4255. Also, petition of St. Mary's Parish, of Riverside, Ill., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4256. Also, petition of the Catholic Daughters of America, St. Victor's Parish, Monroe, Wis., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4257. Also, petition of the Church of the Assumption Parish, of Tomales, Calif., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4258. Also, petition of the St. Theresa's Parish, Cresskill, N.J., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4259. Also, petition of St. Nicholas Parish, of Garrison, N.Dak., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4260. Also, petition of St. Anthony's Parish, of Van Hook, N.Dak., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4261. Also, petition of the Holy Name Society of the Church of the Sacred Heart, Elizabeth, N.J., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4262. Also, petition of St. Matthew's Parent-Teacher Association, of Milwaukee, Wis., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4263. Also, petition of Holy Name Church, of Sheridan, Wyo., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4264. Also, petition of Diocesan Union of the Holy Name Society, of Denver, Colo., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4265. Also, petition of St. Anthony's Parish, of Loyal State, Wis., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4266. Also, petition of Catholic Students' Mission Crusade Society, of San Antonio, Tex., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4267. Also, petition of St. Bernard's Branch of the Holy Name Society, of the city of New York, urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4268. Also, petition of St. John's Parish, of Wilton, Wis., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4269. Also, petition of Study Club Group of Y.L.S. of M.A.C.C.W., of Milwaukee, Wis., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4270. Also, petition of St. Rita's Parish, city of New York, urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4271. Also, petition of St. Joseph's Parish, of Ronkonkoma, N.Y., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4272. Also, petition of St. Joseph's Cathedral Parish, of Sioux Falls, S.Dak., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4273. Also, petition of the Holy Name Society, of Richardson, N.Dak., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4274. Also, petition of Good Shepard Parish, of Winchester, Tenn., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4275. Also, petition of the Sodality of the Blessed Virgin Mary, of Richardson, N.Dak., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4276. Also, petition of a parish of the city of South Pittsburg, Tenn., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4277. Also, petition of the Detroit Council of Catholic Organizations, urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4278. Also, petition of St. Peter's Parish, of Utica, N.Y., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4279. Also, petition of St. Michael's Parish, of Livermore, Calif., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4280. Also, petition of Rev. Pierre-Louis de La Ney et al., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

SENATE

THURSDAY, APRIL 26, 1934

The Senate met at 11 o'clock a.m.

The Chaplain, Rev. Z. Barney T. Phillips, D.D., offered the following prayer:

Almighty God, our Heavenly Father, whose blessed Son came not to be ministered unto but to minister: We humbly beseech Thee to bless all who have dedicated themselves to the service of their fellow men, that, being inspired by Thy love and following in the steps of the blessed Christ, each in his separate vocation may worthily minister to the weary and heavy-laden, to the friendless, sick, needy, and to those who are oppressed with wrong.

So shall Thy suffering children everywhere rise up to call Thy servants blessed; for the glory of the Lord shall be revealed, and all flesh shall see it together. Prosper Thou the work of our hands this day, and grant that we may ever worship Thee in the beauty of holiness. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 25, was dispensed with, and the Journal was approved.

HOARDERS OF SILVER—TRANSMITTAL OF INFORMATION

Mr. ROBINSON of Arkansas. Mr. President, on yesterday a communication addressed to the Secretary of the Senate by the Secretary of the Treasury, Mr. Morgenthau, indicated a purpose on the part of the Secretary of the Treasury hereafter in transmitting responses to the resolution of the Senate, no. 211, adopted March 20, 1934, relating to hoarders of silver, to transmit future communications to the Chairman of the Committee on Banking and Currency.

It is suggested for the advice of the Secretary that, under the precedents and proper custom, the information should be transmitted direct to the Senate in response to the Senate's resolution and the Senate will take action in referring the same to the Committee on Banking and Currency.

The VICE PRESIDENT. The Chair assumes the Secretary of the Treasury will take note of the Senator's remarks.

Mr. ROBINSON of Arkansas. It is so assumed.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

CONGRATULATIONS TO PRESIDENT ROOSEVELT—EDITORIAL FROM LIBERTY

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the RECORD and lie on the table an editorial appearing May 5, 1934, in Liberty, from the pen of Mr. Bernarr Macfadden, under the title "Congratulations to Our Hard-Working Chief."

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

[From the Liberty, May 5, 1934]

CONGRATULATIONS TO OUR HARD-WORKING CHIEF

By Bernarr Macfadden

More than a year with President Roosevelt, and the business situation continues to improve.

We have climbed out of the mire of the world's worst depression. We are on our way to dependable prosperity—not the hectic money-mad period from which we were suffering in 1929, but that which is substantial and dependable.

When the President first assumed his official duties we were on the verge of revolution. Conditions were not unlike those which brought on the French Revolution. Our citizens were scared. Big business men were fearful of the future; they did not know what was coming.

And then a new powerful leader—courageous, confident—lifted us out of the slough of discouragement and hopelessness.

As a Nation we were not unlike a man without a head, moving swiftly toward wreckage and ruin, realizing fully the fate that was before us and yet powerless to avoid the inevitable crash.

We have to thank our President for much of the change that has been wrought in the business status of this Nation. He saved us from national bankruptcy; he saved us from something that was probably far worse—for an unorganized people in which there are millions of unemployed would soon have been ruled by gangs and reckless, hungry mobs.

We can doubtless constructively criticize some of the activities of the administration, but our President has admitted again and again that experiments were necessary; that we were dealing with serious emergencies which required dependable remedies; that if the measures adopted proved to be ineffective, other methods would be tried.

But action and more action was necessary to save the Nation from ruin. And we got action and then some from the President, beginning with the day of his inauguration. The closing of the banks proved to the country that we had a daring, self-reliant leader at the helm. The Nation that was wobbling around like a chicken with its head off was quickly supplied with an intelligent directing force. Orderly regulations were substituted for chaotic confusion.

An example of the outstanding efficiency of our Chief Executive was demonstrated in his settlement of the automobile strike. Both business and labor leaders were satisfied with his decisions, and the fear on the part of big business that organized labor would be favored now seems to be groundless. The rights of the citizens—constitutional government—were upheld.

We supported the President even before he was nominated. We believed that he could furnish the executive ability so sadly needed at Washington. The series of articles of which he was the author, published in Liberty previous to his nomination, definitely informed the country just where he stood politically. And we intend to continue to support his administration. But that does not close our columns to constructive criticism.

During the first year of his occupancy of the White House it was the duty of citizens everywhere to stand together, to fight as a unit. But now that the general situation has become more nearly normal, it is just as much our duty to be watchful and to assist our Chief Executive with constructive advice. He has plainly stated that he invited suggestions from the lowliest citizen.

The white light of publicity is now filtering through all our governmental activities. The public everywhere is awakening to the revolutionary changes that are being made, and the people are expressing their opinions. Out of the hectic arguments that naturally ensue, definite dependable conclusions should be formed.

We all have reason for being profoundly grateful to our new leader. He may have made mistakes; in fact, he expected to make them. But his constructive accomplishments so far outweigh any failures he may have made that we can afford to ignore them.

Long live the President!

"May his reign be prolonged" is undoubtedly the wish of the majority of the citizens of this great Nation.

ADDRESS BY POSTMASTER GENERAL FARLEY

Mr. ROBINSON of Arkansas. Mr. President, the Postmaster General, Hon. James A. Farley, recently delivered an address in dedicating a new Federal building at Newark, N.J. I ask that that address lie on the table and be printed in the RECORD.

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

ADDRESS OF HON. JAMES A. FARLEY, POSTMASTER GENERAL OF THE UNITED STATES, AT THE CORNERSTONE EXERCISES OF THE NEW FEDERAL BUILDING, NEWARK, N.J., SATURDAY, APRIL 21, 1934

Mr. Chairman, ladies, and gentlemen, every time I come to New Jersey I indulge in reminiscence. My mind today goes back to that eventful day in the summer of 1932 at Sea Girt, when that most tremendous and inspiring outpouring of people under the leadership of Mayor Frank Hague voiced its approval of the candidacy for the Presidency of Franklin D. Roosevelt. I can see from this delightful gathering that you haven't changed your minds since then.

I know and feel that the people of New Jersey are behind the new deal, behind the liberal leadership of our great and beloved President.

May I here say that the administration is certain of the spirit of your own State leaders, and I know that they are doing everything possible to promote the success of the Roosevelt administration. I refer particularly to my great personal friend of many years' standing, your own distinguished Governor, A. Harry Moore.

I want also to express my appreciation of the tireless efforts of your State chairman, Representative MARY T. NORTON, and I am most grateful for whatever assistance your congressional representatives have given the administration in the special and the present session of the Congress.

It is a real pleasure to me to be in your city, presided over by my good friend Mayor Meyer Ellenstein, and to participate in these exercises with your postmaster, John F. Sinnot, Jr.

Before proceeding further with my remarks, I desire to express to Mr. Chambliss and the committee in charge of these exercises my appreciation for their many courtesies and the effort put forth by them to make this day one never to be forgotten by persons privileged to be present at this ceremony.

The invitation extended to me by the citizens of Newark to participate in the ceremonies incident to the laying of the cornerstone of your new Federal building is greatly appreciated. I look about me and see the familiar faces of those whom I have long known and with whom I have worked. Let me tell you collectively what I wish I had time to tell each of you individually—no one appreciates or reciprocates more than I do the loyalty and warmth of your friendship and your welcome.

The patriotic sentiments that rise in our hearts on such an occasion as this cannot but inspire a deeper affection for our country. We feel more keenly, as we envision in our minds the magnificent building to be erected here, the honor and respect we owe to those who founded and built this great city and State and Nation. With strong faith in God, indomitable courage, persevering industry, and intelligence, the first settlers of 1666 and their descendants put their very lives into founding a city and a State which has become one of the cornerstones of the Federal Union.

These men and women gave a distinctive character of independence, loyalty, industry, and thrift to Newark that it has retained to this day. The surging throngs of new settlers from Great Britain, Ireland, Germany, Italy, and all parts of the world have partaken of this individuality that marks your citizens and has also added all that is fine of the culture of their native lands.

This is attested to by your happy homes, your beautiful parks, the splendid architecture of your churches and public buildings, your sculptured monuments to the bravery and patriotism of your sons, your schools, your great insurance and financial organizations, and your world-famous manufactories. More than that, it is attested to by the character of your citizenship. Whether on the battleground or in the forum, in the church, the schools, the Halls of Congress, in your great industries, in the fields of literature and art, or in public office the men and women of Newark have won endurable and enviable fame. Truly Newark is a representative American city.

As we lay this cornerstone today I look into the future and fancy I see your children's children in the years to come passing and viewing with reverence this symbol of your city's connection with the Federal Government. Let us hope that they may be able to say of us that we have not only kept unsullied all which was handed down to us in our National, State, and municipal governments that was good but that we also cast out of public life and affairs all that was bad and unwholesome. Let us hope they may truly say we left them a better and finer appreciation of the active interest each citizen should take in his country's government and the rectitude with which every official should carry out the trusts imposed upon him. Let them be able to say we left them a greater heritage of toleration for those of divergent opinions, more sympathy for the unfortunate, and a code of kindlier manners and better laws.

Your city and your people have long had the closest connection with the Federal Government and have always been intensely patriotic. Two of your sons, Burnet and Sergeant, were delegates to the Continental Congress. Newark was plundered and almost destroyed by the British in 1777 because of its revolutionary sentiments. Here General La Fayette received his warmest welcome when he made his triumphal journey through the United States after the Revolution. While we are on this subject, some early postal history may also be of interest.

There was a post office at Newark under the British colonial government. When Benjamin Franklin was Postmaster General under the Continental Congress he provided a space in his postal account ledger for Newark, but there are no entries therein. It is apparent the position of postmaster at Newark under the Con-

tinental Congress was a hazardous occupation. However, the ledger opened May 1, 1782, shows entries for the quarterly period from October 5, 1784, to January 5, 1785, which indicate the post office came under the control of the Continental Postal System about October 1784. John Burnet is shown as postmaster. It appears he was continued as postmaster under the Constitution and submitted his first financial account thereunder on February 16, 1790. Since that time 23 men have served as postmaster.

The first post office erected by the Government in Newark was in 1855 and the second was occupied in 1897. The one we lay the cornerstone for today will be the third. I hope to be able to be here at its dedication and enjoy its beauty and appreciate its utility with you.

It is well to have a knowledge of the happenings of the past as a guide for the present and the future. The era in which we live is remarkable for the rapid changes that are taking place in all of life's activities. This is true especially of the Post Office establishment. The great increase in the use of the telephone and telegraph, the changed methods of transportation, the increased use of motor-vehicle and air service and the decrease in railroad service, the use of mechanical devices in handling mail, the increase in radio advertising and consolidated advertising sheets instead of circularizing through the mails, and the use of other methods of advertising have naturally affected our revenues and our methods. These, taken in connection with the depression of the past few years, have given us a greatly reduced revenue and in many places a considerable surplus of employees. We are also confronted, and rightly so, by an insistent demand upon the part of the taxpayers to reduce governmental expenditures, as every dollar we spend over and above the revenue of the Post Office Department comes out of the pockets of the taxpayers in one way or another.

It is fitting, as Postmaster General, that I refer to these matters. As taxpayers I know you want me to, and I want you to know what my policy is as head of the postal establishment.

On March 2 I issued an order declaring that it would be necessary in the balancing of the Post Office budget to make additional furloughs and other retrenchments. I feel that the public is entitled to have its Post Office Department operated without any cost to the taxpayers. However, I am very happy now to say that due to improved business conditions and increased postal receipts, on last Monday, April 16, I issued an order, effective May 1, which revoked my previous order of March 2. It is a source of much satisfaction to me that conditions have so improved that I feel justified in carrying out my purpose as set forth at that time, and I want to take this occasion to express my appreciation to both the employees of the Postal Service and the public for their sympathetic cooperation.

The first Secretary of the Treasury, Alexander Hamilton, who supervised Post Office Department finances, believed that the postal establishment should be a revenue producer. Later Secretaries and postal officials felt that surplus revenues should be used for extending and improving service. This is a sound policy.

As time went on, with the various services that were added to our original job of delivering communications, it was found to be difficult to make the Department entirely self-supporting, though this was possible at times, particularly in the period from 1911 to 1919, with the exception of 2 years. Since 1919, however, there has been, until March 4, 1933, a steadily growing deficit. In 1932 this amounted to the staggering gross sum of $206,885,830.79. Even though we deduct from this very large deficit the cost of franked and penalty mail, and so-called "air mail and ship subsidies", etc., there still remains a net deficit of $152,246,188.

The present administration has placed emphasis upon the importance of a balanced Budget. When I accepted the office of Postmaster General, I felt it my duty to put into effect those measures which would reduce, and as soon as possible wipe out, this deficit, bearing, of course, in mind service to the public and justice to postal employees, with the result that the net deficit for the past fiscal year was approximately $48,000,000. As I have already stated, the Post Office budget stands balanced today, and it is a real pleasure and satisfaction on the part of myself and my associates in the Department to be able to announce to the public that no further payless furloughs and retrenchments are necessary to continue this sound policy.

While I am speaking on Post Office matters, let me say a few words about the annulment of the air-mail contracts, which in some quarters has been deliberately misconstrued and misrepresented and which has also been the object of much political sniping.

When one goes behind the fogs and smoke screens raised by selfish financial and political interests he finds that these contracts were conceived and executed by collusion and fraud and that millions of dollars of the taxpayers' money were being distributed to selected groups in violation of the plain mandate of the law that such contracts could only be let by competitive bidding. Some of the concerns whose contracts were canceled were owned or affiliated with powerful banking interests, holding, and manufacturing companies.

Unconscionable profits had been made, and exorbitant salaries and bonuses had been derived from stock promotions based on these fraudulent contracts. The system in vogue was unsound and dishonest, and it was my plain duty, under the law, to end it all and put the air-mail system on a sound, honest, and legal basis.

It was to be expected that the financial interests back of the companies whose contracts were annulled would exert every effort to bring about the restoration of these contracts. It is, therefore, not surprising that some of these companies through their connections have literally covered the country with hostile propaganda.

Much has been said in the air-mail propaganda to the effect that the air-mail contracts were annulled without a hearing. As a matter of fact, when the contracts were canceled the Post Office Department was in possession of written minutes of the meetings of the air-mail contractors which showed conclusively that there had been collusion between the contractors themselves and between the contractors and officials of the Post Office Department and that the contracts thus executed were fraudulent and were entered into without competitive bidding as required by law.

There was also before the Department at the time the contracts were annulled official copies of the transcript of evidence taken before the Senate investigating committee which contained the sworn admissions of representatives of a number of these air-mail contracting companies and which admissions made it perfectly clear that the contracts were fraudulent and contrary to the public interest.

The administration is earnestly seeking to put into effect a sound and legal air-mail policy and to correlate all the phases of aviation in which the Government is interested into a constructive program.

In conclusion, my friends, as we continue to erect on this cornerstone a beautiful edifice for the use of future generations, let us also continue to aid with our hearts, our minds, and our hands our great leader—the President of the United States—in erecting a Government edifice of laws and business ethics that will insure the happiness and prosperity of all the people. We have gone far along this line.

With a faith and courage responsive to his own, the rank and file of the people, regardless of political connections, have given President Roosevelt their whole-hearted support. In turn, he has given them a leadership that has lifted this country out of the slough of despond. Every day sees a rapid advance along the road to better business conditions. The trials of the winter are passed. There are better understandings of human rights and property rights. There is a fairer distribution of the products of labor. The ranks of the unemployed are diminishing. The price of farm products has increased rapidly within the past year; in many instances has more than doubled. There is a feeling of hope and confidence abroad. There is no longer fear of bank failures, and there is ample money for all lines of legitimate business. Factories long idle are now in operation; industrial employees are in a position to again purchase from the farmer, and thus in turn the farmer can again buy the products of industry and bring back to a great industrial State like New Jersey that prosperity and happiness which once was yours. Much remains to be done, but with your help our country will reach greater heights of prosperity and happiness than ever before. And of these blessings it is my wish that the people of Newark will have the share they so well deserve.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from California [Mr. McAdoo] is detained from the Senate by illness, and that the Senator from Florida [Mr. Trammell], the Senator from Illinois [Mr. Lewis], and the Senator from North Carolina [Mr. Bailey] are necessarily absent.

Mr. FESS. I desire to announce that the Senator from Rhode Island [Mr. Hebert] and the Senator from Iowa [Mr. Dickinson] are necessarily absent from the Senate.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

PETITION AND MEMORIAL

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from Albert C. Keith, Washington, D.C., praying for the prompt payment of adjusted-service certificates of ex-service men (bonus), which was referred to the Committee on Finance.

He also laid before the Senate a telegram in the nature of a memorial from E. H. MacFadden, New York City, N.Y., remonstrating against the imposition of additional taxes, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 1822) for the relief of Harold Sorenson, reported it without amendment and submitted a report (No. 835) thereon.

Mr. WHITE, from the Committee on Claims, to which was referred the bill (S. 1760) for the relief of the Snare & Triest Co., now Frederick Snare Corporation, reported it with an amendment and submitted a report (No. 836) thereon.

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, to which was referred the bill (S. 3439) relating to deposits in the United States of public moneys of the government of the Philippine Islands, reported it without amendment and submitted a report (No. 837) thereon.

Mr. ADAMS, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2442) for the protection of the municipal water supply of the city of Salt Lake City, State of Utah, reported it with amendments and submitted a report (No. 838) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (H.R. 8854) to amend the District of Columbia Alcoholic Beverage Control Act by amending sections 11, 22, 23, and 24, reported it without amendment and submitted a report (No. 839) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. WALSH, from the Committee on Finance, reported favorably the nomination of Thomas Jefferson Coolidge, of Massachusetts, to be Under Secretary of the Treasury, to fill an existing vacancy.

Mr. BARKLEY, from the Committee on Finance, reported favorably the nomination of Daniel D. Moore, of New Orleans, La., to be collector of internal revenue for the district of Louisiana, in place of Lawrence A. Merrigan (serving under temporary commission issued during the recess of the Senate).

