my objection to such a procedure in some cases would certainly not apply to a case where it was apparent that the payment for which a refund was sought, was the result of a mutual mistake or error participated in by both the claimant and the Government.

Mr. TRUAX. Would the gentleman vote for a bill that would make it illegal for the Treasury Department to refund any income taxes back beyond the preceding calendar year?

Mr. WOLVERTON. I would be inclined to do so.

Mr. TRUAX. I am glad to hear the gentleman say that.

Mr. WOLVERTON. I believe that there should be some change in the method or procedure by which refunds are made. Whether it should be limited to one calendar year or some other limitation is a matter for consideration.

Mr. TRUAX. Will not the gentleman concede that if it is wrong in the case of the big refund, it is wrong with the little refund, if the same principle is involved?

Mr. WOLVERTON. That might seem to follow, but in no case where it is agreed that the payment was made by error should any procedure be adopted that would preclude the Government from being just as honest as an individual should be. There should be the same duty to repay. The moral obligation is the same. The Treasury Department admits that this bank has overpaid the Government to an amount over $11,000. It also admits that the error made by the bank accountant was also made by the Government agent who examined the income-tax return of the bank. The gentleman has spoken about the attitude of banks. In reply to his suggestion that banks have been willing to receive help from the Reconstruction Finance Corporation and unwilling to extend it to others, permit me to say that such a criticism does not apply to the First Camden National Bank, this claimant. In the strenuous days that followed the collapse of 1929, before there was any legislation to help banks, either by voluntary association or by means of the Reconstruction Finance Corporation, this bank, being in a position to do so, loaned of its resources to other banks. It deposited large sums of its own funds in other banks. It also loaned large sums on long-term obligations to other banks in order that no loss might come to depositors by a closing of any bank in that city. The action of this bank, with the cooperation given to it by another bank, stabilized the whole banking situation in the locality in which it exists.

Mr. TRUAX. I do not doubt the gentleman's statement, and I think the bank is to be commended for its action, but I note in the report from Mr. Ogden L. Mills, Secretary of the Treasury, that the Treasury Department is opposed to the enactment of the bill.

Mr. WOLVERTON. Would the gentleman from Ohio take the opinion of Ogden Mills on anything other than this?

Mr. TRUAX. No.

Mr. WOLVERTON. The hypocrisy of the thing——

Mr. TRUAX. Does the gentleman mean the hypocrisy of the bill or of Mr. Mills?

Mr. WOLVERTON. Of Mr. Mills—that he should object to this payment, if it be true, that he has either individually through interests he has, by estate or otherwise, had the very benefits through the Treasury Department that his report denies to this bank.

Mr. TRUAX. Is not Ogden Mills the one who is wanting to reorganize the gentleman's party?

Mr. WOLVERTON. If President Roosevelt is as popular in 1936 as he seems to be today, I am fearful it would not help the Republican cause to give the Republican nomination to Ogden Mills.

Mr. TRUAX. That is about the strongest argument which the gentleman has made yet, but the point I wanted to make is this: That if a refund could not be obtained under either Mr. Mellon or Mr. Mills, then God knows who it could be obtained from.

Mr. WOLVERTON. I think the House should do so. There is no question about the moral obligation. Suppose you and I sat down today and went over our accounts, and tomorrow, or the next month or next year, we found we had made a mistake; that I had taken from you $11,000 by a mutual mistake that we both had made. Certainly the gentleman from Ohio would expect me to refund it, and if it were the other way about, I know the gentleman would refund it to me. There would be no question about that.

Mr. TRUAX. There seems to have been a mistake made in favor of the Steel Trust during Mr. Mellon's regime to the extent of $100,000,000.

Mr. WOLVERTON. I would prefer to talk about this particular case. When the auditor from the Department of Internal Revenue came to the bank, as they do each year, to check up, he found, as they always had found in the past, that there was no objection to be made to the return as rendered. In the same manner as theretofore the auditor representing the Department so reported to the officers of the bank and had them sign a slip of paper or form which they supposed was a certification that everything was all right. When the Government auditor had completed his examination he said: "I find everything all right. Here is a little slip of paper. Sign it." They signed it, thinking it was an O.K. Now the Department uses that form to say that it was a settlement and yet there never was anything in dispute. In other words, the Government used a form that should have been used in a case where there had been a dispute between the Government and the taxpayer as to what should or should not be allowed, but in this case there was no dispute. Now, the Department is standing on that form to preclude payment.

Here is a case where the Government acknowledges it has the money wrongfully, but cannot pay it back, and consequently this bank is obliged to come before this House and ask for favorable consideration of this bill. If there is one agency in this land that should be fair with its citizens, it is the Government, and if the Government expects its citizens to be honest with it, it should be honest with them. I know, and the gentleman knows, that if two individuals had made this acknowledged mutual mistake between them, they would settle it between themselves. I certainly hope the gentleman will withdraw his objection and permit the Government to do that thing which the Government and I and everyone else knows would be done in our private affairs, and thereby set a proper example.

Mr. TRUAX. I will say that the gentleman has made a most eloquent and forceful speech, and if words or if sincerity could change an inherent principle that I have agreed to stand behind upon all tax revisions coming on the Private Calendar, his eloquence and his sincerity and his convincing and evidently wholly truthful statement would accomplish that purpose. It would be a wonderful thing if this great Government of ours would today start to do simple justice to every one of our citizens. It would be a great thing if this Congress would permit the Frazier bill to be enacted into law so that 3,000,000 farmers who are hanging on by the skin of their teeth, threatened with foreclosure by money lenders and by banks and by the Farm Credit Administration, could be taken care of.

Mr. WOLVERTON. May I say to the gentleman that I do not think he will find many on this side of the aisle who have voted for more of the President's recovery measures than I have.

Mr. ZIONCHECK. It is with the deepest regret that I am compelled to object to this bill.

The SPEAKER pro tempore. Objection is heard.

BENJAMIN STERN ET AL.

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to return to Calendar No. 342, H.R. 265, for the relief of Benjamin Stern, and Melville A. Stern and Benjamin Stern, as executors under the last will and testament of Louis Stern, deceased, and Arthur H. Hahlo, as executor under the last will and testament of Isaac Stern, deceased, all of New York City, N.Y., for compensation and in settlement of their damages and loss sustained by virtue of a lease, in writing, dated September 12, 1919, between the said parties and the United States of America, by Daniel C. Roper, Commissioner of Internal Revenue.

Mr. HOLLISTER. Reserving the right to object, was the gentleman here when that bill was called?

Mr. BOYLAN. No. I was engaged in committee work.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HOPE. Mr. Speaker, I object.

Mr. BOYLAN. Will the gentleman withhold his objection?

Mr. HOPE. I withhold it.

Mr. BOYLAN. May I ask what the gentleman's objection is based on?

This man actually suffered a loss of $43,000. The committee amended the bill to make it read $30,000.

The issue in question involves a lease. The claimant had an office building in New York in which the collector of internal revenue wanted to engage offices for the third district. The collector of internal revenue was so anxious to get into the building that the owner had to pay a bonus of $10,000 to a tenant to vacate in order that the Internal Revenue Bureau could get possession of the premises. The owner then spent $2,500 for alterations and repairs.

The Internal Revenue Department entered into a lease for 5 years and 4 months, but after the expiration of 8 months it moved out and abandoned the premises.

Surely the gentleman from Kansas would not say that this was fair or equitable treatment after a representative of the Government had actually signed a lease for a period of 5 years and 4 months.

Mr. HOPE. The gentleman from New York does not contend that a valid legal lease was signed in this case, does he?

Mr. BOYLAN. Yes; a valid lease was signed by the Commissioner of Internal Revenue.

Mr. HOPE. Clearly, the officer who signed that lease or who made the agreement had no right to do so under the provisions of the Federal Statutes. He had no right to make a lease for a longer period than a year; and this, of course, is the reason the Treasury Department has disapproved this bill.

Mr. BOYLAN. Similar leases are entered into every year in the city of New York. I can cite instances of leases that have covered a period of 10 years.

Mr. HOPE. Those leases in fact were annual leases renewable from year to year. As I understand it, there is no way that the Government can make a lease for a period longer than 1 year, because there is no authority of law for a lease to be made for a longer period. Is not this a correct statement of the law in the case?

Mr. BOYLAN. The owner having that in mind brought it up very particularly, as the gentleman will see by reference to page 2 of the report:

But the claimants refused to lease unless the Department agreed not to put in the lease the usual cancelation clause and demanded assurances that the Department would remain in occupancy for 5 years and 4 months except on one contingency, that is, in the event that Congress failed to appropriate money for the entire Revenue Service. This was incorporated in the lease (see exhibit D), the clause in the lease was interpreted in a collateral letter of the Commissioner of Internal Revenue (Roper) to mean:

"This means, therefore, that one lease binding for entire 5 years and 4 months period will be made subject only to cancelation in case Congress fails to make appropriation to revenue department, a condition that the agent should readily see could not arise."

On receipt of this assurance from Roper and on Roper's agent McQuillan's similar assurance, the claimant owners signed and delivered the lease with a covering letter stating that the lessor understood the lease to mean:

"That the failure to make appropriations for the payment of the rent applies for the whole of the Revenue Service and not to this particular lease. This is in accordance with the statement contained in the telegram of September 6 to the effect that cancelation is to be effective only in case Congress fails to make appropriations to the Revenue Service."

Now, the gentleman would not hold that the Government could idly sign a lease or a contract and then violate it. The gentleman would abhor that in private practice. The gentleman would say that a citizen was certainly without protection, that he was without a leg to stand on with the Government if after faithfully and honestly entering into a contract with the Government it was repudiated. The converse of this proposition is equally true.

Mr. HOPE. It may be true that some agent of the United States Government made some entirely unauthorized statements and representations in this matter, but if they were made they certainly were not binding on the Government of the United States in any way, and I fail to see any equities in this case which would justify us in granting this relief, or any more relief, than would be permissible under a strict interpretation of the law.

Mr. BOYLAN. Has the gentleman read the report? In the first place the owner had to pay a bonus of $10,000 to get the premises for the Government to occupy. There is no denial of that. In addition he had to pay $2,500 for the alterations required. Surely the gentleman from Kansas would not hold that the Government was acting fairly, after causing the owner to incur these expenses, if it did not compensate him for them. Surely the gentleman from Kansas does not believe that the Government ought idly to enter into a lease for a period of 5 and 4 months and then abandon the premises after 8 months. The gentleman does not consider that fair, I know.

Mr. HOPE. As I say, there may have been some unauthorized statements by representatives of the Government which might have misled the owner of this building. I would not say there were not, although that is disputed, I think.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN. Certainly.

Mr. BLANTON. If our friend from New York would take 5 minutes and discuss one of his many humorous subjects, possibly he might get his bill through. We should like to hear him on some humorous topic.

Mr. BOYLAN. Well, if the gentleman will put the bill through I will talk on any subject he may name. [Laughter.] Not only for 5 minutes but for 30 minutes if it should be desired.

Mr. BLANTON. Give us a little talk about March 17.

Mr. BOYLAN. I shall be very happy to if this bill is passed.

Mr. HOPE. Mr. Speaker, much as I regret it, I am obliged to object.

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

HENRY STANLEY WOOD

The Clerk called the next bill, H.R. 1802, for the relief of Henry Stanley Wood.

Mr. TRUAX. Mr. Speaker, I shall have to object to this bill on the same grounds mentioned in the case of the preceding bill.

Mr. BEEDY. If the gentleman from Ohio has settled in his own mind that he is going to object, there is no use of my taking up the time of other Members. A Member is always anxious to do this duty by his claimant constituents, and we are always disappointed when we do not have a chance to present the case, but I think it is an imposition upon other Members to insist upon arguing these cases when a Member, who has given the matter some study, is conscientiously determined that he is going to object. If the gentleman has decided to object, I am sure he does so in good conscience, and I shall therefore not insist on detaining the House, much to my regret.

Mr. TRUAX. Mr. Speaker, I object.

CORINNE BLACKBURN GALE

The Clerk called the next bill, H.R. 1870, for the relief of Corinne Blackburn Gale.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Corinne Blackburn Gale, widow of William Holt Gale, late American Foreign Service officer, retired, the sum of $8,000, being 1 year's salary of her deceased husband.

With the following committee amendment:

Page 1, line 7, after the word "husband", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim,

any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

PHILIP F. HAMBSCH

The Clerk called the next bill, H.R. 1933, for the relief of Philip F. Hambsch.

Mr. TRUAX. Mr. Speaker, reserving the right to object, the Secretary of the Treasury recommends a lesser amount than the amount contained in the bill. May I ask the gentleman if he would be willing to have the bill amended?

Mr. COLE. An amendment to that effect will be agreeable.

Mr. HANCOCK of New York. Would the gentleman from Maryland object to an amendment adding the usual attorney-fees clause to the bill?

Mr. COLE. Not at all. As a matter of fact, there is no attorney in this transaction.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to credit the account of Philip F. Hambsch, formerly a special disbursing agent of the Bureau of Prohibition, with the sum of $622.58, such amount representing sums disbursed by him and disallowed by the Comptroller General in certificate of settlement of account no. K-40891-TI, March 14, 1929.

SEC. 2. The surety on the bond of said Philip F. Hambsch, as such special disbursing agent, is hereby relieved of any liability on account of such disallowance.

Mr. TRUAX. Mr. Speaker, I offer the following amendment: On page 1, line 6, strike out "622.58" and insert in lieu thereof the sum of "$572.36."

The Clerk read as follows:

Amendment offered by Mr. TRUAX: Page 1, line 6, strike out "$622.58" and insert in lieu thereof "$572.36."

The amendment was agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment. At the end of the bill add the usual attorney-fees clause.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: At the end of the bill add the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NORMAN C. BRADY

The Clerk called the next bill, H.R. 1935, for the relief of Norman C. Brady.

Mr. HOPE. Mr. Speaker, I object. I will reserve my objection if the gentleman desires to make a statement.

Mr. COLE. May I ask the gentleman what his objection to the bill is?

Mr. HOPE. I object to the principle of the bill. I do not believe we should start in and establish a precedent here that the Government of the United States is liable in damages which might occur from failure to deliver a letter. It seems to me that if we get started in that field there will be no limit.

Mr. COLE. I may say to the gentleman that I do not know whether there is any precedent for a bill of this character or not, but what remedy will a man have if the Post Office Department delivers a registered letter to the wrong addressee and the man suffers an admitted loss?

Mr. BLANTON. There is the remedy that he can use private messenger service. For the small fee of 18 cents which permits a return card showing receipt of the letter, there is no government in the world that could guarantee the safe delivery of a registered letter by paying damages. All of us who deal with the Government know that when we register a letter the Government is not informed of the importance of the letter and does not know what is on the inside of the letter.

Mr. HASTINGS. Why does the Government take the man's money?

Mr. BLANTON. Whenever we establish such a precedent, there would be all sorts of frauds upon the Government.

Mr. HASTINGS. The gentleman does not answer the question. Why does the Government take this extra postage from the man, except to insure the speedy and safe delivery of the letter?

Mr. BLANTON. Does not the gentleman from Oklahoma know that if you establish such a precedent it would bankrupt the Government with all sorts of claims?

Mr. HASTINGS. That is not the point. The gentleman dodges the issue.

Mr. BLANTON. No; I do not. I say it is foolish for an American citizen to register something that is valuable and expect the Government to pay big damages.

Mr. COLE. Let me disabuse the gentleman's mind. There was no money in this particular letter. This poor fellow—and I know he is very poor—had pawned some valuable property.