Mr. KING, from the Committee on the District of Columbia, reported favorably the following nominations:

Richmond B. Keech, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for the remainder of the term expiring June 30, 1935, vice Mason M. Patrick, resigned; and

William A. Roberts, of the District of Columbia, to be an additional counsel of the Public Utilities Commission of the District of Columbia, to be known as the "people's counsel", for a term of 4 years, vice Richmond B. Keech.

The VICE PRESIDENT. 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. KEAN:

A bill (S. 3467) for the relief of William Arthur Lyell; to the Committee on Naval Affairs.

By Mr. BARBOUR:

A bill (S. 3468) to extend to the sea-food industry all benefits, privileges, aids, loans, or other advantages provided in laws enacted by Congress for the relief of persons engaged in the agricultural industry; to the Committee on Agriculture and Forestry.

By Mr. BACHMAN:

A bill (S. 3469) for the relief of the Yellow Drivurself Co.; to the Committee on Claims.

By Mr. POPE:

A bill (S. 3470) to provide for the purchase of silver and for the expansion of the monetary basis, and for the issuance of silver certificates, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. McCARRAN:

A bill (S. 3471) supplementary to, and amendatory of, the incorporation of Columbus University of Washington, D.C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia; to the Committee on the District of Columbia.

By Mr. CONNALLY:

A bill (S. 3472) for the relief of Stefano Talanco and Edith Talanco; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 3473) for the relief of Marion Von Bruning (nee Marion Hubbard Treat);

A bill (S. 3474) for the relief of Marion Von Bruning (nee Marion Hubbard Treat); and

A bill (S. 3475) for the relief of Henry C. Zeller and Edward G. Zeller with respect to the maintenance of suit against the United States for the recovery of any income tax paid to the United States for the fiscal year beginning October 1, 1916, and ending September 30, 1917, in excess of the amount of tax lawfully due for such period; to the Committee on Claims.

A bill (S. 3476) to prohibit the making, passing, or negotiation of spurious checks or other financial paper purporting to be payable by institutions in other States; to the Committee on the Judiciary.

A bill (S. 3477) for the relief of Raymond Grove; to the Committee on Naval Affairs.

By Mr. KING:

A bill (S. 3478) to authorize the Secretary of the Interior to build a stadium at the end of East Capitol Street, and for other purposes; and

A bill (S. 3479) to amend the act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia", approved February 27, 1929; to the Committee on the District of Columbia.

CHANGES OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the following bills, and they were rereferred as indicated:

S. 3202. A bill to correct the military record of Robert George Lechleiter; to the Committee on Naval Affairs.

S. 3239. A bill to establish a national military park at the battlefield of Monocacy, Md.; to the Committee on Public Lands and Surveys.

INVESTIGATION OF AMERICAN TELEPHONE & TELEGRAPH CO., ITS SUBSIDIARIES, ETC.

Mr. DILL submitted the following resolution (S.Res. 225), which was referred to the Committee on Interstate Commerce:

Resolved, That the Committee on Interstate Commerce, or any duly authorized subcommittee thereof is hereby authorized and directed to make a thorough and complete investigation of the operations, relationships, and activities of the American Telephone & Telegraph Co., its subsidiaries, affiliates, and other concerns in which it or they have any direct or indirect financial interest or in which any of its officers or directors hold any office or exert any control and shall report to the Senate the facts as ascertained and make recommendations for such legislation as the committee deems desirable.

In making said investigation, the committee shall, among other things, investigate and report particularly on the following subjects:

(1) The financial structure and relationship of the company and its subsidiaries and affiliates and the extent to which its holding company structure enables it to evade regulation or taxation; the extent of interservice contracts between the American Telephone & Telegraph Co. and its subsidiary companies, and particularly contracts with the Western Electric Co. and other manufacturers of electrical communication equipment, if any; also the sale prices of telephone equipment to telephone operating companies, the profits upon such sales, and the effect of such sales upon the rate base of operating companies when used as a basis for telephone charges in the various States; and the prob-

able savings by telephone operating companies purchasing equipment under a system of competitive bidding;

(2) The activities of and expansion by the company and its subsidiaries and affiliates into fields other than telephone communication, including teletype service, telephoto service, broadcasting, motion-picture distribution, and the manufacture of electrical equipment;

(3) The methods of competition with other companies and industries, with reference to equality of service, reasonableness of rates, both local and long distance, depreciation accounting practices, discriminatory practices, suppression of patents, method of accounting for royalties accruing on patents, sale, and refusal to sell equipment to competing companies, maintenance of exorbitantly high prices because of monopolistic control, and particularly the relationship of the company with Electrical Research Products, Inc., and its relation to independent motion-picture organizations, and its practices in the interests of the company;

(4) The extent to which local subscribers have borne the cost of the research developments for long-distance appliances, radio, motion-picture, and other inventions not related to the improvement of local service;

(5) The reasons for voluntary reductions in long-distance charges and the failure to reduce local charges during the past few years of generally falling prices;

(6) Its relation as an employer with its employees, and the extent of its reduction in number and wages of employees while maintaining exorbitant salaries for high officials and a continuous high dividend rate; and

(7) The methods whereby the company or its subsidiaries or affiliates or its officers or directors have sought through propaganda, or the expenditure of money, or the control of channels of publicity to influence or control public opinion or elections.

That the said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper and to require the attendance of witnesses by subpenas or otherwise; to require the production or inspection of all accounts, books, papers, and documents; and to employ counsel, experts, and other assistants, and stenographers at a cost not exceeding 25 cents per hundred words. The chairman of the committee, or any member thereof, may administer oaths to witnesses and sign subpenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee, or appears and refuses to answer questions pertinent to said investigation, shall be punished as prescribed by law. The expenses of said investigation shall be paid from the contingent fund of the Senate on vouchers of the committee or subcommittee, signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate, not to exceed $25,000.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 472) for the relief of Phyllis Pratt and Harold Louis Pratt, a minor.

The message also announced that the House had agreed to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 59 to the bill (H.R. 8861) to include sugar beets and sugar cane as basic agricultural commodities under the Agricultural Adjustment Act, and for other purposes.

The message further announced that the House had passed a bill (H.R. 3673) to amend the law relative to citizenship and naturalization, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 3673) to amend the law relative to citizenship and naturalization, and for other purposes, was read twice by its title and referred to the Committee on Immigration.

CLAIM OF STATE OF VERMONT, WAR OF 1812

The VICE PRESIDENT. The Chair lays before the Senate the resolution coming over from a previous day.

The Chief Clerk read the resolution (S.Res. 224), as follows:

Resolved, That the Comptroller General of the United States be, and he hereby is, authorized and directed to audit the claim of the State of Vermont with respect to advances and expenditures made by such State for military purposes during the War of 1812–15, with Great Britain, and after applying the rules of evidence and settlement to this class of claims, provided for in resolution of May 14, 1836 (5 Stat.L. 132), and in section 12 of the act approved March 3, 1857 (11 Stat.L. 229), to submit to the Senate a report containing the results of an audit of such claim, in conformity with said rules.

Mr. ROBINSON of Arkansas. Mr. President, I understand the resolution calls for an audit of the claims referred to, with a view to such further action as may be found justified.

Mr. AUSTIN. Mr. President, that is correct.

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

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

There being no objection, the resolution was considered and agreed to.

THE TAYLOR GRAZING BILL

Mr. McCARRAN. Mr. President, I send to the desk and ask unanimous consent to have inserted in the RECORD an editorial coming from the pen of one of the outstanding editors of western America, Mr. Graham Sanford, editor and owner of the Reno Evening Gazette, bearing on the subject of "The Taylor Grazing Bill", a measure which is now pending before the Senate of the United States.

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

[From the Reno (Nev.) Evening Gazette, Apr. 14, 1934]

THE TAYLOR GRAZING BILL

Pending in the United States Senate is the Taylor grazing bill which passed the House of Representatives this week. Drawn for the alleged purpose of preventing overgrazing of the public lands and the soil erosion resulting therefrom, its effect will be to authorize the Interior Department to create grazing districts upon the open and unappropriated public domain and charge fees to all stockmen using it for grazing purposes. Heretofore the unreserved and unappropriated public domain, which in this State consists of arid and almost worthless land, has been a grazing common, free to all users. Altogether, in all of the States, it comprises 180,000,000 acres. Fifty-three million of these open lands lie in the State of Nevada. If this bill is passed and approved, this State will then find that more than 90 percent of its entire area will be controlled by Federal agents operating in or out of Washington, inasmuch as 12,000,000 acres of its public lands have already been withdrawn as forest, Indian, and other reservations. The ordinary police powers of the State, therefore, will extend to less than 10 percent of the State's total area. It is a situation that not only Nevada but other public-land States, even though they are affected in less degree, view with the most serious concern.

There is no doubt that the open public lands in this State, amounting as before stated to 53,000,000 acres, have been seriously overgrazed. This is a fact that cannot be denied. However, 9 years ago the Nevada Legislature began to take steps to correct the situation, with the result that it has enacted a series of laws which vest grazing privileges in the stockmen of the State according to the well-established western principle of prior occupancy and beneficial use. In effect, it applied to the public lands the same doctrine of law that has long been applied to the public waters throughout the West, namely, that senior rights to their use for grazing purposes are vested in those who can prove continuous seniority of beneficial use. By the application of these laws the legislature hoped to protect the old, established graziers, whose operations are precarious at best, and also protect the public lands from the serious overgrazing to which they were being subjected. The result of this legislation has been beneficial. Most of the ranges are still overgrazed, it is true, but much of this overgrazing is owing to the unprecedented droughts from which the State has suffered. Also wise discretion has been exercised in enforcing the provisions of these laws in order to protect graziers with junior rights. However, they have operated to drive from the State many of the tramp sheepmen who own no real property, pay no taxes, and devour the ranges, and as time passes they will still further protect the ranges from overgrazing as individual stockmen retire from the field.

The weakness of the State's legislation lies in its failure to provide a system of supervision that will prevent stockmen from overgrazing the lands allotted to them. However, this is a matter with which future legislatures can effectively deal.

Meanwhile the protest of this State should be heard in Congress with respect to the Taylor bill.

It completely ignores the principle that the public lands within the States really belong to the States and that their present ownership by the National Government is but a trusteeship to be administered in the interest of the States alone.

By placing this vast area of land under the direct control of Federal agents it would reduce several of the more thinly populated Western States to little better than a colonial status.

It ignores the fact that the States themselves are in better position to administer these lands than a distant Federal department.

There is but one method by which overgrazing can be prevented and that is by reducing the number of animals on the ranges. If they are moved therefrom in wholesale fashion where are they to be corralled and fed? There are very few hay or grain farms in Nevada. Farming, as it prevails elsewhere, is almost unknown

here. Should this reduction, therefore, be accomplished by persons familiar with the range livestock industry and its difficult problems, or by persons largely unfamiliar therewith?

Over a long period of time numerous ranching outfits have been developed in this State. The acreage of their tillable land is very small. In a Midwestern State one of these cultivated areas would support no more than a single family.

Here, however, their operators run their livestock on the open ranges, and it requires 140 acres of this land to support one cow and 40 acres to support a single sheep. One of these outfits supports many families and contributes a large amount in taxes to this State, because it is appraised for taxation, not upon the value of its cultivated land but upon the value of its range as well. In other words, much of the investment of the owner lies in the public land upon which he grazes. Under any permit system almost the entire investment and the fortunes of this owner would be at the mercy of a Federal department. Almost at will it could render his little home ranch worthless by depriving him of his grazing privileges. Accordingly, range lands are as necessary and should be made as appurtenant to livestock ranches as appropriated public waters are recognized as necessary and are made appurtenant to the cultivated farms in irrigation regions. And what would happen to the taxable values of Nevada's ranching outfits under an unsympathetic range administration?

The House vote shows that several Western States are in favor of the Taylor bill. That being the case, they should have it. Perhaps their situation is far different from that of Nevada, and it probably is. However, the bill should not be made applicable to any State that elects to reject its provisions. On a former occasion, when a similar bill was pending, one of the Houses wrote into it a section that such Federal regulation should not be extended to any State that elected to reject it. A like section should be incorporated in the Taylor measure. Nevada, then, if her own plan of regulation fails, can accept its provisions when convinced that it is to her interests to do so.

EFFECT OF N.R.A. ON SMALL BUSINESS INTERESTS

Mr. GIBSON. Mr. President, recently there was published in the RECORD a letter addressed to the Vermont delegation in Congress by the Governor of Vermont with respect to the effect of the N.R.A. on the small business interests of that State. There has since appeared in the Burlington Daily News a very instructive editorial with relation to that letter from the Governor. I ask unanimous consent that the editorial may be inserted in the RECORD.

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

[From the Burlington (Vt.) Daily News, Mar. 29, 1934]

A BLAST FROM VERMONT

The little businesses and industries are being ruined by big business through the very codes of the N.R.A. designed to help the little interests and the consumers.

Why?

Because big industry and big business, relieved from the antitrust laws by the N.R.A., have been up to their old tricks, underbidding, openly or secretly, the little industries, which are the backbone of Vermont, and in this have been aided by big business interests outside the State.

Governor Wilson is right.

Unless the little interests of our State, both in industry and in business, do not get relief very soon they will be forced to stop—to go out of their business, that they have slowly built up by their own initiative, without Federal or State aid, and to the "manifest benefit of the hundreds of little communities built up around them", as he says.

His reasons for writing our Members of Congress were twofold: That if the N.R.A. is to be continued, remodeled so that the little interests may live under it, and have an equal chance to live, with the great predatory corporations, who have failed, as Governor Wilson says, "to live up to either the letter or the spirit of the N.R.A. codes."

The great truth the "brain trust" overlooked is that you cannot make individuals or corporations honest by moral suasion.

It was not the antitrust laws that were throttling industry and business, but selfishness and greed, working through the depression.

There is another mighty body of citizens that are preparing to join the little interests and make open war on the N.R.A. unless there are changes made soon in it, that have made the millions of homes the cornerstone of America, the women, the home makers and keepers, who head the great army of consumers.

So strong has become their protest against rising prices of everything they have to buy to make and keep the home that a special committee composed of Secretaries Perkins, of Labor, Wallace, of Agriculture, and Roper, of Commerce, has been formed to take measures to put an end to this ever-growing rise in prices of everything that goes into maintaining a contented and happy home.

It is not "a living wage" so much as a reasonable, stable price for the commodities used in the everyday life of the consumers.

There will be a showdown soon—there must be, with a vast majority of the citizens of America demanding an equal opportunity to live and for the pursuit of happiness.

The influence of the housekeepers and the small interests in industry and business make an aggregate that will shape the coming changes in the N.R.A. in the interests of all the people, not a few great interests.

Governor Wilson is right. He frankly says, "I have no solution to offer", but something is bound to happen; is undoubtedly happening now down in Washington.

The unrest among labor begun this time in the homes of the men.

It is no use to raise wages if every raise is passed on to the consumer.

That is a vicious circle that has been worked before, and the only interests who profited thereby were a few great predatory interests, who have been, and are, squeezing the very heart and life out of the common people in any way that would help them to greater wealth.

LEWIS P. THAYER.

UNEMPLOYMENT—SPEECHES AT MEETING OF JOINT COMMITTEE ON UNEMPLOYMENT

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD the speeches on the program of the joint committee on unemployment, at the Cosmos Club in Washington, D.C., Saturday, April 21, 1934, broadcast by the National Broadcasting Co.

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

(Dr. Sidney E. Goldstein, of the Free Synagogue in New York, chairman of the executive committee, the joint committee on unemployment, was chairman of the luncheon and outlined the program of the committee, which calls for socialization of the national income through taxation, an immediate appropriation by the Federal Government of at least $1,000,000,000 for relief of the unemployed and their dependents, and of $500,000,000 for family maintenance allowances and scholarships for children; at least $3,000,000,000 additional credit at once for public projects; Federal contribution to unemployment-insurance systems; limiting hours of labor to a maximum of 30 hours a week in all continuous industries and employment, with payment now made for longer hours; writing down long-term debts and interest rates; a Government marketing corporation, to buy, process, and distribute farm products; and ending the labor of children and the aged.)

WHAT KEEPS FUNDS AWAY FROM PURCHASERS

(By Prof. John Dewey, chairman joint committee on unemployment)

Want and scarcity in an age of plenty for all is the contradiction that now stares us all in the face. Lack of purchasing power stalls the entire agricultural and industrial machine. The cause for this destructive absence of purchasing power is simple and evident. The income that goes to property—that is, to investors through dividends, rent, and interest—is out of all proportion to that which goes to farmers, to workers in factories, stores, and offices. Hence the mass purchasing power of the Nation as a whole is paralyzed.

Only about 1 percent of the total population, some 340,000 persons, has, according to official income-tax figures, a taxable income of $5,000 or over. Moreover, two thirds of the total income of this group of 1 percent came from dividends and interest, omitting even at that all income from tax-exempt bonds.

The National Bureau of Economic Research reports that for 1932 the total national income from every source was a little less than fifty billions, and that one third of this whole sum was income on property, namely, dividends, interest, rent, and withdrawals of accumulated surplus. The 1 percent already referred to got three fifths of the total amount paid out in dividends.

These facts prove that the great mass of the people—farmers, laborers, and the white-collar class—do not get much more than a subsistence income on the average. How can they be expected to furnish the mass purchasing power absolutely necessary to provide permanent recovery?

It is absurd to suppose that 1 percent or even 10 percent, having excess income, can keep the industrial and agricultural machinery going. Moreover, the most conservative estimate made by engineers and business executives is that present plant is not producing more than three fifths of what it could turn out if all of it were brought up to the level of the most efficient enterprises. How is work going to be supplied to the eight or ten million now supported by charity (if at all), because of their lack of work, unless mass purchasing power is created by much higher levels of income for the mass of the population, so as to provide the sale of goods that will enable farmers and manufacturers to sell what they are capable of producing?

The demand exercised by invested capital for dividends on stocks and interest on bonds and loans is thus the chief single cause for lack of adequate mass buying power.

Apart from radical change in the whole system, there is but one way of increasing mass purchasing power. The Government must become an employer of labor on a much larger scale than at present. A much more extensive program of housing than is now contemplated would give direct employment to many and indirectly provide labor and income for more persons through stimulation of capital goods industries. Government ownership of natural monopolies and quasi-monopolies would increase mass purchasing power by relieving the consumer of the present diver-

sion of what he pays into dividends and interest. The change in our taxation system required, if the Government is to become a large scale employer, would assist in directing a larger part of the national income into channels where it would provide mass buying power.

The conservative propertied interests of the country are the ones most directly interested in having a redistribution of national income that will increase mass purchasing power and so prevent the present creeping paralysis from rendering the productive plant of the Nation increasingly idle and nonproductive.

THE BATTLE OF THE PRODUCERS AND CONSUMERS AGAINST EXPLOITERS

The farmers know they are exploited because they are forced to sell the products they produce at prices fixed by someone else and invariably below the cost of production. The consumers know they are exploited because they must buy at prices fixed by someone else and often exorbitant. They know that the cost of living is so high that many of the average families cannot buy the food products that are needed to prevent hunger and preserve health. The producer is exploited in the sale of his products at prices over which he has no control, and the consumer is exploited in the purchase of food products and other necessities at prices over which he has no control.

A concerted effort is constantly being made to lead the consuming public to believe that the farmers are responsible for the high cost of living and that the bulk of the high prices they pay goes to the farmers.

The three A's of the Agricultural Department issues a biweekly bulletin called the Consumers' Guide. In the issue of April 9 they explain where your food dollar goes. In 1929, on 14 principal food products, 52 cents went to the processors and distributors, and 48 cents to the farmer. In 1933, 69 cents went for processing and distributing, and 31 cents to the farmer. In March 1934, according to this bulletin, 62 cents of your food dollar went to the processors and distributors, and 38 cents to the farmer.

They state in another issue that in 1932 the farmer got 33 cents of the total consumer's dollar, and in 1933 the farmer got 35 cents. At that rate, during the last 2 years, for a product for which the farmer received $1, the consumer paid $3.

The spread is too wide. It is impossible for the average consumer to absorb the 65- to 67-cent spread in each dollar's worth of food products that he buys. This is the result of the exploitation through the profit system which is largely responsible for the present so-called "depression" and has all but wrecked our whole economic structure.

The dairy farmer receives from 2 to 4 cents per quart for milk, and the consumer pays from 10 to 16 cents. The cost of distribution plus the profit of the distributors is the big item in the price the consumer pays for milk. The bulk of the milk is handled by holding companies or what amounts to a Milk Trust. This Milk Trust makes an enormous profit and pays their officials enormous salaries. The farmer is robbed in the price he receives and the consumer is robbed in the price he pays.

Out of the meat dollar the producer gets 31 cents, the packer 38 cents, and the retailer 31 cents.

Recently I received a newspaper clipping from North Dakota which listed the local price of wheat at 66 cents per bushel. There was also an "ad" of a local flour mill, quoting the price of flour at $6 per barrel, and feed at $16 per ton.

The price of wheat was based on the Minneapolis price, 400 miles away, less the freight; and the price of flour manufactured in the local mill was based on the Minneapolis price plus the freight. The value of wheat that went into a barrel of flour, at quoted prices, is $2.97; deducting this from the price of a barrel of flour is $3.03, plus 56 cents, the value of the feed, makes $3.59, and represents the amount received by the miller for grinding the barrel of flour, which is 62 cents more than the farmer received for producing the wheat and hauling it to the mill.

Bread at that time was selling for 8 cents per loaf. Approximately 292 one-pound loaves are made from a barrel of flour, and the consumer pays $23.36 for the bread made from $2.97 worth of wheat. The farmer gets a little less than 1 cent for the wheat in a pound loaf of bread; the miller gets a little over 1 cent for grinding the flour that goes into the loaf; the baker gets about 4 cents for baking, and the retailer gets 2 cents for handing the loaf of bread over the counter. They all get a profit but the farmer who produces the wheat. The processor and the distributor must get their profit even though the farmers sells at a loss.

There is an old saying among the farmers—take the gambler out of the bread basket. It is impossible to give the farmer an honest market as long as the speculators and gamblers manipulate and fix his prices. Last year the Chicago Board of Trade bought and sold over 10,000,000,000 bushels of wheat, which was 20 times as much as all the wheat produced in the whole United States last year.

Under the N.R.A. program, codes have been put into effect having for their purpose the regulation of prices to provide for cost of production for the processor and manufacturer, the wholesaler, jobber, and distributor, and in many instances the prices have gone up. All industries are being taken care of under the N.R.A., with the exception of agriculture, on a cost-of-production and a fair-profit basis.

The three A's, through the processing tax and the allotment payments, are attempting to increase farm prices to what is known as the "pre-war parity price." It is admitted that a portion of the processing tax has been passed back to the producer, and a part of it has been passed on to the consumer. It is also conceded that if farm prices are brought up to the parity price, they will still be under cost of production, and therefore agriculture will not be a prosperous business even with the parity price—which they are not getting.

The latest A.A.A. figures on parity prices—April 4—are to the effect that wheat is only 65 percent of parity price; cotton, 77 percent of parity; corn, 57.1 percent; butterfat, only 65.8 percent; beef cattle, only 63.2 percent; and hogs, only 41 percent of parity price.

The Agricultural Department seems to be carrying out the Biblical instruction of not letting the right hand know what thy left hand doeth.

The A.A.A.'s division of the Agricultural Department is advocating a drastic reduction of acreage of production of certain crops, like corn and wheat, in order to reduce the so-called "surplus." Another division of the Agricultural Department is putting out a bulletin advocating that an adequate diet of wheat flour per capita at moderate cost is 122 pounds, which would be a reduction of per capita consumption of wheat flour of 48 pounds per year. This, if carried out, would reduce consumption materially while the A.A.A. are at the same time reducing the acreage to cut down production to the present needs.

There is also another division putting out a bulletin which instructs the farmer how to produce a larger yield per acre of corn, and the A.A.A. are insisting on the reduction of acreage at the same time to cut down the production.

A marketing bill (S. 3333) has been introduced in both the House and Senate to provide for the purchase and sale of farm products. It sets up a Farmers and Consumers Financing Corporation, with authority to control the processing and distribution of products from the producer to the consumer. The purpose of the act is to provide a market for the sale of agricultural products and to eliminate, as far as possible, the commissions and charges that are exacted upon agricultural products from the time such products leave the producer until the same reaches the consumer, and to thereby increase the price which the producer receives and decrease the price the consumer pays.

There should be more cooperation between the producers and the consumers. The cost of processing and handling farm products must be cut down. Unnecessary middlemen must be eliminated.

The farmer is entitled to cost of production just as much as anyone else in any other line of business, and the consumer is equally entitled to buy these farm products at a reasonable price.

If codes are to be continued, give the farmer a code based on cost of production just as the codes for the other industries; eliminate the gambler in food products and other necessities of life; let us have a market control that will eliminate the exploiters; cut out graft; provide for efficient distribution at reasonable cost and give the consumers service instead of exploitation. Cooperation between the producers and consumers will easily bring about these results.

THE 30-HOUR WEEK AND THE MINIMUM WAGE

(By Hon. WILLIAM P. CONNERY, JR., Chairman of the House Committee on Labor)

The House Committee on Labor a year ago unanimously reported a 30-hour work week bill to apply to all those workers employed in the manufacturing industries of this country. The Senate of the United States twice last year voted in favor of limiting the hours of industrial workers to 30 hours per week. Last year we were prevailed upon to give industry an opportunity of putting its own house in order, with a direct promise that weekly hours of labor would be reduced to a point where the millions of unemployed industrial workers would be provided with gainful employment in industry. That promise has not been kept.

Those in control of manufacturing in this country have not only repudiated their implied promise to the Congress of the United States, but they have ignored or refused the request of the President of the United States, publicly made on March 5, that hours of labor be shortened and wages of industrial workers be increased.

The House Labor Committee has again unanimously reported a 30-hour work week bill with wages to be paid to the workers for 30 hours which they now receive for 40 or more hours per week.

The industrial workers of our country, the Congress of the United States, and the President of the United States, were promised by industry, that, with the suspension of the antitrust laws, permitting industry to get together legally, that industry would find employment for our millions of unemployed industrial workers. What do we find?

The vast majority of codes approved by General Johnson provide for a work week of 40 hours. We are told that the average hours prevailing in 1929 were 50 per week, and some persons try to create the impression that the reduction from 50 hours per week to 40 hours per week would absorb many of the unemployed. The truth is, that with the added productivity per worker, the average worker today produces more in 40 hours per week than they produced in 50 hours in 1929. The people of America are not blind. There may be some amongst us who follow the lead of the ostrich who sticks his head in the sand, hoping that he will not be seen, but, from our knowledge of the American people, I have no hesitancy in saying that the sooner industry hides its body in the sand, and places its head up where it can see what is going on, the sooner will their investments be safeguarded.

Not only are the codes in effect dominated by the employing interests, as they alone govern American industries through their control of code authorities, but, contrary to the understanding and intent of Congress, very few of these codes provide for any representation of the workers. In passing the N.R.A., Congress and the American people understood that the N.R.A. would bring about real partnership in industry on the part of employers with bona fide representatives of the workers. The Connery 30-hour work week bill will make effective the understanding of real partnership in industry as it specifically provides that there shall be equal representation on all codes of both employers and workers.

I am particularly conversant with the industries of my own district, which happen to be basic industries, namely: textiles, shoes, leather, and electrical products. What are the facts? The textile industry was placed on a 40-hour week under the code, with a minimum wage of $13 per week in the North and $12 per week in the South. The textile workers of Massachusetts were not averaging 40 hours per week when the textile codes went into effect, nor for many, many months before it. I want to point out that the minimum wage of $13 per week provided for textile workers in Lawrence increased the wages of very, very few textile workers there.

The reason for this being that the minimum wages prevailing in Lawrence before the code took effect were in excess of the minimum wages provided in the code. In the case of shoes, this industry normally employs some 205,000 workers. When the code took effect 160,000 were employed and 45,000 were unemployed. We were promised that the code would provide employment for the unemployed, and, after 6 months of operation, we find that only 4,000 of these unemployed shoe workers have secured employment.

After 10 months' trial of the N.R.A., dominated as it is by employers who have continued to exploit the worker, and exploit the consumer, without any restraint on the part of the Government, the House Labor Committee unanimously demanded that if the eight or ten millions of unemployed workers of our country are to secure employment it is essential that Congress enact the Connery 30-hour work week bill now on the House Calendar, with wages no less than they now receive, which we all will admit are too low.

The Congress of the United States, to my mind, fully realizes the necessity of forcing American industries to do that which the President of the United States asked them to do, and which they have not done. The farmers of America are suffering at the present time owing to the lack of purchasing power on the part of our industrial workers. In passing, I want to compliment the Washington representatives of the farm organizations for their foresight in endorsing the Connery 30-hour work week bill. They realize that they can hardly expect to receive the costs of production for their products with from eight to ten millions of industrial workers unemployed or dependent upon private or public charities.

Incidentally, let me say that the Congress of the United States has never sanctioned the formation of company-controlled unions under the N.R.A. On June 8, 1933, under the leadership of Senators NORRIS and WHEELER in the Senate, and myself and other Members of the House, Congress specifically rejected an amendment which would have legalized company unions.

To all real Americans who desire to assist in promoting the welfore of our country the one vital and absorbing question is that of providing our millions of unemployed with gainful employment at a fair, living wage. At this time the only legislative manner in which this can be done is the immediate passage of the Connery 30-hour work week bill with the same wages for 30 hours that they now receive for longer periods.

RAILROAD POLICIES WRECK PURCHASING POWER

(By A. F. Whitney, president Brotherhood of Railroad Trainmen and chairman Railway Labor Executives' Association, and read by Berle A. Whitney)

Few, if any, industries are more overcapitalized than the railroad industry. While the capitalized structure of this industry has constantly enlarged, a million railroad employees have been thrown into the bread lines, and 400,000 more have been forced to work part time and receive less than a subsistence wage.

Deficits were supposed to have been incurred in the railroad industry in the years 1932 and 1933, but actually a large return was realized in each of these years. Other industries consider they have earned a net income if the investors who have supplied the capital have any return whatever above operating expenses. The railway capital structure, with its overload of bonded indebtedness, is such that more than half of the actual capitalization is represented by bonds.

No other industry earning a net of 1.8 percent on investment, at the bottom of the depression, would have reported a deficit. But the railroads report their earnings in a manner that makes return to the owners largely a fixed charge, and net income is calculated only after a half billion dollars have been paid to the owners of the industry. The word "deficit", therefore, is misleading. In 1932, when the carriers reported a deficit of $139,000,000, there was actually a profit from railway operations of $326,000,000. In 1933, when the class I roads reported a deficit of $14,000,000, there was, in fact, a profit on operations of $474,000,000.

Class I railways paid to these bondholders $22,000,000 more in interest in 1933 than in the prosperous year of 1929. The last 2 years are alleged to have been the worst in railroad history, but they have been the golden-harvest period for the coupon clippers. Is it any wonder that life-insurance companies regard railroad securities as being among the soundest?

Railway employees have not been the only ones to recognize the injustice of the financial policies of the railroad industry. Even the Coolidge Commission, which was financed by the owners of railroad securities, pointed out the need "to reform the top-heavy structures" of railway capitalization. The Federal Coordinator of Transportation, Joseph B. Eastman, in his report of January 20, 1934, said: "Many railroads are overcapitalized, whatever test be applied." President Franklin D. Roosevelt has recognized the necessity for "scaling down of fixed charges" in the railroad industry. He has appealed to the bondholders to volunteer to reduce their interest rates.

Have railroad policies wrecked purchasing power? The answer may be found in the fact that while the gross total compensation received by rail workers has been reduced 52 percent, security owners received $22,000,000 more in 1933 than in 1929. While railway employees have been forced to accept starvation or the bread lines, while their living standards have been shattered, and their families have endured unspeakable privations, railway security holders received increasing returns. Is it any wonder that all business, industry, and transportation are stagnant when we go on concentrating wealth, notwithstanding the fact that about 4 percent of our people already own 80 percent of our wealth?

Financial policies in the railroad industry have forced workers to accept such starvation wages as $5 and $6 per week, wages so low that the President of the United States felt called upon in his letter made public on March 20, 1934, to point out the need for establishing minimum rates in this industry. These financial policies not only have destroyed purchasing power but they have impaired service to the public. In 1933, United States railroads ripped up enough track to build a line from Boston to Chicago (1,050 miles).

HAS THE N.R.A. INCREASED MASS PURCHASING POWER

By Prof. Paul F. Brissenden, Columbia University

It is not easy to estimate the effect which the N.R.A. has had upon purchasing power. At the best it is scarcely possible to do more than make approximations. The situation has been complicated, of course, by the presence of other factors which have affected wages and employment, and it is impossible to determine to what extent the N.R.A. and to what extent other causal factors may have been responsible for the changes that have taken place in the purchasing power of the American people.

The N.R.A. was launched at a time somewhere near the midpoint of the business uprising which marked the spring and early summer months of 1933. Improvements in wages and employment which marked these months cannot, therefore, be attributed in any great measure, perhaps not at all, to the N.R.A. Yet, although these improvements are not primarily attributable to the N.R.A., they may have been in some degree the result of it, even though the N.R.A. did not actually get going much before September, because the imminence of the codes may have induced many employers to expand operations and produce as much as possible under low-cost conditions before codification and high costs should come upon them.

For like reasons the autumn recession in business, with its declines in wages and employment, is not necessarily chargeable entirely, or even in part, to N.R.A. operations. It was partly—it may have been almost entirely—a consequence of the collapse of and ban late in July—and perhaps also of some easing of public apprehension about inflation.

There has been some increases in employment, in aggregate pay rolls, and in per capita earnings since the N.R.A. was launched. What occurred in manufacturing, the most important divisions of industry covered by the N.R.A., can be summarized by saying that from June 1933 to February 1934, while the total cost of living increased by 7.6 percent, employment increased 17 percent, aggregate pay rolls 29 percent, and per capita earnings 10.2 percent. Increase in the cost of living reduced the increase in total pay rolls to 21.4 percent and the increase in per capita earnings to 2.6 percent. If one begins with September, when the N.R.A. was well started, one finds that between then and February of this year, while the cost of living increased 0.5 percent, employment fell off 0.5 percent, pay rolls increased 4.5 percent, and per capita earnings increased 4.9 percent. Allowing for increase in cost of living, we get for this period increases of 4 percent and 4.4 percent in the purchasing power of pay rolls and per capita earnings, respectively.

As already noted, it is difficult to say to what extent these increases in mass and per capita purchasing power have been produced by the operation of N.R.A. codes. Some light may be shed on this question by comparing the changes which took place (between September and December 1933) in pay rolls and per capita earnings in manufacturing and in all industries (except building construction and railroads) with the corresponding changes in those 18 of the 30 industries coded by October 1, for which employment and pay-roll statistics are reported by the United States Bureau of Labor Statistics. The figures follow:

	Percentage change between September and December 1933, in—	
	Total pay rolls	Per capita earnings
All manufacturing industries	−6.6	−1.6
18 industries under N.R.A. by Oct. 1, 1933	−7.2	−3.3
All industries (manufacturing and other)	−2.2	−1.5

These figures seem to warrant the conclusion that the effect of code operations, while perhaps beneficial insofar as reemployment is concerned, has been distinctly bearish in its effect upon both mass and per capita purchasing power. If the figures given at the outset for manufacturing for the period from June to February are at all indicative of the situation in industry generally, what seems to have occurred during the past year, whether in part as a result of the N.R.A. or in spite of it, has been a considerable increase in employment and in pay rolls and a less considerable increase in per capita earnings. As we have seen, allowing for the increase in the cost of living, the increase from June to February in the purchasing power of total pay rolls in manufacturing was 21.4 percent and the increase in the purchasing power of per capita earnings was 2.6 percent. The increases are possibly attributable to the new deal as a whole but apparently are not the result of code operations.

THE CHURCH AND LIVING STANDARDS

By Prof. Jerome Davis, of Yale University

I endorse the new deal, but it has not gone far enough. The working class has borne the brunt of this depression. Incomes among the professional classes did not drop until 1932. The workers' income dropped immediately in 1930. Today the average worker's income is only $696 a year. Dividends and interest have been well maintained, while labor income, representing the very life of the workers, has dropped almost one half from 1929 to 1933.

Living standards still often are in the starvation zone. Prices are rising faster than wages. The great need in America at the present time is to increase purchasing power and to provide jobs for the unemployed. As the Secretary of Agriculture has stated, "America must choose" not only between national isolation and a world neighborhood, but between an economic order which is run for a small profit-seeking minority and an economic order which is planned for the benefit of all the people. We must go forward with the development of public works. Cities and towns throughout the United States must be encouraged to begin the construction of public utility plants. This will serve two purposes: On the one hand it will give employment to the unemployed; on the other it will reduce rates to the consumer. The day of monopoly privilege is rapidly drawing to an end.

In the past we have had a double standard of morality in industry, one standard for the employer, another standard for the worker. Employers receive vacations with pay, salary during illness, they have the unquestioned right to organize. The workers do not receive salaries during vacations or illness, and their efforts to organize are fought in many cases by the employing group. American citizens can secure economic justice. They can urge the passage of the Wagner unemployment insurance bill and the Wagner labor bill. They can demand their right to jobs. They can demand that the national income be redistributed by taxation to increase purchasing power and prevent collapse.

WHAT CONGRESS SHOULD DO BEFORE ADJOURNMENT

By Benjamin C. Marsh, executive secretary the People's Lobby, Washington, D.C.

Congress, before it adjourns, should enact the following legislation—an essential part of a new deal that's different from the old deal.

Appropriate a sufficient amount to maintain until next March the unemployed and their dependents, for whom work at fair wages cannot be ensured. It will be at least $1,000,000,000. Only the Federal Government can pay this bill.

Repeal at least $1,000,000,000 of Federal consumption taxes, and levy about $4,000,000,000 more taxes on incomes, including income from Government bonds, estates, and corporate surpluses and profits, and land values, than the revenue bill now in conference provides.

Pay processing taxes on farm products out of the Federal Treasury.

Enact the Frazier-Sinclair bill creating a Government Marketing Corporation empowered to buy, process, and sell farm products to ultimate consumers.

Enact substantially the bill Senator CUTTING will introduce to nationalize banking and credit.

Enact a real pure food and drugs act.

Enact the Fletcher-Rayburn stock-market control bill as it was before the Wall Street extractors extracted the teeth put in to prevent those same extractors from robbing producers of any spare change they might have left.

Enact legislation nationalizing the railroads, oil resources, bituminous coal, and water-power resources of the Nation, paying owners only for values they have created.

Enact legislation to reduce interest rates on long-term debts.

Direct the Trade Commission or a congressional committee to devise a plan to squeeze the water out of overcapitalized corporations.

Reduce tariffs.

Amend the Public Works section of the N.I.R.A. to empower the Federal Government to assess costs of improvements it finances, in whole or in part, upon property benefited thereby, to stop the subsidizing.

THE CALENDAR

The VICE PRESIDENT. Morning business is closed. Under the unanimous-consent agreement of yesterday the calendar is in order, and the clerk will state the first bill, which is Calendar No. 792.

OLD-AGE PENSIONS

The CHIEF CLERK. A bill (S. 493) to protect labor in its old age.

Mr. ROBINSON of Arkansas. Mr. President, the bill was under consideration yesterday, and certain of the committee amendments were agreed to. It is a very important measure, and I am in hearty sympathy with the purposes of the bill. There are several Senators who are in attendance upon committee meetings this morning, among them the Senator from Oklahoma [Mr. GORE], who desire to be present when the bill is further considered. Therefore, I am compelled to ask that it go over at this time.

The VICE PRESIDENT. The bill will be passed over.

EXPLOSION AT NAVAL AMMUNITION DEPOT, LAKE DENMARK, N.J.