Mr. ZIONCHECK. When he pawned this $265 article, did he not receive in return, say, $80 or $90? He pawned it for a consideration.

Mr. COLE. Yes. He had the pawn ticket, which, of course, entitled him to redemption of the goods.

Mr. ZIONCHECK. He would have had to pay a certain amount of money to get the goods back, if he had already received $90 or $100.

Mr. COLE. He has to be notified as to the expiration of the pawn ticket under the law of Maryland. The pawnbroker sent the notice by registered mail. The carrier was disciplined.

Mr. HOPE. There is nothing in the record to show that this was sent by registered mail.

Mr. COLE. My understanding is that it was sent by registered mail.

Mr. HOPE. That would not make any difference anyway.

Mr. COLE. I do not think in principle it would.

Mr. BLANTON. I do not think we could ever afford to establish a precedent of having the Government pay losses on account of the failure of delivery of registered mail, because the gentleman from Oklahoma, who serves well and ably on the Appropriations Committee, could not put in enough hours during the year to appropriate money in order to pay all the claims arising therefrom.

Mr. HASTINGS. I believe the Government of the United States is broad enough and rich enough to do justice to every one of its citizens. If the Government has done an injustice, or if its agents have caused a loss to an individual on account of the failure of delivery of a registered letter and there was a loss by reason of that fact, then I think the Government should pay the loss. The man paid an extra amount to have the letter safely delivered. I do not know a thing about the facts in this case.

Mr. COLE. May I say that the letter was properly addressed. The Post Office Department had a forwarding address of a man with a similar last name. The postman delivered it to the wrong place. Later on he went and found all of this property had been sold by the pawnbroker and on pressing for an explanation he was told that he had been sent notice through the mail. He produced the receipts, went to the post office and they found that the letter, through no fault of this man, had been delivered to the wrong person.

Mr. TRUAX. Was it a registered letter?

Mr. COLE. It is my understanding the letter was registered.

Mr. TRUAX. But the gentleman is not sure about that?

Mr. COLE. No; I am not. Of course, all the Post Office Department could do was to reprimand the carrier for dereliction of duty, gross carelessness, and negligence.

Mr. HOPE. Mr. Speaker, much as I regret to do so, I feel I must object.

THE PRIVATE CALENDAR

R. A. HUNSINGER

The Clerk called the next bill, H.R. 1977, for the relief of R. A. Hunsinger.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice, to be called up at the next call of the calendar.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

LOTTIE NAYLOR

The Clerk called the next bill, H.R. 2036, for the relief of Lottie Naylor.

Mr. HOLLISTER. Mr. Speaker, I object.

Mr. PALMISANO. Mr. Speaker, my colleague, the gentleman from Maryland, is unavoidably absent on account of illness, and I ask unanimous consent, in his absence, that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

ANNE B. SLOCUM

Mr. BACON. Mr. Speaker, I ask unanimous consent to return to Calendar No. 341, the bill (H.R. 210) for the relief of Anne B. Slocum. The gentleman from Ohio asked that the bill be passed over without prejudice, and the gentleman is agreeable to this unanimous-consent request.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, what is this bill?

Mr. BACON. It is a bill for the relief of Anne B. Slocum, the widow of a Foreign Service officer who died while on his post in Foreign Service. The State Department has no objection to the bill and there are long lines of precedents in favor of its passage.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Anne B. Slocum, widow of Clarence Rice Slocum, late American consul at Fiume, the sum of $3,500, being 1 year's salary of her deceased husband, who died while in the Foreign Service; and there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act.

With the following committee amendment:

At the end of the bill insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JEANIE G. LYLES

The Clerk called the next bill, H.R. 2038, for the relief of Jeanie G. Lyles.

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jeanie G. Lyles, of Anne Arundel County, Md., mother of De Witt C. Lyles, late lieutenant, Twentieth Regiment United States Infantry, the sum of $2,500, which sum is hereby appropriated for the invention, by the said Lt. De Witt C. Lyles, of an attachment to the packsaddle frames used by the United States Army; and for the further use by the Army from said date of said invention there shall not be paid any further sum.

With the following committee amendments:

Page 1, line 8, strike out "$2,500" and insert "$1,500", and on page 2, line 3, insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WESTERN ELECTRIC CO., INC.

The Clerk called the next bill on the calendar, H.R. 2182, for the relief of the Western Electric Co.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. Reserving the right to object, this provides for payment from the Treasury of the sum of $7,192.35 to the Western Electric Co., that is affiliated with the Power Trust of this country, on a cost-plus contract that goes back to June 1920. I can see no merit whatever in the bill, and therefore I object.

WESTERN ELECTRIC CO., INC.

The Clerk called the next bill on the calendar, H.R. 2183, for the relief of Western Electric Co., Inc.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. I object.

ENOCH GRAF

The Clerk called the next bill on the calendar, H.R. 2203, for the relief of Enoch Graf.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Enoch Graf, first lieutenant, Quartermaster Corps, United States Army, the sum of $2,644.61. Such sum represents the net loss sustained by Lieutenant Graf due to financial irregularities and frauds against the United States by a civilian employee of the Quartermaster Corps at Camp Custer, Mich., during the period from October 1926 to October 1927, for which Lieutenant Graf was held responsible.

Mr. HOPE. Mr. Speaker, I offer the usual attorney's fee amendment.

The Clerk read as follows:

Add at the end of the bill the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUGUSTA BURKETT

The Clerk called the next bill on the calender, H.R. 2338, for the relief of Augusta Burkett.

The SPEAKER pro tempore. Is there objection?

Mr. HANCOCK of New York. I object.

JOE G. M'INERNEY

The Clerk called the next bill on the calendar, H.R. 5542, for the relief of Joe G. McInerney.

The SPEAKER pro tempore. Is there objection?

Mr. HANCOCK of New York. The gentleman has no objection to an amendment using the ordinary language, "back pay, pension, or allowance", in this bill?

Mr. McMILLAN. Not at all.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Coast Guard, their widows, children, and dependent relatives Joe G. McInerney shall be held and considered to have been discharged under honorable conditions as a coal heaver from the cutter *Forward* on December 13, 1902: *Provided*, That no pay or bounty shall be held to have accrued prior to the date of the enactment of this act.

Mr. HANCOCK of New York. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 9, after the word "no", strike out "pay or bounty" and insert the words "back pay, pension, or allowances."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUSSELL H. LINDSAY

The Clerk called the next bill, H.R. 5886, for the relief of Russell H. Lindsay.

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I object.

Mr. HANCOCK of New York. Mr. Speaker, I object.

LT. H. W. TAYLOR

The Clerk called the next bill, H.R. 5780, for the relief of Lt. H. W. Taylor, United States Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $52 to Lt. H. W. Taylor, United States Navy, to reimburse him for travel expenses incurred in connection with an airplane flight from Philadelphia, Pa., to Key West, Fla., in December 1925, under orders issued by naval authorities.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CERTAIN OFFICERS OF THE DENTAL CORPS, U.S.N.

The Clerk called the next bill, H.R. 6690, for the relief of certain officers of the Dental Corps of the United States Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all commissioned officers now on active duty in the Dental Corps of the United States Navy who, while heretofore on active duty as reserve or temporary commissioned officers, had qualified for appointment to the Dental Corps of the United States Navy pursuant to an examination held at the United States Naval Medical School, Washington, D.C., in January 1920, and who since that date have continuously served on active duty, shall hereafter be entitled to a position on the precedence list in accordance with that attained in said examination: *Provided*, That such officers of the Dental Corps shall be assigned running mates for promotion purposes in accordance with their precedence as so determined: *And provided further*, That no back pay or allowances shall accrue to any officer by reason of the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KARIM JOSEPH MERY

The Clerk called the next bill, H.R. 2339, for the relief of Karim Joseph Mery.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay to Karim Joseph Mery, of San Antonio, Tex., out of any money not otherwise appropriated, the sum of $5,000 as compensation for the death of his son, Joseph Karim Mery, a minor, who was killed at San Antonio, Tex., on July 10, 1923, by the negligent driving of a United States Army truck.

With the following committee amendment:

Page 1, line 9, after the word "truck", insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUSSELL & TUCKER

The Clerk called the next bill, H.R. 2340, for the relief of Russell & Tucker and certain other citizens of the States of Texas, Oklahoma, and Kansas.

The SPEAKER pro tempore. Is there objection?

Mr. HOPE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice, to be returned to later in the day.

The SPEAKER pro tempore. Is there objection?

There was no objection.

RELIEF OF CERTAIN NEWSPAPERS

The Clerk called the next bill, H.R. 2431, for the relief of certain newspapers for advertising services rendered the Public Health Service of the Treasury Department.

The SPEAKER pro tempore. Is there objection?

Mr. HANCOCK of New York. Mr. Speaker, I reserve the right to object.

Mr. LUDLOW. Mr. Speaker, this bill was drafted by the Treasury Department to pay a very honest debt that was contracted by the Government. There is no question about the moral obligation to pay for this advertising.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman explain why this account has been held up for 16 years and no action taken upon it?

Mr. LUDLOW. I cannot. I suppose I inherited the bill, I might say, by reason of the fact that I was so long associated with the press gallery, and this being the bill for the relief of various newspapers I was called upon to introduce it. I looked into the matter and consulted the Treasury officials, and satisfied myself that it is a perfectly good claim. There is no question about the facts. The services were rendered. These advertisements were published. The only reason why the accounts were not allowed in regular order was through inadvertence. They were placed by the Public Health Service in the regular way but through inadvertence they did not get to the Secretary of the Treasury for his formal approval.

Mr. HANCOCK of New York. It is not what we call a lawyer's bill, an old claim that has been revived?

Mr. LUDLOW. I think not. It was brought to my attention by one of the principal men in the newspaper business in the city of Indianapolis, who asked me to look after it. I know he is in entire good faith, and I know that the claim is a righteous one in that the service was rendered and the bill before you was actually drawn by the Treasury Department, as the report shows, in order to pay this claim. The Department recognizes that the claim is a valid one.

Mr. HANCOCK of New York. Where claimants have slept on their rights for a long period of years most of us have an inclination to object to their claims.

Mr. LUDLOW. I can appreciate that. These are great newspapers. They are not pressing this. They are not in

financial straits or anything like that, but it is a righteous claim for services rendered.

Mr. HANCOCK of New York. It appears to be an honest debt.

Mr. LUDLOW. It is an honest debt, and it is up to the Congress to decide whether or not an honest debt is to be paid. That is all there is to it, and that is all I have to say.

Mr. HANCOCK of New York. I think the principle of the statute of limitations ought to apply after a lapse of years. I do not know just when that time arrives.

Mr. LUDLOW. As far as I know, there is no statute of limitations in a case like this.

Mr. HANCOCK of New York. There would be as between private individuals, of course. The ordinary individual debt outlaws in 6 years.

Mr. LUDLOW. The service was rendered in 1918. The advertisements were published, and everything was done by the newspapers to comply with the requirements of the Government.

Mr. HANCOCK of New York. My question is, Have they made any effort to collect this debt?

Mr. LUDLOW. Since that time?

Mr. HANCOCK of New York. Yes.

Mr. LUDLOW. I know only what is set forth in the report. I have an itemized statement here of the papers which published the items.

Mr. HANCOCK of New York. Has the gentleman introduced the same bill at previous Congresses?

Mr. LUDLOW. I did introduce it. It was reported out favorably in two previous Congresses.

Mr. HANCOCK of New York. I shall not object.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized notwithstanding the provisions of section 3828 of the Revised Statutes of the United States, to settle, adjust, and certify the following claims for advertising services rendered the Public Health Service, Treasury Department, namely: The claims of certain Chicago newspapers for advertising services rendered October 3, 1918, amounting in all to $2,894, under the appropriation "Suppressing Spanish influenza and other communicable diseases, 1919"; the claim of a Houston (Tex.) newspaper, $65.17; and the claim of a New York newspaper, $30, for advertising services rendered between June and October, 1920, under the appropriations "Pay of personnel and maintenance of hospitals, Public Health Service, 1920", and "Maintenance, marine hospitals, 1921."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had agreed to a concurrent resolution of the House of the following title:

H.Con.Res. 35. Concurrent resolution requesting the President to return to the House of Representatives the bill H.R. 3521 for the purpose of correcting an error in said bill.

The message also announced that the Senate had agreed to the amendments of the House to the bill (S. 3022) to amend sections 3 and 4 of an act of Congress entitled "An act for the protection and regulation of the fisheries of Alaska, approved June 26, 1906, as amended by act of Congress approved June 6, 1924, and for other purposes.

THE PRIVATE CALENDAR

HOMER J. WILLIAMSON

The Clerk called the next bill, H.R. 2432, for the relief of Homer J. Williamson.

Mr. TRUAX. Reserving the right to object, this is another bill to refund income taxes in the sum of $1,045.81, and it was paid in 1918 and 1919.

Mr. LUDLOW. Will the gentleman withhhold his objection?

Mr. TRUAX. I will.

Mr. LUDLOW. I certainly hope that my friend will have a heart in this case, because I think there never was a more meritorious bill brought before this Congress. The beneficiary of this bill is a splendid young man, a candy manufacturer of Indianapolis. He was in doubt as to how to fill out his income-tax blank for the calendar year 1918. He wanted to fill it out honestly, so what did he do? He went to the Federal building in Indianapolis to consult the revenue agents there, the experts who among all persons are supposed to know how to fill out these returns. He took with him his trial balance and his other data and he placed all the information on the table right before this agent of the Government. The agent filled out his return for him, an agent of the Government, not the taxpayer, and the agent made a mistake. Owing to that mistake the taxpayer was overcharged in the sum of $1,045.81 on his taxes for the calendar year 1918. He knew nothing about it. It went along year after year and not until the 5-year period of the statute of limitations had expired, did another representative of the Government, in overhauling the same taxpayer's return for the calendar year 1919, discover that an agent of the Government had misinformed this man and had incorrectly made out his return, and as a result he had been overcharged in this amount.

Certainly, if there ever was an honest claim, it is this one. This man should be refunded that money for every reason in the world, because it was not due to any negligence of his. He wanted to do the right thing, and the Government is responsible for the error, and nobody but the Government is responsible for the error. Therefore, it is an obvious case of justice, where this man should have this money handed back to him that was erroneously paid to the Government.

Mr. TRUAX. I will say to my friend and colleague from Indiana that it is with extreme regret that I must object to his bill. Had the gentleman been on the floor yesterday and today all the time, he would have noted that on several occasions bills embodying the same principle, although for much larger amounts of money, have been objected to. The report of the Secretary of the Treasury Mellon, in the closing paragraph, says:

In view of the foregoing and in fairness to other taxpayers whose claims for refund have been denied on the same grounds, the Department is unable to lend its approval to the proposed bill.

I have already taken the position and so stated on several occasions, that when Mr. Mellon, that champion refunder of all refunders, refuses to refund, then, there is evidently not much merit in the claim.

Mr. LUDLOW. On the statements of fact as I have made them here, does the gentleman not think that if this transaction had been between ordinary private citizens, one citizen would hand the money back to the other, when it was overpaid? Certainly, he would. It would simply be common honesty to do so, and the Government ought to be as honest as its citizens.

Mr. TRUAX. I will say to the gentleman that, as previously stated, I think the refunding of income taxes paid 10 or 12 years ago, and the credit abatements that go along with them, is the worst and most costly racket that has ever been practiced on this Government. The taxpayers and the Government have been robbed of millions of dollars through that practice.

There were thousands of illegal refunds made by Secretaries of the Treasury. If I had it within my power, I would stop the practice today of refunding any taxes paid during a preceding calendar year.

Mr. LUDLOW. The gentleman's remarks have no pertinency whatever, as attached to this bill, because there is no doubt about the facts of this bill. There was an overpayment of taxes through no fault of the taxpayer but through the fault of an agent of the Government.

Mr. TRUAX. That is the claim made with reference to other bills, as well as the gentleman's bill; and to the other bills I have already objected to.

Mr. LUDLOW. What is the purpose of these private bills if it is not to do justice in individual cases which cannot be reached by general rules and general laws?

Mr. TRUAX. Does the gentleman refer to the special cases dealt with in private bills?

Mr. LUDLOW. I say, What is the purpose of the Private Calendar if it is not to do justice in those instances which cannot be reached through generalization?

Mr. TRUAX. I would call the gentleman's attention to the procedure of passing bills on the Private Calendar. A Member introduces a bill, maybe not because he himself favors the bill but because he is practically forced to introduce it by a good constituent. The bill goes to the Committee on Claims and is referred to a subcommittee. The subcommittee reports it to the full committee and the full committee reports it to the House.

Mr. LUDLOW. I understand that, but let me ask the gentleman this one question: Disassociating this case entirely from all other income-tax refunds and considering it purely on its merits, does not the gentleman think it is a meritorious claim? As I stated a while ago, Homer J. Williamson took his figures covering the year 1918 and went to the Federal building at Indianapolis, and consulted a deputy collector, who prepared his return, which resulted in a tax of $1,442.48. The deputy collector inadvertently and erroneously included in the closing inventory the items of accounts receivable amounting to $5,000, and equipment and fixtures amounting to $1,642.35, which made the closing inventory a total of $15,302.15 when it should have been $8,659.80, thus making an overpayment for 1918 in the sum of $1,045.01.

Mr. Williamson relied upon the knowledge and the ability of the said deputy collector in the preparation of that return. His attention was not called to this error until July 5, 1924, when Revenue Inspector Earl D. Haley reported upon an examination of his records for the years 1919, 1920, and 1921. He is entitled to a refund. If he does not get it, I will just about conclude that there is no justice left in the world.

Mr. TRUAX. It might possibly be a meritorious claim if such claims could be called meritorious; but as stated before, in view of my position for the past 4 or 5 years of criticizing caustically Mr. Mellon for refunding income taxes going back as far as 1917 and 1918, war-profits taxes, taxes on incomes piled up by war profiteers, I cannot overlook this case.

Mr. ZIONCHECK. Mr. Speaker, I demand the regular order.

Mr. TRUAX. If I withdraw my objection in this case, I must do so for the gentleman from Michigan and the other gentlemen to whose bills I have objected.

Mr. Speaker, the regular order is demanded. The regular order is that I object.

RUBY F. VOILES

The Clerk called the next bill, H.R. 2438, for the relief of Ruby F. Voiles.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $75 to Ruby F. Voiles, which represents the amount of a reward she should have received for furnishing information leading to the apprehension of the criminals who held up and robbed a mail truck at the Dearborn Street Station, Chicago, Ill., on April 6, 1921.

With the following committee amendments:

Page 1, line 5, after "$75", insert the following: "in full settlement of all claims against the Government of the United States."

Page 2, line 1, insert the customary attorneys' fee amendment, as follows: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

Mr. McGUGIN. Mr. Speaker, I move to strike out the last word of the bill.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

TREATMENT ACCORDED DR. WIRT HAS BEEN UNFAIR AND WITHOUT PRECEDENT

Mr. McGUGIN. Mr. Speaker, the first obligation upon the Membership of Congress is to retain public confidence in representative government. Confidence cannot be retained except that the representatives conduct themselves in absolute fairness in all public matters and toward all citizens who may have business before the Congress or any of its committees. In the matter of the select committee to investigate the charges presented by Dr. Wirt, I submit that the conduct of two members of the committee toward Dr. Wirt has been so obviously unfair that this committee can no longer retain the confidence and the respect of the people of the country. I refer to the treatment which has been accorded to Dr. Wirt by the chairman of the committee, Mr. BULWINKLE, and by another member of the committee, Mr. O'CONNOR.

In the House of Representatives on April 11, Mr. BULWINKLE said that if he had cared to go into the private character of Dr. Wirt, he would have brought out the fact that during the war on account of his pro-German activities he was confined in jail at Gary, Ind.

This statement is wholly false and has been completely repudiated by responsible citizens of Gary, Ind., including Democratic leaders, Rotary Club, Chamber of Commerce, Y.M.C.A., Teachers' Association, Federated Womens' Clubs, Catholic and Protestant ministers, and various mayors of the city during the past 20 years.

In the House of Representatives in open session on April 12, Mr. O'CONNOR, the ranking majority member of this committee, displayed public prejudice and bias toward Dr. Wirt in the most patent and obvious manner. His conduct was such as to condone the wholly false and malicious statement made against Dr. Wirt by the chairman, Mr. BULWINKLE.

Mr. O'CONNOR did this after he had a full and fair opportunity to know that the statements made against Dr. Wirt by Chairman BULWINKLE were false and malicious. Mr. O'CONNOR displayed obvious bias and prejudice against Dr. Wirt when he refused to permit me to put into the RECORD yesterday telegrams from citizens of Gary, Ind., which telegrams completely repudiate the false and defamatory statement of Chairman BULWINKLE that Dr. Wirt was in jail in Gary, Ind., for pro-German activities. Mr. O'CONNOR, in refusing to permit these telegrams to go into the RECORD, placed himself in a position where the public can reach but one logical conclusion, that is that his hatred for Dr. Wirt is so bitter that he is wholly unwilling for a false and malicious statement defaming the doctor's character to be corrected.

These telegrams were from Harry L. Arnold, for 19 years actively identified with the Democratic Party at Gary; H. B. Snyder, for 24 years a citizen of Gary and editor of the Post-Tribune; William F. Hodges, for 27 years personal attorney to Dr. Wirt and mayor of Gary during the war; Rev. Father Thomas Jansen, for 27 years pastor of a Catholic parish at Gary; H. S. Norton, president of the Gary Commercial Club and Chamber of Commerce; Harry Hall, for 27 years an acquaintance of Dr. Wirt, and worked under Dr. Wirt as chairman of war activities in Gary; and R. O. Johnson, the present mayor of Gary and mayor of Gary during the war.

No court of five judges would be permitted to pass judgment upon the statements of any witness, which court had so openly and flagrantly displayed its bias, prejudice, and hatred for the poor victim before it, should one of the five judges publicly make the false statement that the witness had been in jail for disloyalty and should another of the judges refuse to permit to be made public the irrefutable evidence that such defamatory statements against the witness were wholly false. Such conduct on the part of a court would not be unlike the treatment this committee has accorded to Dr. Wirt.

The people of the United States can have no confidence in the findings of this committee if those findings are to be made up by Members who have displayed the bias and prejudice against Dr. Wirt which has been openly displayed by Mr. BULWINKLE and Mr. O'CONNOR. From the standpoint of the House of Representatives, I realize that the great embarrassment is that if Mr. BULWINKLE and Mr. O'CONNOR do withdraw from the committee, they will have to be replaced by those appointed by the Speaker. That will bring up something else which will be shocking to the public confidence. The public cannot help but wonder about the Speaker's fairness and impartiality in making the new appointments. This is due to the fact that the Speaker was reported in the press as saying, before Dr. Wirt appeared before the committee, that Dr. Wirt would be put in jail if he did not testify. There was no occasion for that statement. Dr. Wirt had not refused to testify. There is only one logical construction which can be placed upon the Speaker's statement and that is that in advance the Speaker was undertaking to discredit Dr. Wirt before the people of the country.

There is still something else which is most embarrassing when the House of Representatives undertakes to correct this condition so that the public confidence can be retained in the absolute fairness of the House, which is that on Wednesday about 30 minutes after Mr. BULWINKLE had made the malicious statement that Dr. Wirt had been in jail at Gary, Ind., during the war, I took the floor as a mere courtesy, and as a matter of common justice, at the request of James A. Reed, the attorney for Dr. Wirt, and said:

> The Honorable James A. Reed, former United States Senator, has just called me on the telephone and requested me to state to the House that the charge made a few moments ago by the gentleman from North Carolina [Mr. BULWINKLE] that Dr. Wirt had served a term in jail during the World War is wholly malicious and wholly false; that Dr. Wirt's record is clean and that he has never been arrested.

Mr. BYRNS, the majority leader, interrupted me with the statement:

> I thought that we had agreed to quit and attend to the business of the House and not play petty politics on this floor while there is important business to attend to.

Now, the American people essentially like fair play. The American people cannot believe that there is fair play when the floor leader of this House makes a statement that it is petty politics for a Member to consume 1 minute of the time of the House in merely correcting a false and defamatory statement which had just been made upon the floor against a citizen of the country.

There is something else which is shocking to public confidence for which the House of Representatives is not to blame. I refer to the press report yesterday of Secretary Ickes when he undertook to discredit and defame Dr. Wirt before a press conference by making the charge that Dr. Wirt had been endeavoring to mulct from sacred Public Works funds money for his own personal benefit. Dr. Wirt has made the statement that this statement on the part of Secretary Ickes is false. Whether this statement be true or false, this much is obvious, that the real purpose of Secretary Ickes in making the statement at this time is to defame the character of Dr. Wirt and to discredit him. If, in this matter, Secretary Ickes' purpose had been to render a public service, he would have made public his statement of yesterday at the time that he, Ickes, claims Dr. Wirt tried to despoil this sacred Public Works fund, which was at a time before Dr. Wirt had made his public statement which is now so irritable to Secretary Ickes.

The public will understand that it is more pleasant for Secretary Ickes at this time to defame the character of Dr. Wirt in this manner than it would be for Secretary Ickes to appear before this committee to tell to the committee and to the country by what authority of law he used a million dollars of Public Works funds to purchase stock in a corporation known as the Electric Home & Farm Authority, incorporated under the laws of Delaware by the directors of the Tennessee Valley Authority, which corporation is authorized by its charter to manufacture, buy, sell, and deal in electrical appliances, and goods, wares, and merchandise of every class and description necessary or useful for the operation of the corporation, also to lend money and to extend financial assistance and guarantee the obligations of individuals, firms, corporations, and others with or without security, also to borrow money and issue evidences of indebtedness of all kinds whether secured by mortgage, pledge, or otherwise without limit as to amount and also to purchase, deal with, or dispose of stocks, bonds, or other securities of any person, firm, association, trust, or corporation.

While it may be more pleasant for Secretary Ickes at this time to question the character of Dr. Wirt than it would be for him under oath to tell this committee and the country by what authority of law he is taking a million dollars of Public Works funds to buy the stock in a corporation authorized to do the things which this Delaware corporation is authorized to perform—and which will be done with Government money which was appropriated by Congress for the primary purpose of taking care of unemployment—yet I am quite certain that the public would much rather have Secretary Ickes come before the committee to tell by what authority of law a million dollars of Public Works money has been used for the purpose of purchasing the stock in such a corporation.

If it develops that there is no authority in law for Mr. Ickes, Public Works Administrator, to permit $1,000,000 of Public Works funds to be invested in the stock of a corporation authorized to perform such business, then at least one statement in the charges of Dr. Wirt will have been proved conclusively, namely, that one high official in the executive department of the Government, none less than a Cabinet officer, is conducting his affairs without regard for the laws of the Republic under the Constitution.

In order for the American people to understand fully the magnitude of the effort to destroy the character of Dr. Wirt, I think that the people would be very much interested if they could have the full and complete report of a most important press conference in Washington on Wednesday morning. By a full report, I mean the "off the record" report as well as the record report. From the information which I have been able to receive, the off-the-record report includes the statement from one high in the executive circles:

> I advise you to look into the private character and private life of Dr. Wirt. I am not in a position to tell it to you now.

The conduct of the chairman of the committee, the ranking majority member of the committee, the Speaker of the House of Representatives, the majority floor leader of the House of Representatives, and Mr. Ickes, a Cabinet officer, toward Dr. Wirt presents an issue far greater than the issue presented in the original Wirt charge. That issue is, Can an American citizen appear before a committee of Congress without being besmirched by members of the committee, the Speaker of the House of Representatives, the majority leader, and a Cabinet officer? This is an issue which leaves Dr. Wirt as a mere pawn in the game. If the time has come when any citizen, high or low in financial or social caste, white or black, Jew or Gentile, cannot appear before a committee of Congress under subpena without his character being falsely and maliciously defamed, then the rights and liberties of the American citizens are gone. If that time has come, then the America of Washington, Jackson, Jefferson, Cleveland, Theodore Roosevelt, and Woodrow Wilson is dead. This is the real issue now involved in the controversy originally presented by Dr. Wirt.

If the American people of this generation have the courage of their patriotic fathers and mothers they will arise and stamp out the un-American and unconscionable treatment which has in the last few days been heaped upon Dr. Wirt by falsely defaming his character and his loyalty and patriotism to country. When the American people make this fight they will not alone be fighting to obtain justice for Dr. Wirt, they will be fighting to retain justice and liberty for themselves and their posterity.

Whenever the rights of the American citizens are completely restored, not only will an American citizen have the right to appear before a congressional committee under

subpena without his character being falsely defamed, but he will also have the traditional American right to make his opening statement to the committee and to have counsel in the usual American manner. Dr. Wirt has been denied both of these rights. When he was denied the right to make his opening statement, he was denied the right and privilege which has been enjoyed by all the hundreds and thousands of citizens who have heretofore appeared before congressional committees. He was allowed the right of counsel, but it was with the humiliating restriction that counsel could only propound questions after he had first presented his questions to the committee in writing. This was a most humiliating and un-American restriction. Its only purpose could be that the committee was afraid to permit the American people to know the questions which were propounded by the counsel and unduly to hamper the counsel in asking questions.

Mr. Speaker, in the speech yesterday by the gentleman from North Carolina [Mr. BULWINKLE], chairman of the select committee which is supposed to inquire into the charges made by Dr. Wirt, he said——

Mr. BLANTON. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. I thought we settled this Wirt matter yesterday. Now, the gentleman from Kansas is an entertaining speaker, and I should like to hear him on any other subject.

Mr. McGUGIN. I think that is true.

Mr. BLANTON. But there ought to be an end here to this Wirt matter. We have referred that to a committee.

Mr. SIROVICH. Does the gentleman think the gentleman is going from bad to "Wirt"?

Mr. BLANTON. Yes; and vice versa.

Mr. McGUGIN. Mr. Speaker, I refuse to yield.

Mr. BLANTON. If the gentleman is going to insist on delivering his eloquent address, I think he should have an audience to listen to him.

Mr. McGUGIN. Mr. Speaker, I refuse to yield further and have my time taken away from me.

Mr. BLANTON. Mr. Speaker, I make the point of order that there is not a quorum present, although I may withdraw it later.

Mr. McGUGIN. The gentleman may make his point; let us have a good crowd.

Mr. BLANTON. Mr. Speaker, he moved to strike out the last word; we should like to hear the gentleman on the subject of "the last word", so I withdraw the point of order that there is not a quorum present in order that the gentleman from Kansas may discuss "striking out the last word."