Mr. KEAN. Mr. President, I ask unanimous consent to return to order of business 671, being House bill 4013, and for its present consideration. I was absent yesterday on an important engagement when the bill was called and unable to be here at the time.

The VICE PRESIDENT. The Senator from New Jersey asks unanimous consent to return to Calendar No. 671, which will be stated.

The CHIEF CLERK. A bill (H.R. 4013) to provide an additional appropriation as the result of a reinvestigation, pursuant to the act of February 2, 1929 (45 Stat., p. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosion at the naval ammunition depot, Lake Denmark, N.J., July 10, 1926.

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

Mr. ROBINSON of Arkansas. Mr. President, I recall that when the bill was called yesterday there was objection to its consideration by some Senator. I ask the Senator from New Jersey to make a statement explaining the bill.

Mr. KEAN. Mr. President, the bill is to reimburse some of the people who were injured by a tremendous explosion in the navy storehouse for explosives at Lake Denmark in my State. I happen to know a good deal about it, because I own property which borders for about a mile on the Government property involved.

For 10 miles around the place where the explosion occurred houses were knocked down, windows were broken, people were knocked down, and a tremendous amount of damage was done in every direction. The bill is approved by the Comptroller General, and merely compensates the people for the actual damage done to their houses and property by this explosion.

Is that a sufficient explanation of the measure?

Mr. ROBINSON of Arkansas. Mr. President, it appears that the report of the committee is unanimous and that the claims were just.

Mr. KEAN. Yes.

Mr. ROBINSON of Arkansas. I make no objection to the consideration of the bill.

Mr. SHIPSTEAD. Mr. President, was this what is called the "Black Tom" explosion?

Mr. KEAN. No.

The VICE PRESIDENT. Is there objection to the request of the Senator from New Jersey? The Chair hears none.

The Senate proceeded to consider the bill (H.R. 4013) to provide an additional appropriation as the result of a reinvestigation, pursuant to the act of February 2, 1929 (45 Stat., p. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosion at the naval ammunition depot, Lake Denmark, N.J., July 10, 1926, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the sum of $17,691.58 in full settlement of all claims against the Government of the United States be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, to make payment of claims for property damage, death, or personal injury due to the explosions at the naval ammunition depot, Lake Denmark, N.J., July 10, 1926, to the respective persons and in the respective amounts as recommended by the Comptroller General of the United States and as fully set forth in House Document No. 257, Seventy-second Congress, first session, and letters of the Comptroller General to the Congress, dated January 14 and February 10, 1933, pursuant to the act of March 2, 1927 (44 Stat., pt. 3, p. 1800), and the act of February 2, 1929 (45 Stat., pt. 2, p. 2047): *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.

MOUNT OLIVET CEMETERY CO.

Mr. TYDINGS. Mr. President, yesterday I was obliged to be absent, due to sickness in my family.

There is on the calendar, on page 8, a bill (S. 1757) to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia." I understand that objection was made to the bill yesterday because it was thought the District Commissioners were not in favor of it. The District Commissioners were in favor of the bill with certain amendments, all of which have been incorporated in it. I therefore ask unanimous consent that the bill may now be considered and passed.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 1757) to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia", which had been reported from the Committee on the District of Columbia with an amendment to add at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia", approved on the 10th day of June 1862 (12 Stat.L. 426) be, and the same hereby is, amended by adding at the end of section 2 of the said act of the 10th day of June 1862 the following:

"The said corporation may use for burial purposes the tracts of land now owned by it and known, respectively, as the 'Hoover tract', designated for purposes of assessment and taxation as parcel 153/23, fronting on Bladensburg Road, and the 'Mertoon's tract', designated for purposes of assessment and taxation as parcel 153/42, fronting on West Virginia Avenue, the said two tracts having an aggregate area of approximately 12 25/100 acres, and all of the provisions of the aforesaid act of the 10th day of June 1862 shall apply to both of the said tracts with like effect as if the provisions of this act had been included therein at the time of its enactment: *Provided*, That no part of parcel 153/23 lying within 120 feet of Bladensburg Road shall be used for burial purposes; the strip of land hereby exempted from use for burial purposes being the easterly 120 feet by full width of said parcel 153/23 fronting on Bladensburg Road."

The amendment was agreed to.

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

REFUNDS OF TAXES TO BUILDING-AND-LOAN ASSOCIATIONS

Mr. BULKLEY. Mr. President, I ask unanimous consent to return to Order of Business 605, Senate bill 2816, which was objected to yesterday. I have the assurance of the Senator who objected yesterday that he will not object today.

The VICE PRESIDENT. Is there objection to the request of the Senator from Ohio?

There being no objection, the Senate proceeded to consider the bill (S. 2816) to extend the time for the refunding of certain taxes erroneously collected from certain building-and-loan associations, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That claims for the refunding of any taxes erroneously or illegally assessed or collected from any building-and-loan association, or savings-and-loan association, under the provisions of section 231, paragraph 4, of the Revenue Acts of 1918 to 1926, both inclusive, may be presented to the Commissioner of Internal Revenue not later than 6 months after the passage of this act, and the Commissioner of Internal Revenue is hereby authorized and directed to receive, consider, and determine, in accordance with law but without regard to any statute of limitations, such claims as may have been presented heretofore and not allowed and such claims as may be presented within the period above named, when and where and only when it be found and determined that such taxes were collected upon the erroneous interpretation of the law passed upon and condemned by the United States Supreme Court in the decision rendered in the case of United States against Cambridge Loan & Building Co., reported in 278 United States Supreme Court Reports, page 55: *Provided*, That no interest shall be allowed on any of these claims.

SEC. 2. That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to such claimants as have presented or shall hereafter so present their claims, any amounts allowed in the determination of any claims so defined and which shall have been presented in accordance with this act.

The VICE PRESIDENT. The clerk will state the next bill on the calendar.

CUSTODY AND MAINTENANCE OF SUPREME COURT BUILDING

The bill (H.R. 8889) to provide for the custody and maintenance of the United States Supreme Court Building and the equipment and grounds thereof was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, the Senator from Texas [Mr. CONNALLY], who reported this bill, is necessarily absent in attendance on the Finance Committee. There is one provision in it, namely, section 4, which imposes on the Chief Justice of the United States certain administrative duties and responsibilities. I doubt the propriety of that feature of the bill. I therefore ask that it go over, at least until the Senator from Texas, or some other Senator familiar with the subject-matter of the bill, may be present.

The VICE PRESIDENT. The bill will be passed over.

Mr. CONNALLY subsequently said: Mr. President, during the morning I was engaged in the Committee on Finance in the hearing on the tariff bill when the Senate took up House bill 8889. I ask unanimous consent that we revert to the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H.R. 8889) to provide for the custody and maintenance of the United States Supreme Court Building and the equipment and grounds thereof, which was read, as follows:

Be it enacted, etc., That the Architect of the Capitol shall have charge of the structural and mechanical care of the United States Supreme Court Building, including the care and maintenance of the grounds and the supplying of all mechanical furnishings and mechanical equipment for the building. The operation and maintenance of the mechanical equipment and repair of the building shall be performed under his direction, and he is authorized to enter into all necessary contracts.

SEC. 2. Employees required for the performance of the foregoing shall be (a) appointed by the Architect of the Capitol, with the approval of the Chief Justice of the United States; (b) compensated in accordance with the provisions of the Classification Act of 1923, as amended (U.S.C., supp. VI, title 5, ch. 13); and (c) be subject to the provisions of the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920, as amended (U.S.C., supp. VI, title 5, ch. 14).

SEC. 3. All other duties and work required for the operation, domestic care, and custody of the building shall be performed under the direction of the Marshal of the Supreme Court of the United States, who shall be superintendent of the United States Supreme Court Building, and employees (including elevator operators) required for the performance of such duties shall be appointed by the Marshal, with the approval of the Chief Justice,

SEC. 4. Appropriations for the work under the jurisdiction of the Architect of the Capitol shall be disbursed by the Marshal as the Chief Justice may direct upon certified vouchers submitted by the Architect of the Capitol.

Mr. ROBINSON of Arkansas. Mr. President, when the bill was reached, I will say to the Senator from Texas, I stated that the Senator was necessarily absent on the business of the Senate, and pointed out the fact that the bill seemed to contemplate the imposition of some administrative duties on the Chief Justice of the Supreme Court. The provision I had in mind was section 4, which reads as follows:

Appropriations for the work under the jurisdiction of the Architect of the Capitol shall be disbursed by the Marshal as the Chief Justice may direct upon certified vouchers submitted by the Architect of the Capitol.

I am wondering whether the committee and the Senator from Texas have given careful consideration to that part of the language quoted as follows: "as the Chief Justice may direct"?

Mr. CONNALLY. I will say to the Senator from Arkansas that the committee did not give any particular study to that provision; but the committee took the view that we were vesting that authority in the Chief Justice on the same theory that the Constitution provides that the Capitol shall be under the control of the Senate and House of Representatives. While the Chief Justice, no doubt, will delegate this authority to some of his clerks and assistants, we felt that the ultimate control of the building and its management ought to be vested in the Chief Justice of the Court, because it is the residence of the Court, and there otherwise might be some clash.

Mr. ROBINSON of Arkansas. Mr. President, I still have some doubts as to the propriety of requiring or directing the Chief Justice to review expenditures of this character. I shall move an amendment, so that, if the Senator consents to it, this question may be considered by the conferees of the two Houses.

Mr. CONNALLY. Mr. President, I have no objection.

Mr. ROBINSON of Arkansas. I move to strike out the language on page 2, line 21, as follows: "as the Chief Justice may direct."

Mr. CONNALLY. Mr. President, I have no objection to the amendment, or to the bill going to conference as so amended.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was agreed to.

Mr. ROBINSON of Arkansas. I state now, Mr. President, that when the Senator from Texas has looked into the matter I shall be content to abide his conclusion with respect to it.

Mr. CONNALLY. I will say to the Senator from Arkansas that I have sent for the Architect of the Capitol, and we will go into the matter.

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

Mr. CONNALLY. Mr. President, I assume that the next procedure will be that the Senate insist on its amendment to the House bill and ask for a conference, and that the Chair appoint the conferees.

The PRESIDING OFFICER. The Chair will state to the Senator that after the bill goes to the House, if the House accepts the bill with the amendment, it will not be necessary to have a conference.

Mr. CONNALLY. That is true, if the House accepts it.

MUCIA ALGER

The bill (S. 1541) for the relief of Mucia Alger was considered, ordered to be engrossed for a third reading, read the third time, and passed, 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 Mucia Alger, widow of William E. Alger, late American consul at Fernie, British Columbia, the sum of $2,500, being 1 year's salary of her deceased husband, who died March 19, 1917, while in the Foreign Consular Service.

MARY SEELEY WATSON

The bill (S. 3161) for the relief of Mary Seeley Watson was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay Mary Seeley Watson, widow of the late John J. Crittenden Watson, formerly Foreign Service officer, American consulate, Dundee, Scotland, the sum of $5,000, being 1 year's salary of her deceased husband, who died of illness incurred while in the Consular Service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act.

FLUCTUATION OF WATER LEVELS, LAKE OF THE WOODS

The joint resolution (S.J.Res. 35) to provide for the determination and payment of claims for damage sustained by the fluctuation of the water levels of the Lake of the Woods in certain cases, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas in order that the claims of settlers whose property was damaged by reason of fluctuations in the level of Lake of the Woods may be judicially determined, thereby following the expressed intent of the investigation made by the International Joint Commission under a reference from the Governments of the United States and Canada dated June 27, 1912, which terminated in a treaty between the United States and Great Britain in respect of Canada, proclaimed July 17, 1925, in which the two Governments adopted certain recommendations, among which was one that each Government shall on its own side of the boundary assume responsibility for any damage or injury that may have resulted to it or its inhabitants from the fluctuations of the level of Lake of the Woods or of the outflow therefrom caused by the construction of dams in the outlets of Lake of the Woods which have destructively flooded the lands along the United States shores and given rise to complaints of landowners: Therefore be it

Resolved, etc., That the act entitled "An act to carry into effect provisions of the conventions between the United States and Great Britain to regulate the level of Lake of the Woods concluded on the 24th day of February 1925", approved May 22, 1926, as amended, is amended by adding at the end thereof a new section to read as follows:

"SEC. 4. (a) The Secretary of War shall forthwith file a certified copy of the report and awards made by him under section 3 of this act with the clerk of the United States district court, or his deputy, in the district and division of the district in which the lands involved are situated; and thereupon the same proceedings shall be had in such court on such report and awards as upon awards of the Commissioners in the case of condemnation proceedings under the provisions of section 1 of this act.

"(b) There is authorized to be appropriated the sum of $73,270.97 to carry out the purposes of this act.

"(c) Upon the filing of such certified copy of the report and awards the Secretary of War shall be deemed to have completed his duties and functions under this act, as amended, except those relating to the construction of protective works and to the carrying out of protective measures under section 2 of this act, as amended; and all duties, powers, and functions vested in the Secretary of War by this act, as amended, except those relating to such construction of protective works and such carrying out of protective measures, shall hereafter be exercised by the Attorney General with the same force and effect as if he had originally been named in this act."

The preamble was agreed to.

ANNA ELIZABETH RICE DENISON

The bill (S. 2713) for the relief of the estate of Anna Elizabeth Rice Denison was considered, ordered to be engrossed for a third reading, read the third time, and passed, 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 Anna Elizabeth Rice Denison, widow of Frank C. Denison, late American consul (retired), Prescott, Ontario, Canada, the sum of $2,500, equal to 1 year's salary of her deceased husband.

CORINNE BLACKBURN GALE

The bill (H.R. 1870) for the relief of Corinne Blackburn Gale was considered, ordered to a third reading, read the third time, and passed, 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: *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 attor-

neys, 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.

PASS A'LOUTRE LIGHTHOUSE RESERVATION, LA.

The bill (H.R. 7551) authorizing the Secretary of Commerce to dispose of the Pass A'Loutre Lighthouse Reservation, La., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Commerce is hereby authorized to convey by quitclaim deed to the State of Louisiana for State park purposes the Pass A'Loutre Lighthouse Reservation, La., and all appurtenant structures located thereon, said reservation being described as follows: A tract of land known as the "Pass A'Loutre Lighthouse Reservation", situated in township 22 south, range 21 east, on the southwest portion of Middle Ground at the confluence of North Pass and Pass A'Loutre, Mississippi River Delta, La., comprising all that portion of sections 1 and 2 on Middle Ground west of a bayou which runs approximately north and south across Middle Ground, the mouth of said bayou being about 760 yards east of Pass A'Loutre Lighthouse tower, containing approximately 200 acres: *Provided*, That if the use of the land is discontinued for State park purposes the title shall revert to the United States.

AMELIA ISLAND LIGHTHOUSE RESERVATION, FLA.

The bill (H.R. 2828) to authorize the city of Fernandina, Fla., under certain conditions, to dispose of a portion of the Amelia Island Lighthouse Reservation was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That upon the payment of $1,000 by the city of Fernandina, Fla., to the Secretary of Commerce such city is authorized to convey, without regard to the conditions and limitations of paragraph (6) of section 1 and of section 2 of the act entitled "An act to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and to increase the efficiency of the Lighthouse Service, and for other purposes", approved May 22, 1926, and without regard to the conditions and limitations of the act entitled "An act to authorize the city of Fernandina, Fla., under certain conditions, to dispose of a portion of the Amelia Island Lighthouse Reservation", approved March 3, 1931, the land conveyed to such city pursuant to paragraph (6) of section 1 of the act approved May 22, 1926, a tract bounded on the south by so much of the shell road as crosses section 12, on the east by the eastern boundary of section 12 with a water front 960 feet more or less, on the north by a straight line extending from such eastern boundary for 1,000 feet more or less to the western boundary of section 12, and on the west by the western boundary of section 12 extending 1,000 feet more or less to the shell road, containing 20 acres more or less. Any conveyance made by such city shall contain express conditions reserving to the United States (1) a perpetual easement for beams of lights from the Amelia Island Lighthouse, and (2) the right to trim any trees and to limit the height of any structures erected on such property that may obstruct the beams of such light.

ENTRANCE AND CLEARANCE OF VESSELS

The bill (H.R. 5038) authorizing pursers or licensed deck officers of vessels to perform the duties of the masters of such vessels in relation to entrance and clearance of same was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That whenever, under any provision or provisions of any statute of the United States, it is made the duty of the masters of vessels to make entry and clearance of same, it shall be lawful for such duties to be performed by any licensed deck officer or purser of such vessel; and when such duties are performed by a licensed deck officer or purser of such vessel, such acts shall have the same force and effect as if performed by masters of such vessels: *Provided*, That nothing herein contained shall relieve the master of any penalty or liability provided by any statute relating to the entry or clearance of vessels.

LIGHT-STATION RESERVATION, BRIDGEPORT, CONN.

The bill (H.R. 7744) to authorize the Secretary of Commerce to transfer to the city of Bridgeport, Conn., a certain unused light station reservation was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Commerce is authorized on behalf of the United States to convey to the city of Bridgeport, in the county of Fairfield, State of Connecticut, a certain island known as "Fayerweather Island" which has been used as the Black Rock Light Station Reservation and which has heretofore been leased to said city of Bridgeport by the United States for use as a public park.

A portion of Fayerweather Island was conveyed to the United States by deed dated June 17, 1807, from Nicholas Fish to the United States of America, and described as follows:

That certain piece or parcel of land lying in the town of Fairfield in the said State of Connecticut known and called the "Fayerweather Island" and which forms the outer side of the "Black Rock Harbor" so-called, and the same is bounded northerly on Black Rock Harbor, westerly on the mouth of said harbor, southeasterly on the sea beach or Long Island Sound, and northeasterly on the beach including the rocky point thereof adjoining the said island and is about 8 acres in quantity, be the same more or less, which deed is recorded in volume 32, page 545, and in book B, page 43, of the town of Fairfield.

And the remaining portion of said island was conveyed to the United States by deed dated July 10, 1807, from Daniel Fayerweather to the United States of America, one undivided half of a certain piece of land in quantity about 8 acres in the whole piece, be the same more or less, and which piece of land lies in the town of Fairfield, in said county, and is known and called by the name of "Fayerweather Island", and the whole of said land is bounded northerly on Black Rock Harbor, westerly on the mouth of said harbor, easterly on the sea or Long Island Sound, northeasterly on the beach including the rocky point thereof adjoining said premises, which deed is recorded in volume 32, page 25, and in book B, page 44, of the town of Fairfield.

Said deed from the United States shall convey all of said property to said city in perpetuity and shall provide that it shall always be used and maintained by said city as a public park, and if at any time the city discontinues the maintenance of said property as a public park, then the same shall revert to the Government of the United States.

OGEECHEE RIVER, GA.

The bill (H.R. 7793) authorizing a preliminary examination of the Ogeechee River in the State of Georgia, with a view to controlling of floods was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination to be made of the Ogeechee River, in the State of Georgia, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917. The cost of such examination shall be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

KARIM JOSEPH MERY

The bill (H.R. 2339) for the relief of Karim Joseph Mery was considered, ordered to a third reading, read the third time, and passed, 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: *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.

ROBERT B. JAMES

The bill (H.R. 2541) for the relief of Robert B. James was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Robert B. James, out of any money in the Treasury not otherwise appropriated, the sum of $7,000, the amount of a fine paid by Robert B. James in pursuance of a judgment entered upon a plea nolo contendere under certain provisions of the so-called "Lever Act" previous to the time that the Supreme Court of the United States held such provisions void, the said plea and said payment being made under a stipulation as follows: "In consideration that the Attorney General and this court shall accept the plea nolo contendere which I hereby tender to the above-entitled indictment, I do hereby waive any and all fines which the court may see fit to impose upon me upon such pleas, except in the event that the so-called 'Lever Act' under which said indictment is found shall be declared unconstitutional by the Supreme Court of the United States and that no prosecution could be sustained upon the facts stated in said indictment: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or re-

ceived 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."