Mr. BLANCHARD. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. The Chair will count. (After counting.) Evidently there is not a quorum present.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 126]

Abernethy	Carley, N.Y.	Fish	Kelly, Ill.
Adair	Carpenter, Nebr.	Fitzgibbons	Kennedy, Md.
Adams	Cary	Fitzpatrick	Kennedy, N.Y.
Allen	Cavicchia	Flannagan	Kerr
Allgood	Celler	Foss	Kinzer
Andrew, Mass.	Chavez	Frear	Knutson
Ayres, Kans.	Cochran, Pa	Fulmer	Kocialkowski
Bakewell	Condon	Gifford	Kurtz
Beam	Connery	Gillespie	Kvale
Beck	Connolly	Goldsborough	Lambertson
Berlin	Corning	Granfield	Lanzetta
Biermann	Crosby	Greenway	Lehlbach
Black	Crowther	Hamilton	Lemke
Boehne	Culkin	Hart	Lesinski
Boileau	Cummings	Harter	Lewis, Colo.
Brennan	Darrow	Healey	Lewis, Md.
Britten	De Priest	Hess	Lloyd
Brooks	DeRouen	Hill, Knute	McCarthy
Brown, Ky.	Dockweiler	Hoeppel	McCormack
Browning	Douglass	Imhoff	McFarlane
Buckbee	Doutrich	Jacobsen	McKeown
Bulwinkle	Doxey	James	Milligan
Burke, Calif.	Duffey	Jeffers	Montague
Cannon, Mo.	Edmiston	Jenckes, Ind.	Montet
Cannon, Wis.	Edmonds	Jones	Moynihan, Ill.
Murdock	Randolph	Somers, N.Y.	Wigglesworth
Nesbit	Rayburn	Stalker	Wilcox
Norton	Reid, Ill.	Sullivan	Wilson
O'Brien	Reilly	Sumners, Tex.	Withrow
O'Malley	Richards	Taylor, Colo.	Wolfenden
Oliver, Ala.	Rogers, Okla.	Taylor, Tenn.	Wood, Ga.
Oliver, N.Y.	Ruffin	Tobey	Woodruff
Owen	Sadowski	Treadway	Woodrum
Peavey	Sandlin	Underwood	Young
Perkins	Schaefer	Waldron	
Peyser	Sears	Wallgren	
Ramspeck	Simpson	White	

The SPEAKER. Two hundred and eighty-five Members have answered to their names. A quorum is present.

On motion of Mr. BYRNS, further proceedings under the call were dispensed with.

Mr. McGUGIN. Mr. Speaker, am I recognized?

The SPEAKER. The gentleman from Kansas is recognized.

Mr. McGUGIN. Mr. Speaker, in the first place, may I say to the Members of the House that I am not responsible for their being called over here.

In the speech yesterday of Mr. BULWINKLE, Chairman of the Select Committee——

Mr. BLANTON. Mr. Speaker, I make the point of order that the gentleman moved to strike out the last word. The last word is "1921." If the gentleman will confine himself to the subject, I shall not interrupt him any more, but we do expect him to confine himself to the subject.

Mr. McGUGIN. Does the gentleman from Texas seriously object to my reading six telegrams from substantial citizens of Gary, Ind., stating that Dr. Wirt is an upright citizen and that he was never in jail, as was charged on the floor of this House yesterday?

Mr. BLANTON. What has that to do with the business of the Congress?

Mr. McGUGIN. When did the gentleman from Texas decide to confine himself to the business of the Congress?

Mr. BLANTON. The gentleman knows that his speech has to be answered. That will take up more time. If he wants to put a prepared speech in the RECORD by extending his remarks, I shall not object.

Mr. McGUGIN. Mr. Speaker, I do not yield further to the gentleman from Texas.

Mr. BLANTON. Mr. Speaker, if the gentleman from Kansas desires to speak out of order, I ask unanimous consent that the gentleman may have 5 minutes to speak out of order and that I have 5 minutes to answer him.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object.

Mr. BLANTON. I want some Democrat to answer the gentleman from Kansas.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I understand there is a unanimous consent request before the House. As a member of the special committee, the gentleman from Kansas did me the honor yesterday of paying me a few compliments.

Mr. BLANTON. I yield the right to the gentleman from New York if he wants to answer the gentleman from Kansas.

Mr. O'CONNOR. I understand the gentleman from Kansas used 10 minutes. I imagine he will use at least 10 minutes today, according to the size of the manuscript he has before him. I do not now know whether I will dignify his speech with a reply, but I would like to have the opportunity and I ask unanimous consent to answer the gentleman for 10 minutes if I see fit, and I hope I do not see fit to answer him.

Mr. BLANTON. Mr. Speaker, I will modify my request and ask unanimous consent that the gentleman from Kansas be permitted to proceed for 10 minutes, that I be given 3 minutes to answer him, and that the gentleman from New York may have 10 minutes, if he desires.

Mr. SCHULTE. Mr. Speaker, I object.

Mr. McGUGIN. Mr. Speaker, in the speech yesterday of Mr. BULWINKLE, chairman of the select committee——

Mr. BLANTON. Mr. Speaker, I make the point of order that the gentleman from Kansas is not confining himself to the subject, which is a motion "to strike out the last word."

Mr. TABER. Mr. Speaker, the gentleman has not proceeded far enough to determine that.

Mr. BLANTON. This motion to strike out the last word has nothing to do with the speech yesterday of Mr. BULWINKLE. I imagine the last word that will be said on "Dr. Wirt" will be at the next primary in Kansas.

The SPEAKER. The gentleman from Kansas will confine himself to a discussion of the pro forma amendment.

Mr. McGUGIN. I am sorry that those on the Democratic side do not see fit to let me read to the House six telegrams from Gary, Ind., which completely refute the slanderous statement made here yesterday against Dr. Wirt; but having already obtained permission to extend my remarks, I will simply include them in my remarks.

Mr. BLANTON. The gentleman cannot do that without permission.

Mr. McGUGIN. I already have permission.

Mr. O'CONNOR. Mr. Speaker, I make the point of order that under the rules of this House no one can insert anything in the RECORD, whether it is a telegram or not, without unanimous consent.

Mr. McGUGIN. I have already obtained unanimous consent.

Mr. O'CONNOR. To insert these telegrams in the RECORD? No!

Mr. Speaker, I make the point of order that no one can insert in the RECORD a document written by anybody else, or even read them on the floor, without unanimous consent as to those particular documents.

The SPEAKER. The gentleman from New York is correct. The Clerk is looking up now to see what the unanimous-consent request was.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. McGUGIN] be allowed to proceed for 5 minutes and that the gentleman from New York [Mr. O'CONNOR] may have 5 minutes to answer.

Mr. SCHULTE. Mr. Speaker, I object.

Mr. McGUGIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McGUGIN. What is the ruling of the Speaker? Am I denied the opportunity to put these telegrams in the RECORD?

The SPEAKER. The Chair is advised that the gentleman was given permission to extend his own remarks in the RECORD. Therefore the gentleman is denied permission to put the telegrams in the RECORD.

Mr. McGUGIN. Then, I will have to go over to the Senate and get them in.

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. Is it possible that the Democratic gag rule here is going to be such as to not allow Republicans to put statements in the RECORD?

The SPEAKER. The gentleman does not state a parliamentary inquiry.

Mr. RICH. It is high time that the House of Representatives dignify itself with the business before it.

The SPEAKER. The gentleman is out of order.

Mr. McGUGIN. In the speech yesterday by Mr. BULWINKLE, chairman of the select committee, which is supposed to inquire into the charges made by Dr. Wirt, he said:

> The gentleman from Kansas knows we are not prosecuting or persecuting Dr. Wirt; not in the least. He was not here to be investigated. If he had been, I would have gone into his private character. If he had been, I would have brought out from him the fact that during the war on account of his pro-German activities he was confined in the jail at Gary, Ind. I did not bring any of that before the committee. There was not the least bit of persecution of Dr. Wirt.

These were the exact words which Mr. BULWINKLE uttered upon the floor. I copied them from the original transcript as it came from the reporters. This statement is a bold, outright statement on the part of Mr. BULWINKLE when he said:

> I would have brought out from him the fact that during the war on account of his pro-German activities he was confined in the jail at Gary, Ind.

When this speech was reported in the RECORD this morning I find that it has been changed to read as follows:

> I would have brought out from him the fact that during the war whether or not, on account of his pro-German activities, he was confined in the jail at Gary, Ind.

The words "whether or not" were added to the original reporter's transcript of this speech. I submit that adding the words "whether or not" is a case of hedging on the bold and actual charge which was made on the floor by the gentleman from North Carolina. It is not only hedging but it is presenting a wholly unfair statement.

Supposing Mr. BULWINKLE had asked Professor Wirt this question: "Please tell us 'whether or not', on account of your pro-German activities, you were confined in the jail at Gary, Ind.?" If Dr. Wirt had answered "yes", it would have meant that he was in the jail at Gary, Ind., for pro-German activities. If Dr. Wirt had answered "no", it would have meant that he was not in jail for pro-German activities but in the jail at Gary, Ind., for something else. Any way he could answer such a question, he would have been left in the position of admitting that he was in the jail at Gary, Ind., notwithstanding the fact that he was never in jail.

Adding these words "whether or not" to the Bulwinkle statement as it was actually made on the floor is not unlike the insidious stock question which is frequently referred to, namely, Have you quit beating your wife? If the witness answers "no", of course, it is left as an established fact that he is still beating his wife. If he answer "yes", then it stands that he formerly beat his wife but has now quit. This, of course, leaves a witness who has never beaten his wife in a most embarrassing position.

It is not for me or any other member of the committee to be called upon to defend or bolster up Dr. Wirt. It is simply up to Dr. Wirt to make his statement and let the public be the judge.

The responsibility is upon me and every other member of the committee to insist that Dr. Wirt have the same square deal as should be accorded any witness appearing before a congressional hearing.

I submit that in the light of the record he has not had the fair, courteous treatment which should be accorded to any citizen appearing before a congressional hearing.

First, before Dr. Wirt came to Washington, the Speaker of the House was quoted in the papers as saying that if Dr. Wirt does not answer the questions presented, we will put him in jail. What occasion was there for such a statement from the Speaker of the House? Dr. Wirt had not said that he would not answer questions. The only possible purpose for such a statement from the Speaker would be to discredit in advance a witness in the eyes of the people.

Second, when Dr. Wirt appeared before the committee he had with him his counsel, the Honorable James A. Reed, former United States Senator from Missouri. Senator Reed was denied the opportunity to appear for Dr. Wirt with all the liberties and privileges which counsel for other witnesses have enjoyed.

Third, Dr. Wirt was denied the opportunity to make an opening statement. When Dr. Wirt was denied this opportunity he was denied a courtesy and a right which has been enjoyed by all the hundreds and thousands of other witnesses who have appeared before congressional committees.

Fourth, the majority members of this committee have refused to call all the people named in Dr. Wirt's testimony. They have refused to call Secretary of Agriculture Wallace and the Assistant Secretary of Agriculture Tugwell, both of whom were named by Dr. Wirt, and of whom there is documentary evidence to substantiate and prove the statements made by Dr. Wirt pertaining to these two gentlemen.

The denial to Dr. Wirt to have counsel in the usual sense, to make the usual and customary opening statement, and the refusal of the committee to subpena all the people who were named by Dr. Wirt, including Secretary Wallace and Professor Tugwell, were done by the three majority members of the committee, over the protest of the two minority members.

When it is said that the committee has refused to do certain things in this matter, let it always be remembered that it has been the three majority members who have denied these rights, commonly extended to other witnesses, to Dr. Wirt, while the two minority members, Mr. LEHLBACH and I have insisted at all times that Dr. Wirt should have the right to make his opening statement, the right of counsel, including the right of his counsel to cross-examine anyone who refutes the statements of Dr. Wirt, and that all witnesses named by Dr. Wirt be called.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BLANCH BROOMFIELD

The Clerk called the next bill, H.R. 2518, for the relief of Blanch Broomfield.

Mr. HOLLISTER. Mr. Speaker, I object.

JOHN L. HOFFMAN

The Clerk called the next bill, H.R. 2556, for the relief of John L. Hoffman.

Mr. HOPE. Mr. Speaker, I object.

Mr. MEAD. Will the gentleman withhold his objection?

Mr. HOPE. I withhold it temporarily, Mr. Speaker.

Mr. MEAD. Mr. Speaker, I may say in explanation to my distinguished colleague that this claim affects a railroad employee who was going to his work on June 16, 1917, and was attacked by a soldier who was guarding a bridge. The soldier was intoxicated and attacked this railroad worker, who was on his way to his work. As a result of the injuries inflicted upon this man he was confined to his home from June 16 until July 23. The soldier was in the Federal service and was not a member of the National Guard at the time, and therefore no relief could be given by any State agency.

This man has suffered ever since this accident. He has a hole in the top of his head that did not heal and he has had to wear glasses because of impaired vision. It is possible that he may eventually lose his rights as a railroad trainman because of defective eyesight. The man is permanently injured and he is asking the only government that can consider his claim, the Federal Government, because it was a Federal officer who struck him down, to provide this relief.

I may also say that this soldier admitted in court that he was intoxicated and did not know anything about what he had done. He was sentenced to 6 months at hard labor for assaulting this worker and was dishonorably discharged from the Army on account of this attack.

Under the circumstances and because of the fact that this man has suffered so much and has waited so long for this meager measure of relief, I hope the gentleman will withdraw his objection.

Mr. HOPE. Mr. Speaker, I have found nothing in the report to indicate that this man has suffered any permanent injury or has suffered any severe injury of any sort.

Mr. MEAD. I have a letter here in my file that explains to the Secretary of War that his report was inaccurate and in no way conveyed the correct information to the committee, and I furnished the Secretary of War with a letter from the superintendent of the Lehigh Valley Railroad to disprove the one claim that the War Department made, which was that he was only away from his work 1 day. The records of the railroad company indicate that he was away from his work from June 17 until July 23.

The next objection was made when the bill came before the House a year ago. It was claimed then that the soldier was a member of the National Guard and that the State should pay the claim. I have a letter from the deputy attorney general of the State giving the day and date when the regiment was Federalized and indicating it was clearly and purely a Federal claim.

I have all the records here and I have answered every claim made by the War Department and I have given the committee every bit of evidence, and I may say further I have here such information as the gentleman may desire.

Mr. HOPE. I would have no objection to considering any evidence the gentleman may have, but the report of the committee is certainly very different from the statement of the gentleman.

Mr. MEAD. No; the report of the committee indicates he was away from work from June 16 until July 23. That is in the report of the committee.

Mr. HOPE. The report of the committee, however, furnishes no information whatever as to any permanent injury which this man may have suffered. I think that is a matter of very great importance, and if the gentleman has any evidence showing the existence of a permanent injury, I would be quite willing to consider it, and I am going to suggest that under the circumstances——

Mr. MEAD. The report of the committee indicates that this man has a serious injury. It goes on to say that he suffered an injury to his head and that he had stitches taken to sew up a wound on his head and that his right ear was also lacerated. It indicates that he suffered from dizzy spells, and that the soldier was intoxicated, was arrested, and found guilty and sentenced to serve 6 months.

Mr. HOPE. There is nothing in the report that I have been able to discover to show that this man suffered any permanent injury. If he did, of course, that alters the case considerably, and I am going to suggest to the gentleman that we permit this matter to be passed over for the present.

Mr. MEAD. If the gentleman will permit, here is an affidavit from Wayland W. Williams, an eyewitness, and here is another statement from the superintendent of the Lehigh Valley Railroad, and another one from Charles Benson. These were furnished to the committee and indicate not only the nature of the attack but the permanency of the injury to this man as well as the time he lost.

I know this man and I know that after a period of 12 or 15 years he is broken in health as a result of this injury. All that is requested for him in this bill is such money as will pay the actual expenses incurred, including the loss of time and medical treatment.

Mr. HOPE. Was there any medical evidence furnished the committee to show that his present condition of health is directly due to this attack?

Mr. MEAD. This occurred during the war. The evidence furnished the committee was submitted years ago. The evidence furnished at that time indicated that this man was permanently disabled. There was no objection and the claim was not questioned in this manner before. The only question brought up before was that this claim should be referred to the State. I took it up with the Attorney General and he advises that it is not a State case, because the regiment was federalized.

If I had know anyone was going to object today I would have furnished the information concerning his present physical condition.

This man is asking for only $2,000 to reimburse him for the expenses involved in connection with the injury which resulted from a brutal attack on the part of an intoxicated soldier who confessed his guilt in court.

Mr. HOPE. Let me say to the gentleman that I was going to suggest that if he would accept an amendment reducing the amount to $500, I would not object, but I do not think $500 is enough if his injuries are as the gentleman has stated; but I would like to have time to make a further investigation as to the permanency of these injuries. So I am going to suggest that we let the bill be passed over for the present, and that the gentleman furnish me with such evidence as he may have to show the permanency of these injuries, and I shall agree to offer no objection if I am satisfied as to such injuries.

Mr. MEAD. I shall be very sorry if the gentleman objects at this time, because 2 years ago an objection was made, and that was about 14 years after the war was over, and was based on the alleged fact that this was a National Guard regiment.

I have furnished information to disprove that contention. Now, if objection is made again, it will probably go over for 2 years more.

The $2,000 will only pay the doctor and hospital bills, and the expenses resulting from his loss of work. This is not a constituent of mine, but I know this man and I know the condition he is in. The bill only calls for a small amount of money, and I would like to have the gentleman withdraw his objection.

Mr. HOPE. The Private Calendar will be considered again shortly. I am willing to have it come up at the next call of the calendar, and if I find the facts to be as indicated by the gentleman, I shall be glad to help him get the bill through. But I would like to have time to look up the facts.

Mr. MEAD. There are several affidavits in the report.

Mr. HOPE. I have read the affidavits. If the facts are as the gentleman indicated, I think the man is entitled to the full $2,000, but if not, I think $500 is ample.

Mr. MEAD. Five hundred dollars would hardly pay him for loss of time on the railroad. The doctor who attended him has since died, and therefore it would be impossible to get an affidavit from him.

Mr. HOPE. Mr. Speaker, I ask unanimous consent that this bill be passed over for the present, and called up as the second bill on the next call of the Private Calendar.

The SPEAKER pro tempore (Mr. SIROVICH). Is there objection to the request of the gentleman from Kansas?

There was no objection.

JACOB DURRENBERGER

Mr. BACON. Mr. Speaker, I ask unanimous consent to return to Calendar No. 339, a bill (H.R. 200) for the relief of Jacob Durrenberger. The gentleman from Ohio, through a misunderstanding, asked that it go over without prejudice. I have since talked to the gentleman and he stated to me that he has no objection to the bill.

The SPEAKER pro tempore. Is there objection to returning to Calendar No. 339?

There was no objection.

The SPEAKER pro tempore. Is there objection to the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Jacob Durrenberger, out of any money in the Treasury not otherwise appropriated, the sum of $2,000 as compensation for personal injuries caused as a result of an accident involving an Army vehicle at Jamaica, Long Island, N.Y., on September 16, 1929.

With the following committee amendments:

In line 6, strike out the words "as compensation" and insert in lieu thereof "in full settlement of all claims against the Government of the United States."

At the end of the bill add the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

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

A motion to reconsider was laid on the table.

JOSEPH A. M'CARTHY

The Clerk called the next bill, H.R. 2641, for the relief of Joseph A. McCarthy.

The SPEAKER pro tempore. Is there objection?

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

FRANK W. CHILDRESS

The Clerk called the next bill, H.R. 2651, for the relief of Frank W. Childress.

The SPEAKER pro tempore. Is there objection?

Mr. HOLLISTER. Mr. Speaker, I object.

Mr. SANDERS. Mr. Speaker, will the gentleman reserve his objection?

Mr. HOLLISTER. Yes.

Mr. SANDERS. The facts found by the committee are that this man was a rural-mail carrier, that he was serving a 20-mile route, but was paid for an 18-mile route. The report states that he earned $1,191.18 more than he was paid. If the gentleman will look at the letter from the Post Office Department, the last one in the committee report, he will see that the Department does not advise against the bill; that is to say, they do not say that this is an unjust claim, but they say that it is not in the interest of efficient administration. In view of these facts, what objection has the gentleman to letting the bill go through?

Mr. HOLLISTER. Mr. Speaker, if I understand the bill correctly, here is the case of a mail carrier on a rural route who carried the mail over that route during a period of years, apparently well satisfied with his contract. After he severed his connection with the Government he discovered that during all that period he was traveling a little farther than he thought, and he comes in now and asks to be paid an additional amount of money because while he thought he was traveling only 18 miles, really, as a matter of fact, he was traveling a 20-mile route.

Mr. SANDERS. He was not responsible for that, because the Government determined the mileage.

Mr. HOLLISTER. I agree with my colleague about that, but it does not seem to me that this is a case where the Government is properly liable. It would open up discussion in a thousand cases, just as the Department says. It is not as if the man had made a claim and had been refused at the time, but after he severed his connection with the Government he discovered that he had traveled more miles than he thought he had.

Mr. SANDERS. The gentleman is not serious that he thinks there would be a thousand cases like this?

Mr. HOLLISTER. I am sure I do not know. I know only that the Department called attention to the fact that it would open up a very large field. I do not say that other claims would be on all fours with this, but it would open up cases where people had possibly done more work than they thought they had. I suggest the gentleman should introduce a general bill and take it up before the proper committee and decide whether such cases should be paid for. It has often seemed to me, in these individual cases, where a general principle is covered, that we should first find out whether the Congress wants to recognize the principle; and if so, consider the individual bills afterward.

Mr. SANDERS. I do not think the gentleman will find any parallel case to this, and I do not see the necessity for a general bill. Of course, if the gentleman insists upon his objection, that is all there is to it.

The SPEAKER pro tempore. Is there objection?

Mr. HOLLISTER. Mr. Speaker, I object.

D. F. PHILLIPS

The Clerk called the next bill, H.R. 2666, for the relief of D. F. Phillips.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and hereby is, authorized to consider and pass upon the application of D. F. Phillips, former rural free delivery carrier at Resaca, Ga., for the benefits of the Compensation Act approved September 7, 1916, on account of an injury occurring in the year 1919, notwithstanding the provisions of section 20 of said act requiring that all claims be filed within 1 year from the date of injury.

Mr. HANCOCK of New York. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: At the end of line 10, insert: "*Provided*, That no benefit shall accrue prior to the passage of this act."

The amendment was agreed to.

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

A motion to reconsider was laid on the table.

PAUL I. MORRIS AND BEULAH FULLER MORRIS

The Clerk called the next bill, H.R. 2669, for the relief of Paul I. Morris and Beulah Fuller Morris.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object, to ask the gentleman from Georgia [Mr. TARVER] whether there is any legal liability upon the Government in this claim?

Mr. TARVER. Mr. Speaker, this bill is exactly, in principle, like one in favor of Leo Byrne passed during the Seventy-first Congress, except in that case the claimant was in training in the Reserve Officers' training camp, whereas this decedent was in training in the civilian military training camp. In this case the trainee died, as recognized by the War Department, as a result of exposure to meningitis while in training at Fort McClellan, Ala. The bill proposes to accord to his parents benefits they would have received had he died as a civilian employee of the Government in service of the Government as a result of the discharge of his duties. It is to my mind inconceivable that there could be any valid objection to it. It is, as I said, in line with the precedent already established, except that this man was a private and in the other case the man was an officer.

Mr. TRUAX. I asked the gentleman whether there was any legal liability and responsibility upon the part of the United States Government, and not merely for a precedent.

Mr. TARVER. I think there is a moral responsibility upon the part of the Government.

Of course, none of these bills would have to be introduced and considered by Congress if there were a legal way by which the claims could be collected without special legislation. It is on a parity with every other claim bill passed, as far as that particular feature of it is concerned.

Mr. HANCOCK of New York. Reserving the right to object, I think the gentleman is hardly accurate when he states that the bill in hand is identical in principle with the Byrne Act passed a year or two ago. In that case a young man named Byrne was attending an officers' reserve training camp and was injured during the training period. He was given pay and allowance not to exceed $150.

Mr. TARVER. One hundred dollars a month?

Mr. HANCOCK of New York. No. A total of $150.

Mr. TARVER. If the gentleman will examine the report, I think he will find it was $100 a month.

Mr. HANCOCK of New York. I have the act before me. It is no. 470 of the Seventieth Congress, an act for the relief of Leo Byrne.

Mr. TARVER. I am sure the gentleman is mistaken, but if he has the act before him, of course that will show.

Mr. HANCOCK of New York. Well, I have the act right in front of me. It is a very short bill.

Mr. TARVER. The pay allowance in that case awarded to the claimant might not have been in excess of $150, as the gentleman says. My impression is that the allowance was $100 a month, but the difference in amount does not affect the principle involved.

Mr. HANCOCK of New York. In the case before us, the parents are asking for a pension, and, as the War Department points out, to do so would establish a precedent which would undoubtedly lead to many similar claims. It has never been done before, according to the War Department.

Mr. TARVER. It is not a precedent for this reason: The Byrne case is a precedent. In that case there was awarded what was considered to be fair compensation for the injury sustained by the trainee in service. That is what we are asking in this case. It makes no difference that the amount is different. The question involved is the same—that is, whether or not the Government should assume responsibility for damages incurred as the result of injuries sustained by a trainee in either the Reserve Officers' training camp or the civilian military training camp. It does not make any difference whether the amount is $150 or $1,500. The only question is, Should the Government pay under those conditions?

Mr. TRUAX. Will the gentleman yield?

Mr. TARVER. Yes; I yield.

Mr. TRUAX. The precedent cited is the case of Leo Byrne?

Mr. TARVER. That is right.

Mr. TRUAX. In that case the Government paid the individual himself who had been injured?

Mr. TARVER. Correct.

Mr. TRUAX. In this case the parents of the individual are to be reimbursed. As I understand it, the War Department recommends the enactment of section no. 2, but not of section no. 1. Is that true?

Mr. TARVER. Section no. 2 relates only to the payment of the doctor's bills and the funeral expenses incurred by the father of the trainee in the amount of $764. The War Department recommends the payment of that amount, and I apprehend, of course, there would be no objection to that in any event; but while the War Department does not recommend payment of the amount provided for in the first section of the bill, it offers, as I understand it, as its only objection, the fact that there is no law which authorizes such payment. That, of course, is true. If there were such a law it would not be necessary to enact one now. My position is that the Congress has already established a precedent by which the Government has recognized responsibility in such cases, and that in line with that precedent this legislation should properly be enacted.

Mr. HANCOCK of New York. Does the gentleman think it wise to pass special bills in preference to general legislation, considered in the committee and debated in Congress, to take care of an entire class of cases?

Mr. TARVER. I think it would be wiser to handle the question by general legislation, but until action is taken by Congress looking toward that end, it occurs to me that Congress would not like a moral injustice, although, perhaps, not a legal injustice, to be done to the dependent parents of this deceased trainee. I think it is the purpose of Congress, in passing bills on the Private Calendar, to take care of individual instances not provided for under general law, where a moral injustice might result if it were not done.

Mr. HANCOCK of New York. It is a very inequitable and unsatisfactory way of doing business.

Mr. TARVER. I quite agree with the gentleman. I think it should be done by general legislation, but, pending consideration by Congress of general legislation, it seems to me we should endeavor to do equity in each individual case as it may be presented to us.

Mr. HANCOCK of New York. I remember a similar bill about a year ago in behalf of a trainee in a citizens' military training camp in Texas, where objection was made. If we are to follow precedents, that is one that I recall, which would justify an objection to this bill.

Mr. TARVER. I am not familiar with the precedent stated by the gentleman. No doubt that is correct, but I do not recall the case.

Mr. TRUAX. In this bill, the report states that this youth, between 17 and 18 years of age, contributed slightly to the support of the family. I assume that this pension is for what he would have contributed had he lived for a period of 8 years.

Mr. TARVER. That is correct.

Mr. TRUAX. The gentleman thinks the pension mentioned, of $15 a month, would be proper and sufficient to cover whatever his contribution would have been?

Mr. TARVER. I doubt if it would be enough to cover what his contribution might have been, but it is in line with the allowance usually made by the Compensation Commission in similar cases.

Mr. HANCOCK of New York. Is the gentleman from Ohio willing to take the responsibility along with me of establishing a precedent of paying pensions to parents of boys injured at training camps? That is the question that is put up to us squarely.

Mr. ZIONCHECK. What about the boys in the C.C.C. camps?

Mr. HANCOCK of New York. They are covered by general law. The Federal Employees' Compensation Act applies to the men employed in the C.C.C. camps.

Mr. TARVER. That is the question we were discussing a while ago. We have no general law here, and for that reason must deal with these individual cases by special acts. But is there not every justification for saying that if such responsibility should be assumed by the Government in the case of employees in C.C.C. camps it should likewise be held at least morally responsible in the case of the training camps?

Mr. HANCOCK of New York. There is general law covering the C.C.C. camps. I call the gentleman's attention to this statement in the report of the War Department:

> The payment of compensation to parents of citizens' military training camp students is not authorized by existing law under any circumstances. The War Department does not favor the payment of such compensation in this case. To do so would establish a precedent which would undoubtedly lead to many similar claims.

Mr. TARVER. It is not a case of setting a precedent, for the precedent has already been established; but it must be recognized by the gentleman that the justice of the proposition is settled if we agree that it is just that the Government should pay similar compensation in the cases of employees in the C.C.C. camps, there can be no valid distinction made.

Mr. HANCOCK of New York. I understand there is a law covering the compensation of men injured in C.C.C. camps.

Mr. TARVER. There is; and, therefore, it is not necessary to pass special bills. In the case under consideration it is necessary to pass a special bill in order that justice may be done by reason of the fact that Congress has not passed a general law.

Mr. TRUAX. Mr. Speaker, would the gentleman from Georgia be willing to agree to a unanimous consent request that this bill be passed over until the next call of the Private Calendar in order that we may investigate?

Mr. TARVER. I would, of course, be compelled to accede to the gentleman's request should he insist upon it; but let me point out to the gentleman that this boy died 4 years ago, and this bill has been reported favorably to every Congress since that time by the Claims Committee. We have now reached the bill for consideration. If there is further delay it renders less probable the passage of the bill through the Senate. The parents of this deceased boy are in very distressed circumstances. They have waited almost 4 years. It seems clear that the bill, in spirit, is in accordance with previous actions of the House, and I sincerely trust the gentleman will not insist upon his suggestion.

Mr. TRUAX. I may say to the gentleman from Georgia that I have understood that perhaps bills on the Private Calendar may be considered tomorrow, or, if not tomorrow, at least very soon.

Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice until the next call of the Private Calendar.

Mr. TARVER. Mr. Speaker, reserving the right to object, the gentleman means, I hope, that it shall be assigned third place on the calendar at the next call?