O. S. CORDON

The bill (H.R. 3579) for the relief of O. S. Cordon was considered, ordered to a third reading, read the third time, and passed, 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 O. S. Cordon, postmaster at Rigby, Idaho, the sum of $17.37 to reimburse him for the amount of postal funds lost as a result of the failure of the First National Bank, of Rigby, Idaho.

PAUL BULFINCH

The bill (H.R. 3580) for the relief of Paul Bulfinch was considered, ordered to a third reading, read the third time, and passed, 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 Paul Bulfinch, postmaster at American Falls, Idaho, the sum of $158.54 in full settlement of all claims against the Government of the United States to reimburse him for the amount of postal funds lost by him as a result of the failure of the First National Bank of American Falls, Idaho, on February 8, 1923: *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.

GRACE P. STARK

The bill (H.R. 3952) for the relief of Grace P. Stark was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Postmaster General is authorized and directed to credit the accounts of Grace P. Stark, postmaster at Marked Tree, Ark., in the sum of $161.58. Such sum represents the amount of a deficit in the accounts of the said Grace P. Stark, caused by the loss of postal funds deposited in the First National Bank of Marked Tree, Ark., which failed November 15, 1926.

C. W. MOONEY

The bill (H.R. 4519) for the relief of C. W. Mooney was considered, ordered to a third reading, read the third time, and passed, 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 moneys in the Treasury not otherwise appropriated, the sum of $161.71, to compensate C. W. Mooney, of Lenapah, Okla., for actual financial loss sustained by him, without negligence on his part, through refund already made to the Post Office Department wherein postal funds for which he was responsible as postmaster of Lenapah, Okla., were on deposit in the First National Bank of Lenapah, Okla., where said bank failed under date of November 19, 1923, and was liquidated, none of said sum being repaid from the assets of said bank.

GEORGE CHARLES WALTHER

The joint resolution (H.J.Res. 61) granting compensation to George Charles Walther was considered, ordered to a third reading, read the third time, and passed, as follows:

Whereas George Charles Walther was shot near Underwood, Wash., on or about September 1, 1923, by a United States prohibition-enforcement officer pursuing the owner of a still located in the vicinity; and

Whereas as a result of such shooting, occurring in line of duty, the said George Charles Walther has been permanently paralyzed and rendered a hopeless cripple and a bedridden invalid for life; and

Whereas the said George Charles Walther was removed by the Government from Underwood, Wash., to a hospital in Portland, Oreg., and there left by United States Government officials without provision having been made for his care; and

Whereas the said George Charles Walther is without means or ability to care for himself: Therefore be it

Resolved, etc., That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, the sum of $100 a month to George Charles Walther, during his lifetime, as full compensation for total and permanent disability resulting from a gunshot wound inflicted upon him in 1923 by a Federal prohibition-enforcement officer. Such payment shall be made through the United States Employees' Compensation Commission and shall date from the approval of this act.

The preamble was agreed to.

HENRY A. RICHMOND

The bill (H.R. 3851) for the relief of Henry A. Richmond was considered, ordered to a third reading, read the third time, and passed, 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 Henry A. Richmond the sum of $500 in compensation for bond forfeited for John A. Golding, now within the jurisdiction of the Federal authorities: *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.

EDWARD J. DEVINE

The bill (H.R. 4269) for the relief of Edward J. Devine was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is authorized and directed to pay, out of the appropriation "Medical and hospital services", to Edward J. Devine the sum of $65.50. The payment of such sum shall be in full settlement of all claims against the United States for undertaking services performed by Edward J. Devine in connection with the burial of Patrick J. Murtagh.

BILL PASSED OVER

The bill (H.R. 4274) for the relief of Charles A. Brown was announced as next in order.

Mr. McKELLAR. Mr. President, the Department recommends against that bill. I think we had better let it go over unless some Senator who is interested in it can explain it.

The VICE PRESIDENT. The bill will be passed over.

BARNEY RIEKE

The bill (H.R. 4611) for the relief of Barney Rieke was considered, ordered to a third reading, read the third time, and passed, 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 $3,750 to Barney Rieke, because of the destruction of his yacht Barney Google by the United States Coast Guard: *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.

FIRST LT. WALTER T. WILSEY

The Senate proceeded to consider the bill (S. 2973) for the relief of First Lt. Walter T. Wilsey, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after "$147.50", to insert "in full settlement of all claims against the Government of the United States", and at the end of the bill to insert a proviso, so as to make the bill read:

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 First Lt. Walter T. Wilsey the sum of $147.50, in full settlement of all claims against the Government of the United States, which amount was stolen from the safe of Company A, Fourth Motor Repair Battalion, Quartermaster Corps, Camp Holabird, Md., on March 6, 1925, and

reimbursed to the said company by Lieutenant Wilsey: *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 was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIMS OF OFFICERS AND ENLISTED MEN FOR EXTRA PAY

The Senate proceeded to consider the bill (H.R. 1724) providing for settlement of claims of officers and enlisted men for extra pay provided by act of January 12, 1899, which was read, as follows:

Be it enacted, etc., That the General Accounting Office is authorized and directed to receive and settle claims of officers and enlisted men who were appointed or enlisted in the Army under the act of March 2, 1899 (30 Stat.L. 979), for 1 or 2 months' extra pay provided by the act of January 12, 1899, as amended (30 Stat.L. 784), notwithstanding the disallowance of their claims for such extra pay by the former accounting officers of the Treasury.

Mr. McKELLAR. Mr. President, may I ask the Senator from Mississippi [Mr. STEPHENS] if this bill was amended in accordance with the recommendation of General McCarl?

Mr. STEPHENS. This bill was amended, as I recall, in accordance with the suggestion which came to the committee. As a matter of fact, General McCarl, the Comptroller General of the United States, proposed the amendments which were adopted.

Mr. McKELLAR. Very well.

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

RECONSTRUCTION FINANCE CORPORATION

Mr. ROBINSON of Arkansas. I ask unanimous consent to recur to Order of Business 561, Senate bill 3138. Yesterday the bill was called and there was some discussion of it, and the Senator from Ohio [Mr. FESS] asked that the bill go over. The Senator from Florida [Mr. FLETCHER] has explained the necessity for the passage of the bill, and the Senator from Ohio advises me that he has investigated the matter and has no further objection to the passage of the measure.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas?

There being no objection, the Senate proceeded to consider the bill (S. 3138) authorizing the Reconstruction Finance Corporation to aid in financing exports and imports, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Reconstruction Finance Corporation Act, as amended (U.S.C., supp. VII, title 15, ch. 14), is amended by inserting before section 6 thereof the following new section:

"SEC. 5c. With the approval of the President, the Corporation is authorized and directed, notwithstanding any other provisions of law, to establish or to utilize export or import trading and banking corporations in which the United States shall own, directly or indirectly, the entire beneficial interest, and to subscribe for and purchase the common and preferred stock and obligations thereof, for the purpose of aiding in financing and facilitating exports and imports between the United States and other nations or the agencies or nationals of either of them."

D. F. PHILLIPS

The bill (H.R. 2666) for the relief of D. F. Phillips was considered, ordered to a third reading, read the third time, and passed, 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: *Provided*, That no benefits shall accrue prior to the passage of this act.

BILL PASSED OVER

The bill (H.R. 2682) for the relief of Bonnie S. Baker was announced as next in order.

Mr. McKELLAR. That bill is not approved by the Department, and I ask that it go over unless some Senator is prepared to explain it.

The VICE PRESIDENT. The bill will be passed over.

EDWARD SHABEL

The bill (H.R. 2689) for the relief of Edward Shabel, son of Joseph Shabel, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, from any funds in the Treasury not otherwise appropriated, to Edward Shabel, son of Joseph Shabel, deceased, the sum of $2,579 in full settlement of all claims against the Government for injuries and damages sustained by Joseph Shabel when struck by a Government automobile on May 7, 1932, said automobile having been driven at the time by Hayden N. Bell, a Federal prohibition agent: *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.

RELIEF OF MISSISSIPPI STATE TREASURER

The bill (H.R. 3345) to authorize the Department of Agriculture to issue a duplicate check in favor of the Mississippi State treasurer, the original check having been lost, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of sections 3646, as amended, of the Revised Statutes of the United States, the disbursing clerk of the Department of Agriculture is authorized and directed to issue, without the requirement of an indemnity bond, a duplicate of original check no. 534971 drawn April 3, 1929, in favor of the Mississippi State treasurer for $1,871.02, and lost, stolen, or miscarried in the mails.

GLADDING, M'BEAN & CO.

The Senate proceeded to consider the bill (S. 1173) for the relief of Gladding, McBean & Co., which had been reported from the Committee on Claims, with amendments, on page 1, line 6, after the word "settlement", to strike out "for losses suffered by the said company by reason of the failure of the Supervising Architect's Office, Treasury Department, to require of the Plains Construction Co., general contractors for the construction of post office at Las Vegas, Nev., a valid bond as required by law for the protection" and to insert "of all claims against the Government of the United States, for losses suffered by the said company by reason of the default of the Plains Construction Co., general contractors for the construction of post office at Las Vegas, Nev., and the contractor's failure to furnish a valid bond as required by law for the protection", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Gladding, McBean & Co., out of any money in the Treasury not otherwise appropriated, the sum of $6,602.40 in full settlement of all claims against the Government of the United States for losses suffered by the said company by reason of the default of the Plains Construction Co., general contractors for the construction of post office at Las Vegas, Nev., and the contractor's failure to furnish a valid bond as required by law for the protection of labor and material men furnishing labor and material on public works: *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 was ordered to be engrossed for a third reading, read the third time, and passed.

T. J. MORRISON

The bill (H.R. 3551) for the relief of T. J. Morrison was considered, ordered to a third reading, read the third time, and passed, 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 T. J. Morrison, of Elizabethtown, Ky., the sum of $195.41 in full settlement of all claims against the Government of the United States for water actually supplied to the post office at Ravenna, Ky., during the period of 9 years and 5 months from November 27, 1922, until April 27, 1932: *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.

LUCIEN M. GRANT

The bill (H.R. 6386) for the relief of Lucien M. Grant was considered, ordered to a third reading, read the third time, and passed, 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.

O. H. CHRISP

The bill (H.R. 1127) for the relief of O. H. Chrisp was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to O. H. Chrisp, of Bald Knob, Ark., out of any money in the Treasury not otherwise appropriated, the sum of $5,000 in full settlement of all claims against the Government of the United States in full payment of all damages for personal injuries received by him while in the employ of the Director General of Railroads on January 17, 1919, at Crawfordsville, Ark., on account of the negligence of the said Director General of Railroads: *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.

G. C. VANDOVER

The Senate proceeded to consider the bill (H.R. 4973) for the relief of G. C. Vandover, which had been reported from the Committee on Claims with amendments, on page 1, line 4, after the word "Vandover", to insert "out of any money in the Treasury not otherwise appropriated", and in line 7, after the word "States", to strike out "such sum is in full compensation", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to G. C. Vandover, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 in full settlement of all claims against the Government of the United States for injuries sustained by G. C. Vandover, who, while acting within his capacity as an employee of State Hospital No. 4, Farmington, Mo., had his right leg shot off by a discharged soldier, then a patient in such hospital and a Federal Government charge: *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 amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (S. 2439) for the relief of the Goldsmith Metal Lath Co., Price-Evans Foundry Corporation, and R. W. Felix was announced as next in order.

Mr. BULKLEY. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

ALBERT W. HARVEY

The bill (S. 2549) for the relief of Albert W. Harvey was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay to Albert W. Harvey, Rutland, Vt., out of any money in the Treasury not otherwise appropriated, the sum of $49.15, being the amount expended by said Harvey for damages incurred in an accident in which an automobile was seized by a Federal prohibition agent in the performance of his duties for the Government.

JOSEPH DUMAS

The bill (H.R. 4846) for the relief of Joseph Dumas was considered, ordered to a third reading, read the third time, and passed, 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 against the Government, the sum of $1,500 to Joseph Dumas, of Waterville, Maine, in full payment and settlement for all claims against the United States for injuries received by said Dumas on September 9, 1927, at said Waterville, through the negligence of an employee in the United States Railway Mail Service: *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.

BILL PASSED OVER

The bill (S. 3285) to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes, was announced as next in order.

Mr. McKELLAR and Mr. DILL. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

ELIZABETH MILLICENT TRAMMELL

The bill (S. 1200) for the relief of Elizabeth Millicent Trammell was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to Elizabeth Millicent Trammell, widow of H. Eric Trammell, late third secretary of American Embassy at Rio de Janeiro, Brazil, the sum of $3,000, equal to 1 year's salary of her deceased husband.

WIENER BANK VEREIN

The bill (S. 1263) for the relief of Wiener Bank Verein was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the sum of $30,208.67 is hereby authorized to be appropriated for payment to the Wiener Bank Verein or its attorney in fact in the United States, representing interest at 4¾ percent on certain cable transfers which the embassy at Constantinople undertook to make by cable communications to the Secretary of State on January 13, 1917, and on February 25, 1917, payment of which was deferred, as set forth in Senate Document No. 13, Seventy-second Congress, first session: *Provided*, That no payment hereunder shall be made by the Secretary of the Treasury except at the direction of the Secretary of State: *Provided further*, That full authority is hereby vested in the Secretary of State to determine, in his discretion, whether payment in whole or in part should be made, withheld, or deferred.

SAMUEL W. CARTER

The Senate proceeded to consider the bill (S. 358) to authorize the Court of Claims of the United States to hear and determine the claim of Samuel W. Carter, which had been reported from the Committee on Claims with amendments, on page 1, line 3, after the word "that", to insert "jurisdiction is hereby conferred upon"; in line 4, after the word "Claims", to strike out "be, and it is hereby, authorized and directed" and to insert "notwithstanding the lapse of time or the statute of limitations"; in line 7, before the word "adoption", to insert "alleged"; and on page 2, line 4, after the word "barred", to strike out "because of the use of the patented device by the Government for more than 2 years, not by any existing statute of limitations, nor", so as to make the bill read:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States Court of Claims, notwithstanding the lapse of time or the statute of limitations, to hear and determine the claim of Samuel W. Carter for compensation for the alleged adoption and use by the Government of the United States of a certain invention relating to the design and construction of propeller blades for which original letters patent of the United States No. 1471590 were issued to him on October 23, 1923, and for which letters patent of the United States Reissue No. 16387 were issued to him on July 20, 1926. Said claim shall not be considered as barred because of the fact that the claimant was on the retired list of the United States Army and receiving compensation from the United States Government at the time the patented article was invented.

The amendments were agreed to.

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

ANNA CARROLL TAUSSIG

The Senate proceeded to consider the bill (S. 2744) for the relief of Anna Carroll Taussig, which had been reported from the Committee on Claims with amendments, on page 1, line 6, to strike out "$25,000 as compensation" and to insert "$5,000, in full settlement of all claims against the Government", and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Anna Carroll Taussig the sum of $5,000, in full settlement of all claims against the Government for permanent injuries sustained while riding in an automobile which was run into by a large post-office auto truck used in the mail service, owned by the United States, whereby Anna Carroll Taussig lost her right eye and was permanently scarred and disfigured: *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. McKELLAR. Mr. President, may we have an explanation of the bill? The Department has recommended against it.

Mr. DAVIS. Mr. President, the claim originally was for $25,000, and the committee recommended $5,000.

The bill, as amended, provides for the payment of $5,000 to Anna Carroll Taussig, in full settlement of all claims against the Government, for permanent injuries sustained while riding in an automobile which was run into by a large post-office truck used in the mail service, owned by the United States, whereby Anna Carroll Taussig lost her right eye and was permanently scarred and disfigured.

The records show that this accident happened on the morning of April 21, 1918, about 12:45 a.m. at Powelton and Lancaster Avenues, Philadelphia, Pa.; that it was raining very hard at the time; that the cars collided at the intersection of the avenues; that there were no lights of any kind on the mail truck; that the only lamp of any kind was a lantern with a badly smoked chimney on the left-hand side of the truck; that this lantern was not lighted, and from all appearances had not been lighted; that the claimant suffered the loss of her right eye, cuts on the chin and the right side of her face.

The chauffeur of the mail truck was arrested but was exonerated by the magistrate before whom he appeared, but there is no evidence of this hearing. The officer who arrived on the scene soon after the collision and who placed the driver of the mail truck under arrest, did not arrest the driver of the car in which the claimant was driving. The affidavit of this officer states that "the marks on the street showed that the United States mail truck, in attempting to stop, had skidded, turning almost a complete circle" and that the left front and side of the mail truck had collided with the left front part of the other car. He further testified that a light was still burning after the accident on the car in which the claimant was riding, but that there were no lights of any kind on the mail truck. Other affidavits of persons who arrived on the scene soon after the accident support the officer's statements.

Notwithstanding the report of the Post Office Department to the effect that it would not be justified in recommending favorable action with reference to this claim, your committee is of the opinion that the mail truck, running without lights and apparently at an excessive rate of speed, was responsible for the accident. It is accordingly recommended that the bill do pass, as amended.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

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

BONNIE S. BAKER

Mr. STEPHENS. Mr. President, I ask unanimous consent to return to order of business 819, being House bill 2682, for the relief of Bonnie S. Baker. This bill was objected to a moment ago by the Senator from Tennessee [Mr. McKELLAR]. I can state the facts briefly.

The claimant in this case was a postmaster, and it is stated in a letter from the Post Office Department that at the office where she served there was no safe provided for the safekeeping of money belonging to the office, nor was there any drawer in which the money could be placed and locked up.

The assistant postmaster, the father of the postmaster, left the office, locked the doors, put the windows down, and went over to get some lunch, about 50 feet from the post office. While he was away someone smashed the window, broke into the office, and stole a tin box in which the money was kept. The Post Office Department does not really and strongly oppose the payment of the claim.

Mr. McKELLAR. Mr. President, in all these post offices a bond is required of the postmaster to cover such losses, is there not?

Mr. STEPHENS. In this instance, at least, the postmaster paid $100.29, the amount of money that was stolen.

Mr. McKELLAR. Of course, it is a small matter, and if the Senator thinks the bill ought to be passed, I shall not object, but I call the attention of the Senator and of the Senate to the great number of these cases. The claims are not preferred by the postmasters themselves, but by the bondsmen, who come and seek to collect from the Government what they have had to pay out after receiving premiums on the bonds. That is often the case, and I think the practice is bad and should be stopped. I do not think the Government ought to make the bondsmen good.

Mr. STEPHENS. I know nothing about a bond having been required in this matter.

Mr. DILL. Mr. President, I am interested in what the Senator from Tennessee says, because there is a similar case in my own State. Bonds are required by the Government, and if Congress is forever to reimburse after losses, then why should there be any bond at all? Why should the postmasters be required to put up bonds?

Mr. McKELLAR. The Senator is, of course, right about that.

Mr. DILL. Are all these bonds such that when the money is lost the postmaster is held to the bondsman?

Mr. McKELLAR. I cannot say about each individual case.

Mr. LOGAN. Mr. President, I should like to ask the Senators a question. Do they know that there is any bond against burglary required in the case of a postmaster? If so, that would have something to do with it.

Mr. DILL. There ought to be a bond against burglary and against robbery and hold-ups.

Mr. LOGAN. That is true; but if there is such bond required, it has not been brought to the attention of the Committee on Claims.

Mr. McKELLAR. Mr. President, I think the fact is that the bond is against the loss of money while the person who is bonded holds the office. I am not objecting to the Senator's bill, but I call the attention of the Senate to the facts. It is very bad practice. I know the bondsmen come in most frequently and get Congress to restore money they have had to pay out by reason of making good on bonds. In other words, the bondsman guarantees the postmaster and the Government guarantees the bondsman. That ought not to be.

Mr. STEPHENS. Mr. President, it is a personal bond, and I think the character of cases to which the Senator refers is where an assistant in a post office defaults.

Mr. COPELAND. Mr. President, I want to say one word, if I may. Where it is demonstrated that the bondsman paid funds where there were extenuating circumstances which developed later, it would certainly seem to me perfectly right that the bondsman should be reimbursed. I am sure the Senator from Tennessee is so fair and just that he would not want to see any concern held up by the Government when there was no fault involved in the matter and where it afterward developed that the loss could not have been guarded against by the bondsman.