Mr. TRUAX. That is right.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ADA T. FINLEY

The Clerk called the next bill, H.R. 2673, for the relief of Ada T. Finley.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, the bill in its present form is practically a direction to the Compensation Commission to find that the claimant is entitled to compensation and to pay her whatever amount the law allows. I think the bill should be so amended as to leave open for determination by the Compensation Commission the question of whether or not the claimant sustained the injuries complained of in the performance of her duties.

Mr. TARVER. I want to be perfectly frank with the gentleman from New York. The bill is intended to be mandatory in its provisions. The case has already been considered by the Employees' Compensation Commission. A claim was filed by the claimant within the time allowed by law.

The insistence in this case is that the undisputed evidence in the files shows clearly that the claimant's disability of valvular heart trouble, while existing in a mild form upon her employment by the Government was severely aggravated during the time of employment which was as a follow-up nurse for the then Veterans' Bureau from 1920 to 1926.

It is a question which involves a matter of policy. I would not have the gentleman consent to the passage of this bill upon the theory that the bill asks merely permission for the claimant to present her case to the Employees' Compensation Commission, since it is intended, as I have said, to give mandatory instructions to the Commission to allow the claim.

Mr. HANCOCK of New York. That is the way the bill reads?

Mr. TARVER. Yes.

Mr. HANCOCK of New York. I understood that the gentleman had a new theory upon which this claimant was to proceed, or that there was some new evidence and that he was merely asking that the Compensation Commission again take jurisdiction, because of the new developments since the previous determination.

Mr. TARVER. No.

Mr. HANCOCK of New York. I would have no objection to a rehearing, but I object to any bill which attempts to make of Congress a court of appeals, and which bill overrules the considered action of the Compensation Commission.

Unless the bill can be amended in order to be consistent I shall be obliged to object. I have objected to several similar bills.

Mr. TARVER. I call the gentleman's attention to the fact that evidence appears in the report in the form of an affidavit by Dr. J. D. L. McPheeters, the physician under whom the claimant did her work, in which he testifies as to the circumstances which led him, her superior officer, to believe that the aggravation of her disability was occasioned by the performance of her duty. Upon that affidavit, as well as upon other evidence which appears in the report, it seemed to me to be conclusive that the claimant's disability did arise because of her service; and since it seemed that the Commission had improperly refused compensation, I thought it was a proper subject matter for presentation to Congress by a special bill.

Mr. HANCOCK of New York. I read Dr. McPheeter's affidavit and understood that on the strength of his statements the gentleman hoped for a reversal of the previous decision of the Compensation Commission.

Mr. TARVER. No; that is not it.

Mr. MILLARD. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. The regular order is demanded; is there objection to the present consideration of the bill?

Mr. HANCOCK of New York. Mr. Speaker, I object.

ALBERT H. JACOBSON

The Clerk called the next bill, H.R. 2803, for the relief of Albert H. Jacobson.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. ZIONCHECK. Mr. Speaker, I object.

Mr. TRUAX. Then, I object to the bill, Mr. Speaker.

JAMES B. CONNER

The Clerk called the next bill, H.R. 3056, for the relief of James B. Conner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement of all claims against the United States Government, the sum of $2,500 to James B. Conner for the loss of his eye, sustained while performing his duties assigned to him in the mechanical shop of the Department of Agriculture.

With the following committee amendment:

Page 1, line 9, after the word "Agriculture", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

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

A motion to reconsider was laid on the table.

WILLIAM J. RYAN

The Clerk called the next bill, H.R. 3066, for the relief of William J. Ryan, chaplain, United States Army.

Mr. HOLLISTER. Mr. Speaker, I object.

Mr. SUTPHIN. Will the gentleman reserve his objection?

Mr. HOLLISTER. I reserve my objection.

Mr. SUTPHIN. I understand this bill is the result of an accident which occurred in San Francisco several years ago when Father Ryan's car had a collision with an Army truck. His car was damaged to the extent of $225, or whatever the bill calls for. The amount is recommended for payment by the Army Department. This bill has twice passed the Senate. Once before it has been objected to in the House.

Mr. TRUAX. Will the gentleman yield?

Mr. SUTPHIN. I yield to the gentleman from Ohio.

Mr. TRUAX. Who will be the recipient of this money?

Mr. SUTPHIN. Father William J. Ryan, who is a Catholic priest, stationed at Fort Hancock, N.J. He is not a resident of my district. He came in there only recently. This claim originated some years ago, when he was stationed on the Pacific coast, and I sincerely trust the gentleman will withdraw his objection.

Mr. TRUAX. This gentleman is a chaplain in the Army?

Mr. SUTPHIN. He is a priest in the Army at the present time.

Mr. HOLLISTER. While I appreciate the War Department has recommended favorable action on the bill, I am unable to see under what principle such a recommendation was made.

Mr. SUTPHIN. I may say in answer to the gentleman that I hope no personal prejudice enters into this in any way.

Mr. HOLLISTER. There is no personal prejudice of any kind on my part.

Mr. SUTPHIN. I know the gentleman is usually fair.

The SPEAKER. Is there objection?

Mr. HOLLISTER. I shall have to object unless the gentleman wants me to make a statement as to my reasons.

Mr. SUTPHIN. I wish the gentleman would.

Mr. HOLLISTER. Here is a case of injury to property by a Government vehicle, driven by a Government employee, but there is no evidence whatsoever of any negligence. It does seem to me that we should as far as possible confine allowances in these cases to the same situation where an ordinary private corporation would have been responsible under similar circumstances.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from New York.

Mr. DICKSTEIN. Has not the Committee on Claims considered all of these elements in connection with the question of negligence?

Mr. HOLLISTER. The committee may have.

Mr. SUTPHIN. This bill has passed the Senate twice and has been objected to in the House once before.

Mr. DICKSTEIN. If the only objection the gentleman has is whether or not the proof has been established as to contributory negligence, I think I can relieve the gentleman's mind.

Mr. HOLLISTER. There is no question of contributory negligence. It is simply a question of whether there is negligence on behalf of the Government employee, and this does not appear. Therefore, it does not seem to me right to allow the claim. I think the gentleman will find that the Committee on Claims occasionally reports bills out even though there is no negligence shown.

Mr. DICKSTEIN. Not to my knowledge, and I know something about the Claims Committee.

Mr. HOLLISTER. But the report so states.

Mr. SUTPHIN. The report also shows that the street was slippery when the truck and the car collided.

Mr. HOLLISTER. That is true.

Mr. SUTPHIN. We are not claiming any negligence, but nevertheless, the damage occurred, and the Chaplain is certainly entitled to reimbursement.

Mr. HOLLISTER. The gentleman perhaps misunderstood me. I understand his position, but we on this side and the gentlemen on the other side are taking the position that proof of damage alone is not sufficient; that in cases of this kind there must be the same proof of negligence as would permit recovery against a private corporation.

Mr. SUTPHIN. The gentleman is an able lawyer, and he knows the only redress a civilian has today where he incurs damage as the result of collision with an Army or Navy truck, whether it results in death or otherwise, is to come to Congress and have a bill for damages passed.

Mr. HOLLISTER. And we must treat them in the same way as they are treated in a court of law.

Mr. BLANTON. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Texas.

Mr. BLANTON. Relative to what the gentleman from New York said about bills passed in the Claims Committee, if the gentleman will get the bound volumes respecting claims that were taken up in the Sixty-fifth and Sixty-sixth Congresses in that committee, you will find a bound volume of minority reports that I filed myself against claims in that committee.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from New York. Some of them were pretty big bills, running into hundreds of thousands of dollars.

Mr. DICKSTEIN. I happen to be very high up on that committee, and I do not think the gentleman will find the committee reporting any bill that the committee did not have all the details.

Mr. BLANTON. This was before the gentleman's time.

Mr. DICKSTEIN. We do differently now.

Mr. BLANTON. The committee got into a bad practice back yonder and has not altogether got rid of the practice.

Mr. DICKSTEIN. We do not do that now. In all of these bills where there is negligence or contributory negligence involved we go into the question, and if there is any contributory negligence on the part of the claimant we kick the bill out.

Mr. BLANTON. It is lots easier to get a bill reported favorably by the Claims Committee than it is to get a bill to stop immigration reported out of the gentleman's committee.

Mr. DICKSTEIN. I hope the gentleman will not take up immigration, but will let us talk about this bill. The fact of the matter is that the Claims Committee is a hard-working committee and it seems to me that when that group reports out a bill after giving the matter consideration and finding it has merit, it is very hard that one man should get up here and object to it.

Mr. BLANTON. Any committee that reports out hundreds of bills during each session is a hard-working com-

mittee. It is the large number of bills they report favorably that makes the committee hard working.

Mr. DICKSTEIN. Does the gentleman know how many bills are denied a favorable report? The gentleman does not believe every bill is reported out of the committee?

Mr. SUTPHIN. May I ask the gentleman from Ohio if this is not constructive negligence?

Mr. HOLLISTER. May I ask the gentleman to give me a definition of constructive negligence?

Mr. SUTPHIN. I shall have to refer the gentleman to one of my lawyer friends.

Mr. BRUMM. May I say to the gentleman that that is a principle of law that is as old as the hills.

Mr. HOLLISTER. I shall have to apologize to the gentleman for not being familiar with the term.

Mr. BRUMM. It is very familiar in Pennsylvania under the common law. If there are three parties and the third or innocent party suffers by the act of one of the parties, although there is not absolute negligence in the ordinary sense, as between the two parties, the one who commits the act is negligent under what is known as "constructive negligence."

Mr. HOLLISTER. The gentleman means he is negligent, whether he is negligent or not?

Mr. BRUMM. He is negligent under the law, and that principle is as old as the hills.

Mr. HOLLISTER. I am afraid I do not understand that theory of law.

Mr. BRUMM. Here is an actual case in Pennsylvania. I am driving a car and there is a young girl in the way, and to turn out and save the life of that young girl I strike a third party, a man who is coming along on that side of the road. I am guilty of negligence as to the third or innocent party.

Mr. HOLLISTER. Of course, that is not this case.

Mr. BRUMM. I understand that it is.

Mr. SUTPHIN. The truck slid and hit this chaplain's car and damaged it to the extent of $225, and I trust the gentleman will give this bill his favorable consideration, because it is a very meritorious claim.

Mr. MILLARD. Mr. Speaker, I demand the regular order.

Mr. HOLLISTER. Mr. Speaker, I object.

C. K. MORRIS

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to return to the bill (H.R. 2322) for the relief of C. K. Morris. This bill is no. 255 on the calendar, and on April 3 there was an agreement between the gentleman from Ohio [Mr. HOLLISTER] and me that it would be agreeable to return to this bill.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I would like to find out the nature of the bill to which the gentleman from Texas wants to return.

Mr. KLEBERG. This is a bill to which the objector, the gentleman from Ohio [Mr. HOLLISTER], requested me to provide him with some legal authority to establish the connection between the master and servant in this case, which involves an Army truck that collided with a passenger vehicle driven by the claimant, Mr. Morris.

Mr. ZIONCHECK. I have no objection to having a demonstration of legal talent at this time, Mr. Speaker.

The SPEAKER pro tempore (Mr. SIROVICH). Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the title of the bill.

Mr. HOLLISTER. Mr. Speaker, reserving the right to object, does the gentleman from Texas wish to make a statement?

Mr. KLEBERG. Yes; I would like to call my friend's attention to the request he made on the last private calendar day when this bill was up. The gentleman stated he would like to have some authority on the principle involved in this bill which, in the first place, does not show definitely that the soldier was driving the truck within the scope of his employment.

I would call the gentleman's attention to the fact that in the case of *McClung* v. *Dearborn* (134 Penn. State 396) it was stated:

> It was the master's duty, not only to give orders in such a case, but to see that the orders were obeyed.

Judge Cooley, on torts, states:

> It is immaterial to the master's responsibility that the servant at the time was neglecting some rule of caution which the master had prescribed or was exceeding his master's instructions or was disregarding them in some particular and that the injury which resulted is attributable to the servant's failure to observe the directions given him.

In this case the servant was ordered to turn in the truck at half past 3 in the afternoon. The accident occurred at 5 o'clock in the afternoon. The soldier was found in a drunken condition and was fined in the city court for being drunk and disorderly and for driving recklessly at the time the accident occurred.

Now, with reference to the deviation, whether or not he was still on the job, it is perfectly clear that the pilot that goes out of his route is still acting within the master's liability. A servant, while he makes a deviation for purposes of his own, must remain liable, even though he drives out of the more direct road for purposes of carrying out his master's orders.

In the case of Gibson against Dupre, it was held that the liability of the master is not affected by slight deviations of the servant for his own ends when about the business of the master.

The servant, prior to the accident and after he had obtained that for which he had been sent, had gone upon an errand of his own. The jury having found that the accident occurred while the servant was acting within the scope of his employment the finding was approved.

In the case of the Cleveland-Nehi Bottling Co. against Schenck it was held:

> Error is assigned to the refusal of the trial court to instruct the jury that, if the collision resulted from Tucker's violation of his instructions, the appellant was not liable. No complaint is made of that part of the charge dealing with the measure of appellant's responsibility if the jury found that Tucker was intoxicated. The contention is that the taking of a drink by Tucker in violation of his instructions was such a deviation from his duty as to sever pro tempore the relationship of employer and agent and relieve appellant from liability for his negligent act of running the truck into the automobile. We cannot accept the affirmation of that proposition. Where the servant steps entirely aside from his duty and goes off to serve some purpose of his own, there is, of course, a severance for the time being of the responsible relationship of the master.

So here we have a clear case of deviation.

We know that in the case of the Army there is no place where discipline is more strict, no place where more of an effort is made to see that the orders are carried out. Had this man taken the truck back and thereafter gone out in it without orders and had an accident, nevertheless both he and the truck were in the service of the Army per se, and the question does not apply for the purposes for which he was given instructions but rather to the scope of the act as to its being in the service of the employer. Under this case, the master would still be held. It was the duty of the Department to see that the orders were obeyed. It was its added duty to see that its property, the truck in question, was not used ad libitum in the absence of express authorization.

In either case, merely the use of the truck by the soldier would have been sufficient to establish the master-and-servant connection, and if he in returning to turn the truck in got drunk en route, intoxication would not be a defense.

Mr. HOLLISTER. Mr. Speaker, the question of deviation, which the gentleman has argued so forcibly, is always a matter of degree. This seems to be one of those borderline cases where there is a question whether such deviation leaves the employee still in the scope of his employment. In such a case, I believe the doubt should be resolved in favor of the claimant. The gentleman has made such a forceful presentation of his case, that I withdraw my objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. K. Morris, San Antonio, Tex., the sum of $3,450. Such sum shall be in full settlement of all claims against the United States on account of damages sustained by the said C. K. Morris due to personal injuries suffered by his wife and damages caused to his automobile by a collision with a United States Army truck in San Antonio on November 10, 1930.

With the following committee amendment:

Line 6, strike out "$3,450" and insert "$1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

FRANK A. SMITH

The Clerk called the next bill, H.R. 3130, to extend the benefit of the United States Employment Compensation Act to Frank A. Smith.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I call the attention of the author of the bill to the fact that the Compensation Commission thinks that the case has equities, but does not think that the man should be paid compensation for that period while he was working; that is, between November 15, 1922, and September 30, 1924. If the gentleman is willing to accept that as a recommendation to go along with the bill, I have no objection.

Mr. BURNHAM. Mr. Speaker, this bill merely gives the claimant the right to file his claim with the Compensation Commission. The bill does not call for compensation in any amount. I would be willing, however, to have that amendment embodied.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman accept the amendment containing the usual proviso that no benefit shall accrue prior to the passage of the act?

Mr. BURNHAM. Certainly.

Mr. TRUAX. Would the gentleman agree to have this recommendation of the Commission inserted as a part of the report upon the bill?

Mr. BURNHAM. What objection would there be to passing the bill merely giving the claimant the right to file his claim with the Compensation Commission? The statute of limitations had run against him. He did not file his claim within 1 year. He endeavored to continue to serve with the Navy, without any thought of filing a claim for compensation.

Mr. TRUAX. Mr. Speaker, I think the gentleman has given a good explanation of that feature which I mentioned, and it probably will be taken care of when it goes before the Commission. I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of Frank A. Smith, a former employee of the War Department.

Mr. HANCOCK of New York. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

At the end of the bill insert: "*Provided*, That no benefit shall accrue prior to the passage of this act."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN W. BARNUM

The Clerk called the next bill, H.R. 3146, for the relief of John W. Barnum.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized and instructed to receive and determine the claim of John W. Barnum, a former employee of the United States Shipping Board, without regard to the limitation of time within which such claims are to be filed under the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended.

Mr. BLANCHARD. Mr. Speaker, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BLANCHARD: At the end of the bill insert: "*Provided*, That no benefit shall accrue prior to the approval of this act."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

RUFUS HUNTER BLACKWELL, JR.

The Clerk called the next bill, H.R. 3188, for the relief of Rufus Hunter Blackwell, Jr.

Mr. HOLLISTER. Mr. Speaker, I object.

PETROLIA-FORT WORTH GAS PIPE LINE

The Clerk called the next bill, H.R. 3293, to provide for the settlement of damage claims arising from the construction of the Petrolia-Fort Worth gas pipe line.

The SPEAKER. Without objection, a similar Senate bill, S. 2315, will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to transmit to the General Accounting Office for payment, in accordance with the approved findings contained in the report rendered by Lt. Ira P. Griffin, Civil Engineer Corps, United States Navy, to the Navy Department under date of July 29, 1921, all unpaid claims for rights-of-way and damages to private property sustained in connection with the construction on behalf of the United States during the years 1918 and 1919, of a gas pipe line extending from Petrolia to Fort Worth, Tex.

SEC. 2. That the Secretary of the Navy is also authorized to transmit to the General Accounting Office for payment the claim of W. S. Wakeman in the sum of $65 in addition to the sum for said claimant approved in the above-mentioned report.

SEC. 3. That acceptance by any claimant of an amount offered for settlement pursuant to this act shall be deemed to be in full settlement of his claim against the United States.

SEC. 4. No payment shall be made to any claimant under the provisions of this act who has received satisfaction from any other source for the damages sustained due to the laying of said gas pipe line.

SEC. 5. That there is hereby authorized to be appropriated for the purposes of this act, out of any money in the Treasury not otherwise appropriated, the sum of $7,356.75.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

WHITE B. MILLER

The Clerk called the next bill, H.R. 3295, for the relief of the estate of White B. Miller.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of White B. Miller, former special assistant to the Attorney General, the sum of $25,000 in full satisfaction of the claim of said estate against the United States for compensation for legal services rendered by the said White B. Miller on behalf of the United States in connection with the tax litigation involved in the Cannon against Bailey cases, a final report of which litigation was rendered by the deceased on March 14, 1929.

With the following committee amendment:

Page 2, line 3, after the figures "1929", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount

appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF RUSSELL & TUCKER

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent that Calendar No. 373, H.R. 2340, for the relief of Russell & Tucker and certain other citizens of the States of Texas, Oklahoma, and Kansas, be made no. 4 on the next day the Private Calendar is called. It so happened that I was unavoidably absent from the Chamber at the time the bill came up. I have an agreement with the gentleman from Kansas [Mr. HOPE], who had an amendment that he wished to offer to the bill. I ask unanimous consent that this bill be made no. 4 on the calendar the next day the Private Calendar is called.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. PARKER, for the remainder of the week, on account of urgent business.

THE PRIVATE CALENDAR

FRANKLIN SURETY CO.

The Clerk called the next bill on the Private Calendar, H.R. 3459, for the relief of the Franklin Surety Co.

Mr. TRUAX. Reserving the right to object, and I will not object, I would like to ask the distinguished leader when we are going to adjourn?

Mr. BYRNS. I had understood that we would adjourn right away, but the gentleman from Illinois says he has a bill.

Mr. BRENNAN. Reserving the right to object, I have been here all day waiting for this bill.

Mr. BLANTON. Well, Mr. Speaker, somebody else would want to take up his bill next. We had a tentative understanding we would quit at 4:30. The ones who work on this calendar have a great deal more to do than the Members who are present only to pass their private bills.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. Without objection, a similar Senate bill (S. 1076) will be substituted for the House bill.

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of the Franklin Surety Co. for extra work performed in connection with the completion of contract of April 10, 1929, between the United States and the Wiglan Building Co., Inc., for remodeling the Government warehouse at New York, N.Y., and to allow thereon not to exceed $11,725.71 in full and final settlement of all claims by the said Franklin Surety Co. against the United States arising out of said contract. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $11,725.71, or so much thereof as may be necessary, for payment of said claim.

With the following committee amendment:

At the end of the bill insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that on tomorrow after the disposition of business on the Speaker's table and the special orders made or that may be made by the House, it may be in order to continue the call of bills unobjected to on the Private Calendar.

Mr. HOLLISTER. Mr. Speaker, I understood that there were six bills which it was agreed should be taken up at the beginning of the next call of the Private Calendar. I have no objection to considering these bills, but I am wondering whether the gentleman has given any thought to the work involved in preparing the bills on the Private Calendar and that we have had 2 steady days of the Private Calendar.

Mr. BYRNS. I may say to the gentleman that I have not. I realize a great volume of work and responsibility is entailed on the part of the gentlemen on both sides of the Chamber designated by the House to do this work.

I suggest that we proceed tomorrow until these gentlemen get ready to quit. I am sure the House will be disposed to quit at that time; but I should like to dispose of as many bills as can be disposed of.

Mr. BLANTON. Mr. Speaker, do we understand that at the close of business tomorrow the House will adjourn over until Monday?

Mr. BYRNS. That is the present intention.

Mr. BLANTON. Will not the gentleman submit that request now so we will know what we are going to do and arrange our program accordingly? Also, will not the gentleman state to the House that the District bill will not come up for consideration until Monday? This will stop a flood of inquiries.

Mr. BYRNS. The District appropriation bill, I may say, will not come up for consideration until next week. Whether it will come up Monday will depend upon the calendar for that day. Bills on the Consent Calendar will be considered, and bills will be considered under suspension of the rules. I had hoped that possibly the District bill might be called up on the afternoon of Monday.

Mr. BLANTON. But it will not be called up before next week?

Mr. BYRNS. No; it will not.

Mr. BLANTON. Why does not the gentleman ask now that when we adjourn tomorrow we adjourn until Monday, so we can arrange our program?

Mr. BYRNS. I have no objection to making that request.

Mr. SNELL. I may say to the gentleman from Tennessee that the Members charged with the preparation of bills on the Private Calendar have 10 bills ahead now.

Mr. BYRNS. Perhaps they will have another 10 bills by tomorrow.

Mr. HANCOCK of New York. That may be possible, but that will be about as much as we can do.

Mr. BYRNS. The only object in my insistence is that I had hoped we might complete the call of Private Calendar to give every Member who has a bill on it an opportunity to have his bill considered. Of course, we made good progress both yesterday and today, and I think that in two or three more meetings we can get through with this Private Calendar.

Mr. SNELL. So far we have been considering bills on the Private Calendar under the old rules. Does the gentleman expect to call them up under the regular rules of the House at any time during the session of the House?

Mr. BYRNS. Yes.

Mr. BLANTON. I think it was shown pretty conclusively that that rule was no good, for we spent a whole day under its operation and passed but four bills.

Mr. SNELL. The gentleman says it has been conclusively demonstrated to be no good. I disagree with him. I have a bill I should like to have considered. Many similar bills have

been passed since, and I should like to have that bill of mine fairly considered.

Mr. BLANTON. The gentleman might call it up under suspension of the rules.

Mr. SNELL. I will not ask that it be taken up under suspension of the rules.

Mr. BYRNS. At the present time the House is considerably ahead of the Senate in the matter of legislation. Of course, the Senate has the tax bill under consideration. It will have the tariff bill and possibly some other legislation. I am not saying that there will not be other legislation to come before the House which the committees have not reported; but I do think that we should get through with these bills, and then, as the gentleman from New York suggests, we may have an opportunity of considering the Private Calendar under the regular rules of the House. Then the gentleman from New York will have his day in court.

Mr. SNELL. I shall not object to the gentleman's request.

Mr. TRUAX. Mr. Speaker, reserving the right to object, why could we not have an understanding that we will consider say 25 bills on the Private Calendar and then adjourn?

Mr. BYRNS. I shall be very happy if we could consider that many.

Mr. HANCOCK of New York. Why not have it understood that we will adjourn at a certain hour? There is no telling how long it may take to consider a certain number of bills, I may say to the gentleman from Ohio.

Mr. TRUAX. That suits me.

Mr. BYRNS. I think we can arrange it satisfactorily without any objection on either side of the Chamber.

Mr. Speaker, I renew my request that after disposition of business on the Speaker's table tomorrow and following such special orders as may be pending before the House that we proceed with the call of the Private Calendar and consider bills unobjected to, beginning where we left off this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. WILSON. Mr. Speaker, I ask unanimous consent that after disposition of matters on the Speaker's desk tomorrow I may be permitted to address the House for 15 minutes.

Mr. TRUAX. Mr. Speaker, reserving the right to object, as I understand it, we are to consider the Private Calendar tomorrow following a 30-minute address by the gentleman from Missouri [Mr. SHANNON]?

Mr. BYRNS. That is true.

Mr. TRUAX. Then we are to have a 15-minute address by the gentleman from Louisiana?

Mr. BYRNS. Yes; if the request is granted.

Mr. TRUAX. Can we not consider a certain number of bills tomorrow?

Mr. BYRNS. No; but we will adjourn at a time satisfactory to the gentleman.

Mr. TABER. Mr. Speaker, I object to any more unanimous-consent requests at this time.

Mr. WILSON. Mr. Speaker, I have not taken up much of the time of the House, and this is a very important question.

Mr. TABER. Things have happened today indicating a disposition on the part of the majority to prevent the truth coming out.

Mr. BYRNS. The truth is what we want.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. TABER. I object, Mr. Speaker.

ADJOURNMENT OVER

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 163. An act for the relief of Capt. Guy M. Kinman;

S. 3022. An act to amend sections 3 and 4 of an act of Congress entitled "An act for the protection and regulation of the fisheries of Alaska", approved June 26, 1906, as amended by the act of Congress approved June 6, 1924, and for other purposes; and

S. 3209. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in the case of United States of America against Weirton Steel Co., and other cases.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 43 minutes p.m.) the House adjourned until tomorrow, Friday, April 13, 1934, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

(Friday, Apr. 13, 10:30 a.m.)

Hearing in room 328, House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

405. Under clause 2 of rule XXIV, a letter from the chief scout executive of the Boy Scouts of America, transmitting, in accordance with the act of June 15, 1916, a copy of the Twenty-fourth Annual Report of the Boy Scouts of America (H.Doc. No. 301), was taken from the Speaker's table, referred to the Committee on Education, and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BROWN of Michigan: Committee on Banking and Currency. H.R. 8479. A bill to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United States Government of deposit safety in national banks; with amendment (Rept. No. 1230). Referred to the Committee of the Whole House on the state of the Union.

Mr. BRUNNER: Committee on the Post Office and Post Roads. H.R. 9046. A bill to discontinue administrative furloughs in the Postal Service; without amendment (Rept. No. 1231). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. H.R. 8909. A bill to authorize the Secretary of the Treasury to amend the contract for sale of post-office building and site at Findlay, Ohio; with amendment (Rept. No. 1232). Referred to the Committee of the Whole House on the state of the Union.

Mr. STUDLEY: Committee on the Post Office and Post Roads. H.R. 7299. A bill to authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the contractor or an agent or employee thereof; with amendment (Rept. No. 1233). Referred to the Committee of the Whole House on the state of the Union.

Mr. TAYLOR of South Carolina: Committee on the Post Office and Post Roads. H.R. 7392. A bill to authorize the Post Office Department to hold railroad companies responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the railroad company or an agent or employee thereof; with amendment (Rept. No. 1234). Referred to the Committee of the Whole House on the state of the Union.

Mr. BROWN of Michigan: Committee on Banking and Currency. H.R. 7908. A bill to promote resumption of industrial activity, increase employment, and restore confidence by fulfillment of the implied guaranty by the United

States Government of deposit safety in national banks; with amendment (Rept. No. 1235). Referred to the Committee of the Whole House on the state of the Union.

Mr. KRAMER: Committee on Immigration and Naturalization. House Joint Resolution 288. Joint resolution to temporarily restrict habitual commuting of aliens from foreign contiguous territory to engage in skilled or unskilled labor employment in continental United States; with amendment (Rept. No. 1236). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on Claims. H.R. 519. A bill for the relief of the estate of Marcellino M. Gilmette; with amendment (Rept. No. 1202). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 682. A bill for the relief of Floyd L. Walter; with amendment (Rept. No. 1203). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1284. A bill for the relief of Alena Barger; with amendment (Rept. No. 1204). Referred to the Committee of the Whole House.

Mr. SCHULTE: Committee on Claims. H.R. 2441. A bill for the relief of George R. Brown; with amendment (Rept. No. 1205). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4196. A bill for the relief of Helen Marie Lewis; with amendment (Rept. No. 1206). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4244. A bill for the relief of the Washington Post Co., with amendment (Rept. No. 1207). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4964. A bill for the relief of William A. Ray; with amendment (Rept. No. 1208). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H.R. 5019. A bill for the relief of H. A. Taylor; without amendment (Rept. No. 1209). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H.R. 5021. A bill for the relief of Frederick G. Barker; with amendment (Rept. No. 1210). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5289. A bill for the relief of Capt. George W. Steele, Jr., United States Navy; without amendment (Rept. No. 1211). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H.R. 5406. A bill for the relief of Charles E. Molster, disbursing clerk, Department of Commerce, and Dr. Louis H. Bauer, a former employee; without amendment (Rept. No. 1212). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5422. A bill for the relief of Bertha W. Lamphear; with amendment (Rept. No. 1213). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5443. A bill for the relief of John Henry Tackett; with amendment (Rept. No. 1214). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5857. A bill for the relief of Mrs. William G. Sirrine; with amendment (Rept. No. 1215). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims: H.R. 5917. A bill for the relief of E. E. Heldridge; with amendment (Rept. No. 1216). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H.R. 5938. A bill for the relief of Francis M. Johnston; with amendment (Rept. No. 1217). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 6247. A bill for the relief of Hugh G. Lisk; with amendment (Rept. No. 1218). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H.R. 7377. A bill for the relief of the McCune State Bank, of McCune, Kans.; with amendment (Rept. No. 1219). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. H.R. 8180. A bill for the relief of Mrs. Otto H. Reed; with amendment (Rept. No. 1220). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 8554. A bill granting compensation to George S. Conway, Jr.; with amendment (Rept. No. 1221). Referred to the Committee of the Whole House.

Mr. BROWN of Kentucky: Committee on Claims. S. 1258. An act for the relief of Charles F. Littlepage; with amendment (Rept. No. 1222). Referred to the Committee of the Whole House.