Mr. McKELLAR. I do not want to do anybody an injustice, but, using this case as an illustration, where a bondsman signs a bond to guarantee the safety of money to the Government, and the bondsman has to pay, regardless of how the money is lost, he has received premiums for that service, and the bondsman ought to pay, beyond all doubt.

Mr. DILL. Mr. President, there is a difference, of course, between a bond running in favor of a man's honesty in his handling of money and insurance against robbery or burglary.

Mr. STEPHENS. There is quite a difference.

Mr. DILL. Which is this? In what category does this case fall?

Mr. STEPHENS. It is a question of burglary. A window was smashed, and a tin box in which the money was locked up was stolen.

Mr. DILL. There is a case of a hold-up in my own State where $13,000 was taken, in the city of Seattle. It seems to me there ought to be insurance of some kind against robbery or burglary.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi?

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

CHEROKEE FUEL CO.

The bill (S. 2871) giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Court of Claims of the United States be, and it hereby is, given jurisdiction to hear and determine the claim of the Cherokee Fuel Co., Inc., Kansas City, Mo., for damages and for losses resulting from the cancelation by the depot quartermaster at St. Louis, Mo., of a contract between the United States Quartermaster Corps and the claimant, dated July 1, 1920, for furnishing coal at Camp Funston, Kans., to the Quartermaster Corps.

BLACK HARDWARE CO.

The Senate proceeded to consider the bill (S. 1585) for the relief of the Black Hardware Co.

Mr. McKELLAR. Mr. President, I should like to have an explanation of this bill. It involves a large sum, and the facts seem to be somewhat doubtful.

Mr. WHITE. Mr. President, this is a bill which seeks to reimburse the claimant for customs duties illegally and improperly collected. The situation is substantially as follows:

The claimant was an importer, at some port of Texas, which I have momentarily forgotten, of steel bars which were used in construction work. He paid a tariff charge of three fifths of a cent a pound under a certain section of the Tariff Act of 1922.

After he had been doing that for a substantial period of time, he found that a competitor in a nearby Texas community had been importing like steel bars and paying at a rate of one fifth of a cent a pound under a different section of the tariff law, the difference in the rate making about $2 difference on the ton.

Subsequently the matter of the correct tariff charge went to the Court of Customs Appeals, and that court held that the payment of the lower rate of one fifth of a cent a pound was the correct rate under the proper classification.

The bill seeks to reimburse this Texas concern for the excess of two fifths of a cent a pound over the rate which the court declared to be the proper and the legal rate.

Mr. McKELLAR. Mr. President, I see this statement in the report from the Secretary of the Treasury:

As to the merits of this bill, I have to state that if the importers had availed themselves of the remedial provisions of the law (sec. 514 of the tariff act above mentioned) in the same manner that the other importers apparently did, a refund of the duty paid could have been secured, and it appears to this office that the claimants in this case are solely responsible for failure to file a proper protest. The Department is compelled to deny many cases coming before it because of the failure of the importers to file statutory protests against the liquidated assessment of duties, and it must decline to give its approval to the passage of a measure for the benefit of one importing firm which did not avail itself of the avenue of relief provided by law for all importers.

In other words, apparently the Department feels that under the facts of this case the claim ought not to be paid.

Mr. WHITE. Mr. President, I think the Department asserted a general rule which it always follows. The crux of the matter is that the claimant, not knowing of the lower rate being charged other importers and not knowing what the law really was, paid an excessive rate. It did not file its protest until it had learned that other importers bringing in like articles were paying a rate two fifths of a cent a pound less than that which had been collected from it.

It is perfectly clear that an improper and excessive and unlawful rate was collected, and the real question is whether the United States is going to keep that to which it is not entitled under the law, or whether it will return it to the company to which it rightfully belongs, in equity.

Mr. ROBINSON of Arkansas. Mr. President, does the Treasury Department recognize the fact as alleged by the Senator, that the collection was wrongfully made?

Mr. WHITE. The Court of Customs Appeals directly passed on that question, and I think there is no question as to the fact.

Mr. ROBINSON of Arkansas. The court found that the money was wrongfully collected?

Mr. WHITE. The court found that the lower rate which had been collected from other importers was the proper rate under the proper classification.

Mr. McKELLAR. This case did not go to the Court of Claims, did it?

Mr. WHITE. No; it did not go to the Court of Claims, but another case involving the principle went to the Court of Customs Appeals and was there passed upon.

I take it the Senator from Texas knows more about the details than I do, but I have correctly stated the substantial facts and the main question involved.

Mr. SHEPPARD. Is it not true that the time for the protest under the law had expired before the injured party knew that he had a right to file the claim?

Mr. WHITE. Yes.

Mr. SHEPPARD. That is the heart of the matter.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, 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 Black Hardware Co., a Texas corporation, with principal offices at Galveston, the sum of $12,888.11 to fully refund to said company the difference between the rate of customs duties erroneously assessed and collected from it on corrugated iron bars at Galveston, Tex., between December 30, 1924, and September 27, 1926, under paragraph 304 of the act of 1922, and the rate of duty assessed and collected on the same class of merchandise in the same customs district, at Houston, Tex., during the same period, under paragraph 312 of said act, without the knowledge of said company, and which latter rate, subsequently, was decided to be according to law.

LOSSES SUSTAINED BY RIPARIAN OWNERS IN MARSHALL COUNTY, MINN.

The Senate proceeded to consider the bill (S. 1803) for the relief of certain riparian owners for losses sustained by them on the drained Mud Lake bottom in Marshall County, in the State of Minnesota, which had been reported from the Committee on Claims with an amendment, on page 2, line 3, after the sum "$1,030.68", to insert the following:

The sums of money paid under the authority hereof shall be in full and final settlement of all debts, demands, and claims of the persons receiving the same and of their heirs, assigns, or legal representatives against the United States on account of the losses sustained by them through the opening up of their lands on the drained Mud Lake bottom in Marshall County in said State of Minnesota to homestead entry.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized to pay, out of any money in the Treasury not otherwise appropriated, and the appropriation of which is hereby authorized, the following sums of money to the following persons or their heirs, assigns, or legal representatives: A. N. Eckstrom, $2,792.25; Margit Vaule, $3,894.80; Bernard Larson, $57.24; K. O. Flakne, $1,027.20; L. M. Larson, $31.64; Mrs. Gusta Petterson, $870.57; Ava Luella Dale, $2,031.33; Elmer Odie, $2,638.08; George E. Olson, $2,325.35; J. M. Silberstein, $1,860.28; Peter Christianson, $786.34; R. Rierson, $983.55; Ruth Lyons Rose, $196.71; Mary C. Moran, $334.24; Clarence Larson, $1,337.01; Mrs. O. B. Johnson, $528.01; Christian Burckland, $1,370.88; Karen Knutson, $507.60; Engebret S. Moe, $1,015.20; Nels A. Fosen, $954.50; Christian Larson Ring, $289.20; Elizabeth Risberg, $3,128.58; Axel Nelson, $3,620.30; G. F. Cashman, $301.69; D. B. Bakke, $3,482.70; and Frank W. Erickson, $1,030.68. The sums of money paid under the authority hereof shall be in full and final settlement of all debts, demands, and claims of the persons receiving the same and of their heirs, assigns, or legal representatives against the United States on account of the losses sustained by them through the opening up of their lands on the drained Mud Lake bottom in Marshall County in said State of Minnesota to homestead entry.

The amendment was agreed to.

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

ALICE E. BROAS

The Senate proceeded to consider the bill (S. 1161) for the relief of Alice E. Broas, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "sum of", to strike out "$2,500" and insert "$1,000", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to Alice E. Broas, of Chevy Chase, Md., as payment in full for personal injuries sustained by being struck by an automobile driven by Pvt. Cyrus L. Scribner, United States Army, on April 22, 1931, at Washington, D.C.: *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 was ordered to be engrossed for a third reading, read the third time, and passed.

VIRGINIA HOUGHTON

The Senate proceeded to consider the bill (S. 1162) for the relief of Virginia Houghton, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "sum of", to strike out "$5,000" and to insert in lieu thereof "$3,000", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, the sum of $3,000 to Virginia Houghton, of Chevy Chase, Md., as payment in full for personal injuries sustained by being struck by an automobile driven by Pvt. Cyrus L. Scribner, United States Army, on April 22, 1931, at Washington, D.C.: *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 was ordered to be engrossed for a third reading, read the third time, and passed.

MARY V. SPEAR

The Senate proceeded to consider the bill (S. 1163) for the relief of Mary V. Spear, which had been reported from the Committee on Claims with amendments, on page 1 line 5, after the words "sum of", to strike out "$5,000" and to insert in lieu thereof "$2,500", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 to Mary V. Spear, of Chevy Chase, Md., as payment in full for personal injuries sustained by being struck by an automobile driven by Pvt. Cyrus L. Scribner, United States Army, on April 22, 1931, at Washington, District of Columbia: *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 was ordered to be engrossed for a third reading, read the third time, and passed.

MOTHER'S DAY

The resolution (S.Res. 218) favoring an expression on Mother's Day of our love and reverence for motherhood was announced as next in order.

Mr. DILL. Let that go over.

Mr. COPELAND. Mr. President, will the Senator withhold his request for a moment?

Mr. DILL. Yes.

Mr. COPELAND. The resolution is in conformity with our usual annual custom.

Mr. DILL. Mr. President, the resolution proposes permanent legislation.

Mr. COPELAND. Mr. President, I do not think it does. It is merely a Senate resolution.

Mr. DILL. But it is permanent legislation; is it not?

Mr. COPELAND. No, Mr. President.

Mr. DILL. I have no objection if it is not permanent legislation.

The PRESIDING OFFICER. Is the objection withdrawn?

Mr. DILL. I withdraw the objection.

The resolution was considered and agreed to, as follows:

Whereas, by House Joint Resolution 263, approved and signed by President Wilson, May 8, 1914, the second Sunday in May of each year has been designated as Mother's Day for the expression of our love and reverence for the mothers of our country; and

Whereas there are throughout our land today an unprecedentedly large number of mothers and dependent children who, because of unemployment or loss of their bread-earners, are lacking many of the necessities of life: Therefore, be it

Resolved, That the President of the United States is hereby authorized and requested to issue a proclamation calling upon our citizens to express, on Mother's Day this year, our love and reverence for motherhood;

(a) By the customary display of the United States flag on all Government buildings, homes, and other suitable places;

(b) By the usual tokens and messages of affection to our mothers; and

(c) By making contributions, in honor of our mothers, through our churches or other fraternal and welfare agencies, for the relief and welfare of such mothers and children as may be in need of the necessities of life.

The preamble was agreed to.

BILL PASSED OVER

The bill (S. 3420) to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes, was announced as next in order.

Mr. FESS. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

HARRY P. HOLLIDGE

The bill (S. 1281) for the relief of Harry P. Hollidge was considered, ordered to be engrossed for a third reading, read the third time, and passed, 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 Harry P. Hollidge, the sum of $903.70, in full settlement of all claims against the Government for damages to his automobile as the result of a collision with a Packard truck belonging to the War Department, said collision occurring on the evening of March 27, 1919, on the Baltimore-Washington Pike.

A. J. HANLON

The bill (S. 2322) for the relief of A. J. Hanlon was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the accounts of A. J. Hanlon, special disbursing agent, Bureau of Prohibition, San Juan, P.R., with the sum of $223.75, said sum representing the amount paid on vouchers to Juan R. Toledo, prohibition agent, as per diem in lieu of subsistence for the period June 13 to July 21, 1929, which sum was disallowed by the General Accounting Office.

HECTOR H. PERRY

The Senate proceeded to consider the bill (S. 424) for the relief of Hector H. Perry.

Mr. McKELLAR. Mr. President, may we have some explanation of this bill? There seems to be some doubt about it.

Mr. LOGAN. Mr. President, if the Senator from Tennessee desires an explanation, I can give it to him very briefly.

This is an unusual case. It is for the relief of a veteran of the World War. He fought through the war and was in nearly every battle that was fought. There was no one in the war who had more battle service. After he came home, he deserted—in 1920. He went back in 1928 and surrendered, and was tried by court martial, and discharged dishonorably. The man was without mental stability; there is no doubt but that he was very greatly troubled in his mental processes after he came home. Whether it was caused by the war or not, we do not know.

The Senator from Massachusetts [Mr. WALSH], who introduced the bill, wrote a letter in which he set out the fact that the man was mentally unsound; and I think the reports from the doctors and the hospitals all show that during the period after he deserted, and before he surrendered himself, he was mentally incapacitated; but we thought his battle service was such as to entitle him to the relief he seeks.

Mr. McKELLAR. I see on the first page of the report a large number of engagements in which this soldier participated. I think the Senator from Kentucky is entirely right, and that this man should be given the relief he seeks.

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

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Hector H. Perry, who was a member of the Medical Detachment, Second Regiment United States Engineers, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 21st day of September 1928: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

THOMAS E. READ

The Senate proceeded to consider the bill (S. 1505) for the relief of Thomas E. Reed, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 5, after "Thomas E.", to strike out the name "Reed" and to insert in lieu thereof "Read", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Thomas E. Read, otherwise known as Thomas Griffiths, who was a member of Company I, Twenty-sixth Regiment United States Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 12th day of February 1900: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

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

The title was amended so as to read: "A bill for the relief of Thomas E. Read."

ARTHUR BUSSEY

The Senate proceeded to consider the bill (S. 2357) for the relief of Arthur Bussey, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$59,697.85, with interest at the rate of 6 percent per annum from June 18, 1919" and to insert in lieu thereof "$29,848.93", so as to make the bill read:

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 Arthur Bussey the sum of $29,848.93, in full satisfaction of his claim against the United States for damages for loss of, or damage to, personal property consequent upon the taking of his plantation, Riverside, in Chattahoochee County, Ga., for military purposes, under the act of July 2, 1917.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill from either the Senator from Georgia [Mr. GEORGE] or the Senator from Kentucky [Mr. LOGAN]?

Mr. GEORGE. Mr. President, the bill was reported by the Senator from Kentucky [Mr. LOGAN]. I will ask the Senator from Kentucky if he will not make a brief statement in explanation thereof.

Mr. LOGAN. Mr. President, to set out all the facts in this case in detail would require several hours, but I shall endeavor to be as brief about it as I can.

Mr. Bussey owned a very magnificent plantation in Georgia. He had it equipped with everything that made for happy living conditions and for earning money. He had 1,782 acres in the farm. He had ample water and lighting arrangements; he had a cotton gin, a nursery, and other things too numerous to mention. He had a vast amount of very fine stock, cattle and horses, hogs, sheep, and goats. The Army wanted that plantation in 1917 for an Army camp of some kind. They went down there and simply took it. They did not even file a condemnation proceeding. They put Mr. Bussey off. That led to a long controversy. Finally they bought the land, and, as the War Department contends, they bought the land and paid for the personal property.

Mr. McKELLAR. Mr. President, in order that we may expedite the matter, may I ask the Senator about the opinion of the Court of Claims? Did not the Court of Claims pass upon this very question?

Mr. LOGAN. The Court of Claims held they had no jurisdiction.

Mr. McKELLAR. The Court of Claims denied the claim on the ground of lack of jurisdiction?

Mr. LOGAN. That is my recollection; but I am quite sure that it was a case of tort. The Court of Claims did hold, however, as I read the opinion, that the $445,000 which was paid covered only the land. Then there was some small payment for the personal property.

Mr. Bussey claims that there was $108,000 due him by way of damages to his stock and to his growing crops, and the Court of Claims fixed that damage at fifty-nine-thousand-and-some-odd dollars.

To be perfectly frank with the Senator and with the Senate, I have not the slightest doubt that a considerable amount was and is due Mr. Bussey. The record is so voluminous that I could not determine accurately just what it was. He claimed $108,000. The Court of Claims cut that in two and set the amount at $59,000. Then the committee cut that in two and fixed it at $29,000, giving him one quarter of what he claimed was due him.

Mr. GEORGE. And that without interest.

Mr. LOGAN. Yes; that without interest.

Mr. McKELLAR. As I understand, the plantation was on the site where Fort Benning, Ga., now is, which is a military reservation. Is that correct?

Mr. LOGAN. That is correct.

Mr. McKELLAR. It was afterward necessary for the Government to have it?

Mr. LOGAN. I suppose it was. The Government said they had selected it because of all these improvements that Mr. Bussey had on his plantation; that he had houses for them to live in without the necessity of the Army's constructing them; that he had a storehouse with merchandise and groceries in it and he had a dairy, a large barn. The took it because, as expressed by one of the officers, it was an ideal place, and they needed it at once.

Mr. McKELLAR. Mr. President, I have such confidence in the Senator from Kentucky and in the Senator from Georgia, who are interested in this bill and who have examined the facts, that I shall not object.

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

The amendment was agreed to.

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

MACK COPPER CO.

The bill (S. 3349) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction be, and is hereby, conferred upon the Court of Claims of the United States, notwithstanding the lapse of time or any statute of limitation, to hear and determine the claim of the Mack Copper Co. against the United States for just compensation for the taking and use, and the damages and waste inflicted by the taking and use, of certain real property owned by the Mack Copper Co. and situated in San Diego County, State of California, which real property was taken, used, and occupied by the United States as an Army cantonment, training camp, or for other military purposes during the period from on or about May 15, 1917, to on or about June 1, 1922, not heretofore paid by the United States to the Mack Copper Co.

SEC. 2. That the Court of Claims of the United States, in the hearing and determination of any suit prosecuted under the authority of this act, is authorized, in its discretion, to use and consider as evidence in such suit, together with any other evidence which may be taken therein, the testimony and other evidence filed by Mack Copper Co. and the United States, respectively, in case no. D-134 on the docket of that court entitled "Mack Copper Co. against the United States", wherein the court rendered a judgment on the 6th day of June 1927.

SEC. 3. From any decision or judgment rendered in any suit presented under the authority of this act a writ of certiorari to the Supreme Court of the United States may be applied for by either party thereto, as is provided by law in other cases.

PIKE NATIONAL FOREST, COLO.

The bill (H.R. 2858) to add certain lands to the Pike National Forest, Colo., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following-described lands be, and the same are hereby, added to and made a part of the Pike National Forest, in the State of Colorado, and are to be hereafter administered under the laws and regulations relating to the national forests:

Township 9 south, range 77 west, sixth principal meridian: West half northwest quarter and west half southwest quarter section 30; northwest quarter northwest quarter, south half northwest quarter, south half northeast quarter, and south half section 31; south half northwest quarter, south half northeast quarter, and south half section 32.

Township 10 south, range 77 west, sixth principal meridian: North half section 5; north half and southwest quarter section 6; west half section 7; west half and south half southeast quarter section 18; north half northwest quarter and north half northeast quarter section 19; southwest quarter section 30; and west half section 31.

Township 10 south, range 78 west, sixth principal meridian: South half section 35 and south half section 36.

Township 11 south, range 77 west, sixth principal meridian: West half southwest quarter and southeast quarter southwest quarter section 19; west half northwest quarter and west half southwest quarter section 27.

Township 11 south, range 78 west, sixth principal meridian: Sections 3, 10, 15, 22, and the west half southwest quarter section 14; west half northwest quarter and south half section 23; and the south half section 24.

Township 12 south, range 77 west, sixth principal meridian: West half southwest quarter section 11; west half northwest quarter, west half southwest quarter, southeast quarter southwest quarter section 14; northwest quarter section 23; southwest quarter section 26; north half section 34, and northwest quarter section 35.

Township 13 south, range 77 west, sixth principal meridian: West half southwest quarter section 2; south half section 3; all of section 10; west half northwest quarter and west half southwest quarter section 11.

The inclusion of any of the aforesaid land in the Pike National Forest shall not affect adversely any valid application or entry pending at the date of the approval of this act.

COCHETOPA NATIONAL FOREST, COLO.