Mr. BROWN of Kentucky: Committee on Claims. S. 1531. An act for the relief of Elizabeth Buxton Hospital; with amendment (Rept. No. 1223). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1692. An act for the relief of the Compagnie Generale Transatlantique; with amendment (Rept. No. 1224). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1693. An act for the relief of the International Mercantile Marine Co.; with amendment (Rept. No. 1225). Referred to the Committee of the Whole House.

Mr. O'BRIEN: Committee on Claims. S. 2664. An act for the relief of John F. Korbel; with amendment (Rept. No. 1226). Referred to the Committee of the Whole House.

Mr. O'BRIEN: Committee on Claims. S. 2677. An act for the relief of Samuel L. Wells; without amendment (Rept. No. 1227). Referred to the Committee of the Whole House.

Mrs. CLARKE of New York: Committee on Claims. S. 2709. An act for the relief of Trifune Korac; with amendment (Rept. No. 1228). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WALTER: A bill (H.R. 9087) to authorize the conveyance of certain Government land to the borough of Stroudsburg, Monroe County, Pa., for street purposes and as part of the approach to the Stroudsburg viaduct on State Highway Route No. 498; to the Committee on Public Buildings and Grounds.

By Mr. GOLDSBOROUGH: A bill (H.R. 9088) to provide for the examination and survey of waterway from Little Annemessex River to Tangier Sound, Md.; to the Committee on Rivers and Harbors.

By Mr. SMITH of Virginia: A bill (H.R. 9089) to vest police powers in the health officer of the District of Columbia, his deputy, assistants, agents, and inspectors; to the Committee on the District of Columbia.

By Mr. GOLDSBOROUGH: A bill (H.R. 9090) to provide for the examination and survey of channel from George Island Landing, Md., to deep water in Chincoteague Bay; to the Committee on Rivers and Harbors.

By Mr. KENNEY: A bill (H.R. 9091) to amend the laws relating to proctors' and marshals' fees and bonds and stipulations in suits in admiralty; to the Committee on the Judiciary.

By Mr. McREYNOLDS: A bill (H.R. 9092) to authorize the Secretary of War to lend to the housing committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16-by-80-by-40-foot assembly tents; thirty 11-by-50-by-15-foot hospital-ward tents; 10,000 blankets, olive drab, no. 4; 5,000 pillow cases; 5,000 canvas cots; 5,000 cotton pillows; 5,000 bed sacks; 10,000 bed sheets; 20 field ranges, no. 1; 10 field bake ovens; and 50 water bags (for ice water); to be used at the encampment of the United Confederate Veterans, to be held at Chattanooga, Tenn., in June 1934; to the Committee on Military Affairs.

By Mr. McSWAIN (by request): A bill (H.R. 9093) to authorize the Secretary of War to abandon or evacuate real

estate no longer required for cemeterial purposes in Europe, and for other purposes; to the Committee on Military Affairs.

By Mr. JEFFERS: A bill (H.R. 9094) to authorize adjudication of claims for yearly renewable term insurance pending on March 20, 1933, and to allow suit thereon in cases of final denial thereof; to the Committee on World War Veterans' Legislation.

By Mr. CHAPMAN: A bill (H.R. 9095) to authorize the coinage of 50-cent pieces in commemoration of the two hundredth anniversary of the birth of Daniel Boone; to the Committee on Coinage, Weights, and Measures.

By Mr. BANKHEAD: Resolution (H.Res. 329) for the consideration of House bill 3673, a bill to amend the law relative to citizenship and naturalization, and for other purposes; to the Committee on Rules.

By Mr. FREAR: Joint resolution (H.J.Res. 321) proposing an amendment of section 8, article I, of the Constitution; to the Committee on the Judiciary.

By Mr. McCORMACK: Joint resolution (H.J.Res. 322) to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BURNHAM: A bill (H.R. 9096) for the relief of George Hall; to the Committee on Military Affairs.

By Mr. BRUNNER (by request): A bill (H.R. 9097) for the relief of the Sterling Bronze Co.; to the Committee on Claims.

By Mr. DIMOND: A bill (H.R. 9098) authorizing the sale and lease of certain lands near Homer, Alaska, for use in connection with the Jesse Lee Home; to the Committee on the Public Lands.

By Mr. HAMILTON: A bill (H.R. 9099) for the relief of T. R. Flinchum; to the Committee on Claims.

By Mr. HILL of Alabama: A bill (H.R. 9100) for the relief of Eva S. Padilla; to the Committee on Claims.

By Mr. JEFFERS (by request): A bill (H.R. 9101) to change the designation of Lefler Place to Second Place; to the Committee on the District of Columbia.

By Mr. KLEBERG: A bill (H.R. 9102) authorizing Capt. Virgil N. Cordero, United States Army, to accept the decoration of the Cross of Military Merit, First Class; to the Committee on Military Affairs.

Also, a bill (H.R. 9103) authorizing Capt. Timothy Sapia-Bosch, United States Army, to accept the decoration of the Order of Isabel the Catholic; to the Committee on Military Affairs.

By Mr. LAMNECK: A bill (H.R. 9104) for the relief of Jesse M. Miller; to the Committee on Military Affairs.

By Mr. MALONEY of Connecticut: A bill (H.R. 9105) for the relief of Albert Ralphaiel Anastasio; to the Committee on Naval Affairs.

By Mr. SMITH of Washington: A bill (H.R. 9106) granting a pension to Lucy Lesher; to the Committee on Invalid Pensions.

By Mr. STOKES: A bill (H.R. 9107) for the allowance of certain claims for extra labor above the legal day of 8 hours at the Hog Island Shipyard, Philadelphia, Pa.; to the Committee on Claims.

By Mr. STRONG of Pennsylvania: A bill (H.R. 9108) granting a pension to Genevieve Rochester; to the Committee on Invalid Pensions.

By Mr. TAYLOR of South Carolina: A bill (H.R. 9109) for the relief of W. H. Hughs; to the Committee on Claims.

By Mr. THURSTON: A bill (H.R. 9110) granting an increase of pension to Martha J. Wick; to the Committee on Invalid Pensions.

By Mr. WALDRON: A bill (H.R. 9111) for the relief of Mary C. Derbyshire; to the Committee on Naval Affairs.

By Mr. WELCH: A bill (H.R. 9112) to amend the naval record of Ralph Timothy Sullivan; to the Committee on Naval Affairs.

By Mr. WOLFENDEN: A bill (H.R. 9113) to authorize the appointment of Joseph W. Cavanagh, former lieutenant, Supply Corps, United States Navy, to such grade and rank on the active list, and for other purposes; to the Committee on Naval Affairs.

By Mr. WOODRUM: A bill (H.R. 9114) granting a pension to Blanche F. O'Beirne; to the Committee on Pensions.

PETITIONS, ETC.

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

3806. By Mr. BOYLAN: Resolution unanimously adopted at the annual meeting of the Catholic Club of the city of New York, urging the passage of House bill 8301 which will be helpful in reinstating WLWL back to its former standing in the broadcasting field by permitting it an adequate number of hours on the air; and also favoring amendment offered in Senate Interstate Commerce Committee to section 301 of the Radio Act; to the Committee on Interstate and Foreign Commerce.

3807. By Mr. BRUNNER: Petition of Court Columbia, No. 45, Catholic Daughters of America of New York City, favoring support of Senate bill 2910, section 301, presented on March 15, 1934, by Radio Station WLWL, New York City; to the Committee on Merchant Marine, Radio, and Fisheries.

3808. Also, petition of sundry citizens of Queens County, N.Y., favoring support of Senate bill 2910, section 301, presented on March 15, 1934, by Radio Station WLWL, New York City; to the Committee on Merchant Marine, Radio, and Fisheries.

3809. Also, petition of Ridgewood Council, No. 1814, Knights of Columbus, Fresh Pond Road and Catalpa Avenue, Brooklyn, N.Y., favoring support of Senate bill 2910, section 301, presented on March 15, 1934, by Radio Station WLWL, New York City, N.Y.; to the Committee on Merchant Marine, Radio, and Fisheries.

3810. By Mr. CHASE: Resolution of A. L. Ruud, chairman of the County Board of Clay County, Minn., approving appropriations for highway work in the various States; to the Committee on Roads.

3811. Also, petition of J. C. Willis and sundry citizens of St. Paul, Minn., advocating modification of the National Securities Exchange Act of 1934 in its present form, or postponing its consideration until the next session of Congress, so as to afford additional time for a more equitable law to be framed; to the Committee on Interstate and Foreign Commerce.

3812. Also, resolution of the Council of the City of Minneapolis, Minn., favoring continuance of Civil Works Administration program, in lieu of Relief Works Administration program; to the Committee on Appropriations.

3813. Also, petition of sundry citizens of Freeborn County, Minn., urging continuance of Civil Works Administration employment program, or some other Federal activity; to the Committee on Appropriations.

3814. By Mr. DICKSTEIN: Petition of David A. Mahoney and many other citizens of New York City, favoring the discontinuance of payless furloughs for postal employees; to the Committee on the Post Office and Post Roads.

3815. By Mr. DUNN: Petition of numerous voters of the Thirty-fourth Congressional District of Pennsylvania, regarding employment in the post offices in the United States; to the Committee on the Post Office and Post Roads.

3816. By Mr. GOODWIN: Petition of Climax Grange, No. 1437, Coxsackie, Greene County, N.Y., favoring the 5-percent tax on butterfat substitutes; to the Committee on Ways and Means.

3817. By Mr. Haines: Resolution adopted by Orrstown (Pa.) Council, No. 195, Sons and Daughters of Liberty, urging restricted immigration; to the Committee on Immigration and Naturalization.

3818. By Mr. HILDEBRANDT: Resolution of the Mitchell Study Club, of Mitchell, S.Dak., urging support of House bill 6097 for supervision of motion pictures, known as the "Patman bill", and House resolution No. 144; to the Committee on Interstate and Foreign Commerce.

3819. By Mr. HOIDALE: Resolution of the City Council of the City of International Falls, Minn., protesting against the abandonment of the Civilian Conservation Corps camps in the county of Koochiching, Minn.; to the Committee on Appropriations.

3820. Also, resolution of the Junior Chamber of Commerce, Eveleth, Minn., demanding favorable action by Congress on the unemployment and social insurance bill now in the House Committee on Labor; to the Committee on Labor.

3821. Also, resolution of the American Legion Post, Moorhead, Minn., requesting introduction and support of legislation in Congress to waive all interest on loans made by the Government to ex-service men upon adjusted-compensation certificates; to the Committee on World War Veterans' Legislation.

3822. Also, resolution of the Northfield Lions Club, requesting Congress to enact legislation to permit fair competition between the railroads and water-transportation companies; to the Committee on Interstate and Foreign Commerce.

3823. Also, resolution of the City Council of the City of Minneapolis, Minn., petitioning the continuation of the C.W.A. program in the city at the rate of compensation paid under the regular union scale and on a 30-hour-week basis; opposing the use of forced labor in such public work; to the Committee on Appropriations.

3824. By Mr. JOHNSON of Minnesota: Resolution advocating further appropriations for public highways; to the Committee on Roads.

3825. Also, petition to make appropriations for the building of homes, and to provide construction of homes, and for other purposes; to the Committee on Banking and Currency.

3826. Also, resolution by the Upper Mississippi Waterway Association, favoring the passage of the plank in the Farmer-Labor platform calling for immediate completion of the 9-foot channel, in the Mississippi River; to the Committee on Rivers and Harbors.

3827. Also, resolution passed by the Land O'Lakes Creameries, Inc., urging a higher rather than a lower tariff revision; to the Committee on Ways and Means.

3828. Also, resolution by the Land O'Lakes Creameries, Inc., urging amendments to the Agricultural Adjustment Act; to the Committee on Agriculture.

3829. Also, resolution passed by the City Council of the City of St. Paul, Minn., urging the appropriation of additional funds to continue local projects throughout the United States; to the Committee on Appropriations.

3830. By Mr. KELLY of Pennsylvania: Petition of 1,135 citizens of the Thirty-first Congressional District of Pennsylvania, urging that National Recovery Administration principles be enforced in the United States Postal Service; to the Committee on the Post Office and Post Roads.

3831. By Mr. KENNEY: Petition of Vera Cruz Council, No. 647, Knights of Columbus, New York City, urging Members of Congress to support the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said non-profit-making associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

3832. Also, petition of members of St. Paul's Parish, of the city of Jersey City, State of New Jersey, urging Senators and Representatives in Congress to support the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said non-profit-making associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

3833. By Mr. McLEAN: Resolution of the common council of the city of Linden, N.J., approving in substance the Lundeen bill (H.R. 7598); to the Committee on Labor.

3834. By Mr. PEAVEY: Petition of about 50 citizens of Ashland, Wis., favoring legislation to make it possible to pay off depositors of closed banks in full; to the Committee on Banking and Currency.

3835. By Mr. RICH: Petitions of citizens of Lycoming County, Pa., favoring continuance of the Civil Works program; to the Committee on Banking and Currency.

3836. By Mr. RUDD: Petition of the Thomas F. Malone Association, South Ozone Park, Long Island, N.Y., favoring the broadening of the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

3837. Also, petition of the Globe Tile Co., Brooklyn, N.Y., opposing the passage of Senate bill 2616 and House bill 7659; to the Committee on Ways and Means.

3838. By The SPEAKER: Petition of Pennsylvania State Society of the National Society United States Daughters of 1812, for the enactment of legislation for the protection of their national emblem; to the Committee on the Judiciary.

SENATE

FRIDAY, APRIL 13, 1934

(Legislative day of Wednesday, Mar. 28, 1934)

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

THE JOURNAL

On motion of Mr. HARRISON, and by unanimous consent, the reading of the Journal for the calendar days Tuesday, April 10, Wednesday, April 11, and Thursday, April 12, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum and ask for a roll call.

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	Hatfield	Patterson
Ashurst	Costigan	Hayden	Pope
Bachman	Couzens	Hebert	Reynolds
Bailey	Cutting	Johnson	Robinson, Ind.
Bankhead	Davis	Keyes	Russell
Barbour	Dickinson	King	Schall
Barkley	Dill	La Follette	Sheppard
Black	Duffy	Lewis	Shipstead
Bone	Erickson	Logan	Smith
Borah	Fess	Lonergan	Steiwer
Brown	Fletcher	Long	Stephens
Bulkley	Frazier	McGill	Thomas, Okla.
Bulow	George	McKellar	Thomas, Utah
Byrd	Gibson	McNary	Thompson
Byrnes	Glass	Metcalf	Townsend
Capper	Goldsborough	Murphy	Vandenberg
Caraway	Gore	Neely	Van Nuys
Carey	Hale	Norris	Wagner
Clark	Harrison	Nye	Walcott
Connally	Hastings	O'Mahoney	Walsh
Coolidge	Hatch	Overton	White

Mr. LEWIS. I announce the absence of the Senator from Arkansas [Mr. ROBINSON], occasioned by illness in his immediate family.

I desire further to announce that my colleague, the junior Senator from Illinois [Mr. DIETERICH], is detained by an important engagement in his State; that the Senator from Nevada [Mr. PITTMAN] is necessarily detained from the Senate; and that the Senator from Maryland [Mr. TYDINGS], the Senator from Nevada [Mr. McCARRAN], the Senator from Florida [Mr. TRAMMELL], the Senator from California [Mr. McADOO] are likewise detained on official business; and the Senator from Montana [Mr. WHEELER] is absent on account of illness. I ask that these announcements may stand for the day.