The bill (H.R. 2862) to add certain lands to the Cochetopa National Forest in the State of Colorado was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following-described lands be, and the same are hereby, added to and made a part of the Cochetopa National Forest in the State of Colorado and are hereafter to be administered under the laws and regulations relating to the national forests:

Township 12 south, range 79 west, sixth principal meridian: West half and southeast quarter section 16; all of sections 17 and 21; west half and southeast quarter section 22; and all of section 27.

Township 13 south, range 76 west, sixth principal meridian: Northeast quarter section 31; and west half northwest quarter section 32.

Township 13 south, range 77 west, sixth principal meridian: West half and southeast quarter section 14; northeast quarter section 15; east half section 23; west half northwest quarter and west half southwest quarter section 24.

Township 13 south, range 79 west, sixth principal meridian: West half section 22; west half section 27; all of section 34.

Township 14 south, range 79 west, sixth principal meridian: All of sections 3 and 10; west half, west half northeast quarter, and west half southeast quarter section 11; and all of section 35.

Township 15 south, range 76 west, sixth principal meridian: East half and southwest quarter section 10; west half section 11; west half and southeast quarter section 14; all of sections 15, 21, 22, 23, 26, and 27; east half section 28; east half section 33; all of sections 34 and 35; and west half section 36.

Township 15 south, range 78 west, sixth principal meridian: South half southwest quarter section 7; west half section 18; west half section 19; west half section 30; west half and southeast quarter section 31; and southwest quarter section 32.

Township 15 south, range 79 west, sixth principal meridian: South half northeast quarter, south half northwest quarter, and south half section 1; all of section 2; east half section 11; all of sections 12 and 13; northeast quarter section 14; all of section 24; and north half section 25.

Township 44 north, range 6 east, New Mexico principal meridian: North half sections 3 and 4.

Township 44 north, range 6 east, New Mexico principal meridian: Sections 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 22, 23, and 24.

Township 45 north, range 4 east, New Mexico principal meridian: Sections 2, 11, 14, and 23.

Township 45 north, range 5 east, New Mexico principal meridian: East half section 32; sections 33, 34, 35, and 36.

Township 45 north, range 7 east, New Mexico principal meridian: Section 12.

Township 45 north, range 8 east, New Mexico principal meridian: Sections 17 and 18.

Township 46 north, range 5 east, New Mexico principal meridian: Section 19; west half, north half northeast quarter section 20; west half northwest quarter section 30.

Township 46 north, range 6 east, New Mexico principal meridian: Sections 4, 5, 8, 9, 11, 16, and 17.

Township 46 north, range 8 east, New Mexico principal meridian: Section 1; north half section 12; southwest quarter northwest quarter, west half southwest quarter section 13; northwest quarter southwest quarter, south half southwest quarter section 17; south half northeast quarter, southeast quarter section 18; east half section 19; northwest quarter, south half section 20; north half sections 22 and 23; northwest quarter northwest quarter section 24; section 29; east half section 30; northeast quarter section 31; and north half section 32.

Township 47 north, range 8 east, New Mexico principal meridian: Southwest quarter, west half southeast quarter section 2; west half, west half east half section 11; west half, west half east half section 14; west half section 24; sections 25 and 36.

Township 48 north, range 3 east, New Mexico principal meridian: Southeast quarter section 25; southwest quarter section 26; sections 27 and 28; north half, southeast quarter section 33.

Township 48 north, range 4 east, New Mexico principal meridian: Sections 1, 2, and 3; east half, east half west half, northwest quarter northwest quarter section 10; sections 11, 12, 13, and 14; northeast quarter, north half southeast quarter, southeast quarter southeast quarter section 15; sections 23, 24, 25, and 26; east half, southwest quarter section 27; south half section 28; east half southeast quarter section 29; southwest quarter section 30.

Township 48 north, range 5 east, New Mexico principal meridian: West half section 3; sections 4 and 9; west half section 10; sections 15, 16, 17, 19, 20, 21, 22, 25, 26, 27, 28, 29, 30, 35, and 36.

Township 48 north, range 7 east, New Mexico principal meridian: Section 1.

Township 48 north, range 8 east, New Mexico principal meridian: Sections 5, 6, 8, and 17.

Township 49 north, range 4 east, New Mexico principal meridian: Sections 25, 26, 27; east half section 28; sections 34, 35, and 36.

Township 49 north, range 5 east, New Mexico principal meridian: Section 16; east half section 17; northeast quarter section 20; section 21; west half sections 22 and 27; sections 28 and 33; west half section 34.

Township 49 north, range 7 east, New Mexico principal meridian: Sections 10, 15, 24, 25, and 36.

Township 49 north, range 8 east, New Mexico principal meridian: Sections 19, 20, 29, 30, 31, and 32.

Township 50 north, range 7 east, New Mexico principal meridian: Sections 1, 12; north half southwest quarter, west half southeast quarter section 13; sections 14 and 23.

Township 50 north, range 8 east, New Mexico principal meridian: East half section 1; east half section 12.

Township 50 north, range 9 east, New Mexico principal meridian: All of sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and east half section 22; sections 23, 24, 25, and 26; east half section 27; section 36.

Township 50 north, range 10 east, New Mexico principal meridian: Entire township.

Township 51 north, range 8 east, New Mexico principal meridian: Section 19; east half section 25; section 30; east half section 36.

Township 51 north, range 9 east, New Mexico principal meridian: Entire township.

Township 51 north, range 10 east, New Mexico principal meridian: Sections 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, and 22; west half section 23; sections 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, and 36.

Provided, That the inclusion of any of the aforesaid land in the Cochetopa National Forest shall not affect adversely any right existing under the public-land laws at the date of the approval of this act.

JUDSON B. ISBESTER

The Senate proceeded to consider the bill (S. 2497) for the relief of Judson B. Isbester, which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and to insert:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, their widows, or dependent relatives Judson B. Isbester, formerly a private, Company M, Twenty-third Regiment United States Infantry, and who subsequently had two periods of honorable service in Company I, Thirty-fourth Regiment United States Infantry, as James E. Dolan, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of Company M, Twenty-third Regiment United States Infantry on the 12th day of April 1909: *Provided*, That no pay, pension, bounty, or other emoluments shall be held to have accrued prior to the passage of this act.

Mr. McKELLAR. Mr. President, will the Senator from Kansas [Mr. McGILL] tell us about that case?

Mr. McGILL. Mr. President, this man was a soldier during the Spanish-American War, serving in the Philippine Islands. He was sent to Silver City, N.Mex., where he was under observation for some ailments, and got into some trouble and was convicted in a civil court of assault with intent to kill by stabbing. He was discharged from the Army without honor. Since that time he has reenlisted and served two enlistments in the United States Army under the name of Dolan; at the expiration of both those enlistments he received an honorable discharge, and the last time he was discharged with "character excellent." During his last enlistment he served in the World War overseas.

Mr. McKELLAR. Mr. President, the explanation is satisfactory.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

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

The title was amended so as to read: "A bill for the relief of Judson B. Isbester."

PUBLIC-SCHOOL FACILITIES FOR INDIAN CHILDREN IN WASHINGTON

The bill (S. 2769) to provide funds for cooperation with Marysville School District, No. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children, was announced as next in order.

Mr. FESS. Mr. President, there are several bills similar in character to the one now before the Senate. I should like to have some Senator explain what the necessity for them is, if there is such necessity. Can the Senator from North Dakota [Mr. FRAZIER] explain them?

Mr. FRAZIER. Mr. President, there are, I think, about three bills on the calendar which provide appropriations to assist in the enlargement of public schools in order to accommodate Indian children who will attend such schools. It has been the policy of the Indian Bureau to do away with Government boarding schools for Indians wherever it is possible to do so, and to put the Indian children in the public schools. In many instances so much of the land in the counties is exempt from taxation because it is owned by Indians that the public-school authorities are unable, under their tax laws, to build schools sufficiently large to take care of the Indian children. The Department feels that if a little money can be appropriated by the Government to assist the school districts in building or enlarging the public schools which the Indian children will attend, it will take care of the situation. Several of the Government schools have been closed, the Indian children have been thrown out of school, there is no place for them to attend school, and they are not attending school this year because of that circumstance.

Mr. McKELLAR. Mr. President, cannot the money for that purpose be secured from the Public Works Administration? To appropriate money out of the Treasury when a similar work is being done, let us say, by the Public Works Administration seems probably not to be wise.

Mr. FRAZIER. I think it is contemplated to get the money from the Public Works Administration, if it can be obtained there, and that will be perfectly all right, but many of us are very much interested, as the Department is interested, in having these appropriation bills passed in order that the assistance may be given the public schools so that they may take care of the Indian children.

Mr. FESS. Will the Senator advise us whether this is a new departure?

Mr. FRAZIER. It has been practiced in some instances—in fact, several instances—but it is rather a new departure. The policy of closing down Government boarding schools wherever possible and taking care of the children in the public school was inaugurated during the last administration, because it was felt the Indian children are thereby given a better advantage by mixing with the white pupils and become better equipped to take their place among the white people when they leave school.

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

Mr. FRAZIER. I yield.

Mr. McNARY. I am not a member of the committee, but I will say, in answer to the Senator from Tennessee, that I think there is no additional money to be expended. The policy of the administration under Mr. Collier, the Commissioner of Indian Affairs, is to dispose of and vacate what they call the nonreservation Indian schools, or schools which

are not on the reservations. There are a number of them in the country. By closing those schools they are throwing some of the children into the public schools. The money saved by the abandonment of the Federal schools for the Indians is to be used to assist in building schoolhouses and maintaining schools operated by the public. So I think there is no additional sum of money taken out of the Treasury on account of the change of policy.

Mr. McKELLAR. Of course, the Senator from Oregon always persuades me very strongly by anything he has to say, but I think we are establishing a precedent that probably will give us trouble in the future. However, during the many years I have been in the Congress I do not recall ever to have voted against a bill providing for the education of the youth of this country, and I do not suppose I am going to vote against this bill, and I shall not object.

Mr. McNARY. I will say to the Senator from Tennessee that I have no interest in the matter at all, except as we are all interested in the proper education of the wards of the Government. I know there has been a policy, built upon retrenchment, to dispose of the nonreservation Indian schools. However, the Indian children must be educated, and the task is now being imposed on the taxpayers and the public schools. I think we should do our part toward these children without any additional expense to the taxpayer.

Mr. ROBINSON of Arkansas. The bill does carry an appropriation from the Federal Treasury of nearly $40,000.

Mr. McNARY. Yes; but what is carried in that way is saved by the abandonment of the nonreservation schools. That is the general impression I have, and I only offer that suggestion in connection with the statement made by the Senator from North Dakota.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 3, after the word "be", to strike out "expended from any moneys now available, and applicable, or that may become hereafter available, for construction under provisions of the National Industrial Recovery Act, approved June 16, 1933", and insert "appropriated, from any moneys in the Treasury not otherwise appropriated", so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of $38,000 for the purpose of cooperating with Marysville School District No. 325, Snohomish County, Wash., for extension and improvements of school buildings: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all the Indian children of the district on the same terms, except as to payment of tuition, as other children of said school district: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The amendment was agreed to.

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

PUBLIC-SCHOOL FACILITIES FOR INDIAN CHILDREN AT BROCKTON, MONT.

The Senate proceeded to consider the bill (S. 1977) to provide funds for cooperation with the school board at Brockton, Mont., in the extension of public-school building at that place, to be available to Indian children of the Fort Peck Indian Reservation, which was read, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $40,000 for the purpose of cooperating with the public-school board of district no. 55, town of Brockton, and county of Roosevelt, Mont., for the extension and betterment of the public-school building at Brockton, Mont.: *Provided*, That the expenditure of any money so appropriated shall be subject to the express conditions that the school maintained by the said school district in the said building shall be available to all Indian children of the Fort Peck Indian Reservation, Mont., on the same terms, except as to payment of tuition, as other children of said school district, and that accommodations in said enlarged building to the extent of one half its capacity shall be available for Indian children from the Fort Peck Reservation: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

Mr. ROBINSON of Arkansas. Mr. President, I presume this bill is based on the same principle as is the bill just discussed?

Mr. FRAZIER. The situation is exactly the same. The subcommittee visited that school in Montana last fall.

Mr. ROBINSON of Arkansas. Very well.

The PRESIDING OFFICER. If there be no objection to the consideration of the bill, the question is on its engrossment and third reading.

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

ALTERNATE BUDGET OF BUREAU OF INDIAN AFFAIRS

The Senate proceeded to consider the bill (S. 2874) authorizing the submission of an alternate budget for the Bureau of Indian Affairs, which was read, as follows:

Be it enacted, etc., That for the fiscal year ending June 30, 1936, in addition to the budget provided for by law, there shall also be prepared and submitted an alternate budget for the Bureau of Indian Affairs which shall be segregated by functions of the service and jurisdictions, such expenditures to be classified thereunder in accordance with approved character and object designation.

Mr. ROBINSON of Arkansas. Mr. President, this is rather an extraordinary proposal for legislation. I wish to ask what number of budgets will be required to be prepared and submitted and how many different subjects will be treated in the new budget?

Mr. HAYDEN. Mr. President, the history of this proposal is that when the Senate Committee on Indian Affairs was investigating the expenditures made by the Indian Bureau it was found to be exceedingly difficult to ascertain where the money went which Congress had actually appropriated. The Senate Committee on Appropriations included in the Interior Department appropriation bill for the next fiscal year an amendment for an alternative budget. The Senate adopted that amendment which provided that at the next session of Congress in January 1935 the Indian Bureau shall submit its budget in the ordinary way and then in a new way which the Commissioner of Indian Affairs claims will furnish the committees of Congress with greater and more detailed information than we have had heretofore and would actually tell the Congress where the money appropriated will be expended.

We took the matter to conference after the Senate had adopted the committee amendment, but the House conferees objected because it was legislation on an appropriation bill. It was understood, however, by the conferees that the Senate having adopted the committee amendment providing for an alternative budget, we would by legislation allow the two kinds of budgets to be submitted for the next fiscal year. That will enable the appropriating committees of both the House and Senate to see whether there is real merit in this proposal in which the Indian Bureau is so much interested. I think that as a matter of good faith, in carrying out our part of the bargain as conferees on the part of the Senate, this bill should be passed.

Mr. McKELLAR. Mr. President, may I make a statement, if the Senator will yield?

Mr. HAYDEN. I yield.

Mr. McKELLAR. I recall what took place in both the Committee on Appropriations and also in the conference committee, and I derived the very distinct impression from the testimony of the Commissioner of Indian Affairs that the real purpose of the proposed alternative budget was to cause lump-sum appropriations to be made. Whether this bill shall be passed or not, I want to say that I shall never agree to lump-sum appropriations for the Indian Service, and I do not believe the Senator from Arizona will. I am very much opposed to lump-sum appropriations; and I have the idea, from the testimony of the Commissioner, that the purpose of this bill is ultimately that the Congress shall give to the Commissioner of Indian Affairs a certain sum of money and let him allocate it as he may see fit. If that be the case, I am quite sure that we will have quite a contest about it before any such policy shall be adopted.

Mr. HAYDEN. Let me say to the Senator from Tennessee that I am just as much opposed as is he to lump-sum appropriations, but I cannot see any harm in permitting the Bureau of Indian Affairs to make up the regular Budget

which will come to the Congress in the usual way, and also make up a budget in an alternative form to which we can give attention and consideration. The proof of the pudding is going to be in the eating. If the alternative budget provides for nothing but lump-sum appropriations it is not going to be looked upon with favor either in the House of Representatives or in the Senate; I can guarantee that.

I must say that I believe the Senator from Tennessee misinterpreted the real intent of the Commissioner of Indian Affairs. My understanding from what Commissioner Collier said was that when the alternative Budget is submitted next January the Congress will have more information than it has ever had heretofore with respect to the details of the appropriation for the Indian Bureau.

Mr. McKELLAR. That may be true, and if it means more details as to the specific appropriations for the Indian Bureau I will certainly not have any objection to it, but, so far as lump-sum appropriations are concerned, especially for the Indians who are the wards of the Government, I shall never agree to them, and I want to say right now that in my judgment we are not going to have them.

Mr. FRAZIER. Mr. President, if the Senator will yield, I think the object of this bill is to prevent just the thing the Senator from Tennessee is protesting against, namely, to prevent lump-sum appropriations by setting out the different items so that we may know what the appropriations are for.

Mr. HAYDEN. Mr. President, the Senate should understand that estimates will be submitted in the regular Budget in the customary way, just as they have been submitted for years, but, in addition thereto, at the next session of Congress, the same sums of money will be presented in an alternative form for the consideration of the Committees on Appropriations. It will only be done once.

Mr. ROBINSON of Arkansas. Mr. President, I have not as yet obtained the information which I sought in the beginning. It is provided in the bill that the alternate budget for the Bureau of Indian Affairs shall be segregated by functions of the service and jurisdictions. I inquire how many are the functions of the service and how many are the jurisdictions of the service, and what are they?

Mr. HAYDEN. There are 110 jurisdictions, if my memory serves me well. There are 110 different reservations or agencies where funds are expended. The functions of the service, broadly speaking, relate to education, conservation of health, Indian lands, industrial assistance and advancement, probate matters, roads and bridges, irrigation and drainage, general support and administration, and so on. They are functions which are divided into about a dozen different categories. We are told that it will be shown how the money for each function of the Indian Service will be expended at each jurisdiction.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Tennessee?

Mr. HAYDEN. I yield.

Mr. McKELLAR. My recollection of the testimony is that the Commissioner's idea was to furnish the functions, and he himself would make a statement as to how the money should be divided, but that was not to go in the bill. If I am wrong about that the Senator from Arizona may correct me, but that is the distinct impression I got. I am very much opposed to selecting the 10 or 12 functions which the Commissioner may designate and appropriating lump sums for those functions, and then allowing the Commissioner to allocate the funds as he may desire. I am opposed to such a plan, and I am sure the Senator from Arizona is also opposed to it.

Mr. HAYDEN. I am sure Congress will never legislate in such a broad and indefinite way. It should be provided that for the function of education, for example, so many million dollars shall be expended, and then that money divided to show just how much shall be expended at certain jurisdictions.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

RATES OF PAY AND COMPENSATION FOR LABOR

The Senate proceeded to consider the bill (S. 3041) to effectuate the purpose of certain statutes concerning rates of pay for labor, by making it unlawful to prevent anyone from receiving the compensation contracted for thereunder, and for other purposes, which had been reported from the Committee on the Judiciary with amendments, on page 2, line 2, after the words "shall be fined not more than", to insert "$5,000"; in the same line, after the words "imprisoned not more than", to insert the word "five"; and in line 5, after the words "Secretary of the Treasury", to insert "and the Secretary of the Interior jointly", so as to make the bill read:

Be it enacted, etc., That whoever shall induce any person employed in the construction, prosecution, or completion of any public building, public work, or building or work financed in whole or in part by loans or grants from the United States, or in the repair thereof to give up any part of the compensation to which he is entitled under his contract of employment, by force, intimidation, threat of procuring dismissal from such employment, or by any other manner whatsoever, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

SEC. 2. To aid in the enforcement of the above section, the Secretary of the Treasury and the Secretary of the Interior jointly shall make reasonable regulations for contractors or subcontractors on any such building or work, including a provision that each contractor and subcontractor shall furnish weekly a sworn affidavit with respect to the wages paid each employee during the preceding week.

Mr. COPELAND. Mr. President, I should be unwilling to have the bill passed without the Senate understanding its purpose. Much has been said on the floor recently about what is known as the "kick-back" where employers or subemployers have indecently and immorally taken from employees a part of the wage which it was supposed they were being paid. The testimony before our committee investigating crime is so startling as to indicate that as much as 25 percent of the money supposed to be paid out of Federal funds for employment is actually repaid to employers in this improper manner. The purpose of the bill is to attempt to put some check upon that practice.

I may say in this connection that Mr. William Green, president of the American Federation of Labor, has written me a letter, from which I quote but a sentence:

It has been a common practice for contractors constructing Federal buildings to pay the employees the prevailing rate as determined by the Secretary of Labor, and then have them return a certain amount to the contractor. That is a most vicious practice.

It is the purpose of the bill to have the Secretary of the Treasury and the Secretary of the Interior, having charge of public works, require that an affidavit be made as to the pay roll each week so that we may have some way of reaching those who may be guilty of this practice.

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the Committee on the Judiciary.

The amendments were agreed to.

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

ADJUSTMENT OF STATUTES TO TWENTIETH AMENDMENT

The Senate proceeded to consider the bill (S. 2745) to provide for changing the time of the meeting of Congress, the beginning of the terms of Members of Congress, and the time when the electoral vote shall be counted, and for other purposes, which had been reported from the Committee on the Judiciary with amendments, on page 3, line 6, after the word "thereof" to insert "first Monday after the second Wednesday in December"; on page 3, line 10, after the word "thereof" insert "by the fourth Wednesday in December"; on page 3, line 13, after the abbreviation "Supp." strike out "VI" and insert "VII"; on page 3, line 14, after the word "thereof" insert "on the fourth Wednesday in December"; and after line 22 insert "6th day of January"; so as to make the bill read:

Be it enacted, etc., That section 152 of the Revised Statutes (U.S.C., title 3, sec. 41) is hereby amended by striking out the words "4th day of March" and inserting in lieu thereof "20th day of January."

SEC. 2. Section 25 of the Revised Statutes (U.S.C., title 2, sec. 7) is hereby amended by striking out the words "4th day of March" and inserting in lieu thereof "3d day of January."

SEC. 3. Section 1 of the act entitled "An act providing a temporary method of conducting the nomination and election of United States Senators", approved June 4, 1914 (U.S.C., title 2, sec. 1), is hereby amended by striking out "4th day of March" and inserting in lieu thereof "3d day of January."

SEC. 4. The first sentence of section 20 of the act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands", approved August 29, 1916 (U.S.C., title 48, sec. 1091), is hereby amended by striking out the words "4th day of March" and inserting in lieu thereof "3d day of January."

SEC. 5. The second sentence of section 36 of the act entitled "An act to provide a civil government for Puerto Rico, and for other purposes", approved March 2, 1917 (U.S.C., title 48, sec. 891), is hereby amended by striking out the words "4th of March" and inserting in lieu thereof "3d day of January."

SEC. 6. The act entitled "An act providing for the meeting of electors of President and Vice President and for the issuance and transmission of the certificates of their selection and of the result of their determination, and for other purposes", approved May 29, 1928, is hereby amended as follows:

(a) By striking out the words "first Wednesday in January" in section 1 of such act (U.S.C., supp. VI, title 3, sec. 5a) and inserting in lieu thereof "first Monday after the second Wednesday in December."

(b) By striking out the words "by the third Wednesday in the month of January" in section 5 of such act (U.S.C., supp. VI, title 3, sec. 11b) and inserting in lieu thereof "by the fourth Wednesday in December."

(c) By striking out the words "on the fourth Wednesday of the month of January" in section 6 of such act (U.S.C., supp. VII, title 3, sec. 11c) and inserting in lieu thereof "on the fourth Wednesday in December."

SEC. 7. The first sentence of section 4 of the act entitled "An act to fix the day for the meeting of the electors of President and Vice President, and to provide for and regulate the counting of the votes for President and Vice President, and the decision of questions arising thereon", approved February 3, 1887 (U.S.C., title 3, sec. 17), is amended by striking out the words "second Wednesday in February" and inserting in lieu thereof "6th day of January."

Mr. ROBINSON of Arkansas. Mr. President, the bill contains several paragraphs mostly affecting dates in existing statutes. I should like to have the Senator from Nebraska [Mr. NORRIS] state whether the bill is proposed pursuant to the recently adopted twentieth amendment to the Constitution.

Mr. NORRIS. Mr. President, the only effect of the bill is to carry out the provisions of the so-called "lame duck" amendment to the Constitution. It has no other object and accomplishes nothing else. The statute as it exists now provides for the counting of the Presidential vote on the second Wednesday in February. Under the newly adopted amendment to the Constitution that date has to be changed because the President goes into office on the 20th of January. There are a number of dates running through the statute which have to be changed accordingly.

Other changes pertain to the dates on which the Presidential electors shall meet and cast their vote and send the result to the Vice President and the Secretary of State. It will probably be necessary for some of the States to change some of their statutes, and it is desirable that the bill be passed now in order that when the legislatures meet that may be done at the earliest possible time.

Mr. ROBINSON of Arkansas. There are no changes provided for in the bill except those that are fairly contemplated by the amendment to the Constitution to which we have referred?

Mr. NORRIS. That is correct. That is the object of the bill and there is nothing else in it of which I know.

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the Committee on the Judiciary.

The amendments were agreed to.

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

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT

The Senate proceeded to consider the bill (S. 3185) to amend the Agricultural Adjustment Act, as amended, with respect to farm prices, which was read, as follows:

Be it enacted, etc., That the first sentence of section 2 (1) of the Agricultural Adjustment Act, as amended, is amended to read as follows: "To establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will (A) give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period; and (B) reflect current farm labor costs, interest payments on farm indebtedness and taxes on farm property, as contrasted with such costs, interest, and taxes during the base period."

SEC. 2. Section 9 (c) of the Agricultural Adjustment Act, as amended, is amended to read as follows:

"(c) For the purposes of part 2 of this title, the fair exchange value of a commodity shall be the price therefor that will (A) give the commodity the same purchasing power, with respect to articles farmers buy, as such commodity had during the base period specified in section 2; and (B) reflect current farm labor costs, interest payments on farm indebtedness, and taxes on farm property as contrasted with such costs, interest, and taxes during the base period specified in section 2; and the current average farm price and the fair exchange value shall be ascertained by the Secretary of Agriculture from available statistics of the Department of Agriculture."

Mr. ROBINSON of Arkansas. Mr. President, I should like to have the author of the bill discuss its provisions and purposes.

Mr. SHIPSTEAD. Mr. President, when the Agricultural Adjustment Act was passed, an amendment was attached in the Senate providing that in establishing farm prices under the act and in the formula to give the farmer dollar a parity with the dollar of industry, cost of production should be taken into consideration. That amendment was stricken out in conference because it was said the cost of production could not be determined.

That formula provides that in determining the purchase power of the American dollar and in trying to achieve parity of the dollar for the farmer, it shall be based upon the index of the price level of commodities which the farmer buys. The bill provides that in addition to the index of the price level of the commodities which the farmer buys there shall be taken into consideration, in order to achieve the parity of 1909–14, the increased indebtedness and expenditures for debts which the farmer must make, the increase that has taken place in his taxes. It provides also that the increased cost of labor shall be taken into consideration.

Mr. SMITH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from South Carolina?

Mr. SHIPSTEAD. I yield.

Mr. SMITH. Is not that practically what is incorporated in the proposed amendment to the Agricultural Adjustment Act on which we acted this morning?

Mr. SHIPSTEAD. I did not read that measure in full. The bill which is now under consideration has the approval of the Department of Agriculture.

Mr. SMITH. Section 9 of the proposed amendment to the Agricultural Adjustment Act is almost verbatim a copy of the bill now under consideration.

Mr. SHIPSTEAD. That may be.

The purpose of the bill now before us is to raise the parity price of the farmer's dollar. I am informed that the survey shows that if this bill is enacted into law, then if and when the agricultural dollar comes to a parity as intended by the act, it will raise the purchasing power of the farmer's dollar about 10 percent.

I am told that if the parity in this bill had been incorporated in the Agricultural Adjustment Act, and were in full effect, it would make the price of wheat 10 cents a bushel higher under the present price level, and the price of cotton about 1.6 cents higher than it is under the present formula.

Parity has not been achieved with agricultural products under the Agricultural Adjustment Act. I do not know whether or not it ever will be achieved; but, if it is, the farmer will have a 10-percent advantage in the purchasing power of his dollar over what he will have under the present provisions of the act.

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

Mr. SHIPSTEAD. I yield.

Mr. VANDENBERG. I can give the Senator a very concrete example of the need for this bill.

Yesterday when we passed the sugar control bill, it contained a new and entirely novel provision in respect to agricultural legislation, permitting minimum wages to be fixed in respect to sugar-beet cultivation. Under the existing law, that arbitrarily increased cost of production cannot be taken into consideration in fixing the parity price for the farmer. I made that statement upon the floor of the Senate yesterday. Unless something of this sort is available to permit the parity price to be adjusted pursuant to costs of production, the farmer cannot obtain the parity price which the legislation assumes to give to him.

Mr. SHIPSTEAD. Absolutely.

Mr. ROBINSON of Arkansas. Mr. President, I have examined the provision; and after the statements which have been made by the several Senators I do not wish to object to the consideration of the bill. I think it should pass.

Mr. FESS. Mr. President, I think the bill involves too much to pass it in 5 minutes. I shall be constrained to object.

Mr. ROBINSON of Arkansas. I hope the Senator will not object to its passage.

Mr. FESS. I desire to examine it. I never saw it before.

Mr. ROBINSON of Arkansas. Very well.

The PRESIDING OFFICER. The bill will be passed over upon objection of the Senator from Ohio.

Mr. SHIPSTEAD subsequently said: Mr. President, I ask unanimous consent to return to Order of Business 857, being Senate bill 3185. I have conferred with the Senator from Ohio, who objected to the consideration of the bill, and he has kindly consented to withdraw his objection.

Mr. FESS. Mr. President, I see upon reading the bill that all it does is to include mortgage indebtedness, taxes, interest, and freight rates in making an estimate of the average price. I see no objection to the bill.

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

CHIPPEWA INDIANS OF MINNESOTA

The bill (S. 3147) to amend the act approved June 28, 1932 (47 Stat.L. 337), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act approved June 28, 1932 (47 Stat.L. 337), be, and the same is hereby, amended by striking out in the eighth line thereof the word "three" and substituting therefor the word "five."

SALE OF INTOXICATING LIQUORS TO INDIANS

The bill (S. 3396) to amend the act of January 30, 1897 (29 Stat. 506, sec. 2139; U.S.Rev.Stat., sec. 241, title 25, U.S.C.), transferring certain jurisdiction from War Department to the Department of the Interior was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions of the act of January 30, 1897 (29 Stat. 506, sec. 2139, of the U.S.Rev.Stat.), be amended so as to read as follows:

"SEC. 241. Intoxicating liquors; sale to Indians or introducing into Indian country: No ardent spirits, ale, beer, wine, or intoxicating liquor or liquors of whatever kind shall be introduced, under any pretense, into the Indian country. Every person who sells, exchanges, gives, barters, or disposes of any ardent spirits, ale, beer, wine, or intoxicating liquors of any kind to any Indian under charge of an Indian superintendent or agent, or introduces or attempts to introduce any ardent spirits, ale, wine, beer, or intoxicating liquors of any kind into the Indian country shall be punished by imprisonment for not more than 2 years and by fine of not more than $300 for each offense.

"Any person who shall sell, give away, dispose of, exchange, or barter any malt, spirituous, or vinous liquor, including beer, ale, wine, or any ardent or other intoxicating liquor of any kind whatsoever, or any essence, extract, bitters, preparation, compound, composition, or any article whatsoever, under any name, label, or brand, which produces intoxication, to any Indian or ward of the Government under charge of any Indian superintendent or agent, or any Indian, including mixed bloods, over whom the Government, through its departments, exercises guardianship, and any person who shall introduce or attempt to introduce any malt, spirituous, or vinous liquor, including beer, ale, and wine, or any ardent or intoxicating liquor of any kind whatsoever into the Indian country, shall be punished by imprisonment for not less than 60 days and by a fine of not less than $100 for the first offense and not less than $200 for each offense thereafter: *Provided, however*, That the person convicted shall be committed until fine and costs are paid. But it shall be a sufficient defense to any charge of introducing or attempting to introduce ardent spirits, ale, beer, wine, or intoxicating liquors into Indian country that the acts charged were done under authority, in writing, from the Interior Department or any officer duly authorized thereunto by the Interior Department."

HEIRS OF WAKICUNZEWIN

The bill (S. 2957) for the relief of the rightful heirs of Wakicunzewin, an Indian, was considered, ordered to be engrossed for a third reading, read the third time, and passed, 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 respective heirs of Wakicunzewin, deceased Sisseton-Wahpeton allottee, as determined by the Secretary of the Interior pursuant to existing law, the sum of $2,888.90, as follows: Waste, $481.48; Cankumazwin, $481.48; Hotonnahowin, $240.74; Ticahdeiyotanke, $240.74; Mnimapson, or Charles Boesdi, $240.74; Cetanhote, or Grayhawk, $120.37; Hankadutana, or Charles Blackbird, $60.20; George Young, $60.19; Cankutopewin, $481.48; and George Track, $481.48: *Provided*, That, in the discretion of the Secretary of the Interior, the amount due any beneficiary may be deposited to the credit of the individual and handled in the same manner as other individual Indian moneys: *Provided further*, That, should any of the persons named herein be not living upon the date of the passage of this act, his or her share shall be credited to and become a part of the estate of such beneficiary.

CONSOLIDATED HIGH-SCHOOL BUILDING, SHANNON COUNTY, S.DAK.

The bill (S. 2940) to provide funds for cooperation with the school board of Shannon County, S.Dak., in the construction of a consolidated high-school building to be available to both white and Indian children was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $125,000 for the purpose of cooperating with the public-school board of Shannon County, S.Dak., for the construction and equipment of a consolidated public high-school building, at Pine Ridge, S.Dak.: *Provided*, That said school shall be conducted for both white and Indian children without discrimination, and that practical training for vocations and home economics be provided, and that the cost of education of white children shall be defrayed by the State and local public-school authorities, in accordance with such agreement or agreements as may be made between the Secretary of the Interior and State or local officials, and any and all sums of money obtained by reason of such agreement or agreements shall be available for reexpenditure for support and maintenance of said school.

CHIPPEWA INDIANS OF MINNESOTA

The Senate proceeded to consider the bill (S. 3148) to amend an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat.L. 555), which had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 6, after the word "party", to insert "with the consent of the court first had and obtained", so as to make the bill read:

Be it enacted, etc., That in all suits filed under the act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat.L. 555), either party, with the consent of the court first had and obtained, shall have the right to amend the pleadings at any time prior to the entry of final judgment so as to include all claims said Indians may have under said act against the United States and any defense the United States may have thereto.

The amendment was agreed to.

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

LAKE CHAMPLAIN BRIDGE, EAST ALBURG, VT.

The bill (S. 3374) to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt., authorized to be built by Jed P. Ladd, his heirs, legal representatives, and assigns, by

the act of Congress approved March 2, 1929, heretofore revived and reenacted by act of Congress approved June 15, 1933, are extended 1 and 3 years, respectively, from June 15, 1934.

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

OSAGE INDIAN ALCOHOLICS AND NARCOTICS

The bill (S. 3382) to cover the handling of Osage Indian alcoholics and narcotics was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I should like to have an explanation of this bill. I thought already there were strong laws in force on this subject. I wonder what changes are proposed.

Mr. McNARY. The author of the bill is not in the Chamber at the present time.

Mr. ROBINSON of Arkansas. Let it be passed over for the moment. I may wish to recur to it.

The PRESIDING OFFICER. The bill will be passed over for the present.

Mr. THOMAS of Oklahoma subsequently said: This morning in my absence, Mr. President, Senate bill 3382 was passed over. I was absent from the Senate in connection with hearings on the District of Columbia appropriation bill. I ask unanimous consent to return to the bill in order that I may make a brief statement, and then, after having made my statement, I shall ask for the consideration of the bill, if there be no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3382) to cover the handling of Osage Indian alcoholics and narcotics.

Mr. ROBINSON of Arkansas. Mr. President, what changes does that bill make in the present law?

Mr. THOMAS of Oklahoma. Mr. President, just a statement or two with regard to the necessity for this bill. It is a departmental bill, recommended by the Secretary of the Interior.

The Osage Indian Tribe until a few years ago was a very poor tribe of Indians. Oil was discovered on their reservation, and during the past 15 years something like $250,000,000 have been secured as royalties on their oil land. The Indians, about 2,000 of them, have had about a quarter of a billion dollars to spend in 15 years. I do not suppose they are different from other classes of people receiving that amount of money. The result, however, has been that a great number of these Indians have become addicts to liquor and to narcotics, and many of them have become, it may be said, uncontrollable and unmanageable. Because of their physical and mental condition, caused by abuses in the use of liquor and narcotics, it is thought that for their best interest they should be removed from the reservation and placed somewhere where they can be given proper medical care. That, however, cannot be done without legislation.

Mr. ROBINSON of Arkansas. Do the provisions of the bill accomplish that purpose?

Mr. THOMAS of Oklahoma. They do.

Mr. ROBINSON of Arkansas. I make no objection to the present consideration of the bill.

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

Be it enacted, etc., That whenever the superintendent of the Osage Tribe of Indians shall become satisfied that any member of the tribe is an habitual drunkard, or an habitual user of narcotics, then it shall be the duty of such superintendent to file a complaint in the United States District Court in the district in which such Indian may reside charging said Indian with being an habitual drunkard from the use of intoxicating liquors, or an habitual user of narcotics, and if the court shall find that such Indian is an habitual user of intoxicating liquors or an habitual user of narcotics, it shall order that such Indian be committed to some institution designated by the court where treatment is given for habitual drunkards, or habitual users of narcotics; and said court shall order and direct that such Indian remain in such institution until the proper authorities thereof shall be of the opinion that he or she is sufficiently recovered from the use of alcoholic liquors, or narcotics, to be able to refrain from the use of said such intoxicating liquors or narcotics. The cost and expense of treating such Indians shall be paid out of the Indian's funds or property by the Secretary of the Interior where such funds or property are in his charge or under the charge or supervision of the Secretary of the Interior, then the same shall be paid out of the income of such Indian as a member of the Osage Tribe of Indians derived from the resources of the tribe. Jurisdiction is hereby conferred upon the district courts of the United States to hear and determine such cases, and the judgment of such courts thereon shall be final. The court shall hear and determine said actions without a jury. It shall be the duty of the United States district attorney in the district where such cases are filed to prosecute the same.

SEC. 2. Any person who shall sell, trade to, or dispose of any intoxicating liquors or narcotic drugs to any member of said Osage Tribe of Indians who has been committed as provided in section 1 above shall be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment in the United States penitentiary for a term of not less than 1 year or more than 5 years and shall pay a fine of not less than $100 nor more than $500, and such person shall not be eligible to a parole unless said fine is paid, and then only under such rules and regulations as are provided by the Department of Justice of the United States.

OSAGE INDIANS OF OKLAHOMA

The bill (S. 3393) relating to the tribal and individual affairs of the Osage Indians of Oklahoma, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That hereafter the Secretary of the Interior shall cause to be paid to each adult member of the Osage Tribe of Indians not having a certificate of competency his or her pro rata share, either as a member of the tribe or heir or devisee of a deceased member, of the interest on trust funds, the bonus received from the sale of oil or gas leases, and the royalties therefrom received during each fiscal quarter, not to exceed $1,000 per quarter, and if such adult member has a legal guardian, his current income not to exceed $1,000 per quarter may be paid to such legal guardian in the discretion of the Secretary of the Interior: *Provided*, That when an adult restricted Indian has surplus funds in excess of $10,000 there shall be paid such Indian sufficient funds from his accumulated surplus in addition to his current income to aggregate $1,000 quarterly: *Provided further*, That the Secretary of the Interior may cause payment to be made of additional funds from the accumulated surplus to the credit of any Osage Indian under such rules and regulations as he may prescribe. Whenever minor members of the Osage Tribe of Indians have funds or property subject to the control or supervision of the Secretary of the Interior the said Secretary may in his discretion pay or cause to be paid to the parents, legal guardian, or any person, school, or institution having actual custody of such minors such amounts out of the income or funds of the said minors as he deems necessary and when such a minor is 18 years of age or over the Secretary of the Interior may in his discretion cause disbursement of funds for support and maintenance or other specific purposes to be made direct to such minor. The payments above provided shall be subject to such control and supervision as the Secretary of the Interior shall deem proper. Rentals due such adult members from their lands and their minor children's lands and all income from such adults' investments, including interest on bank deposits to their credit, shall be paid to them in addition to the current allowances above provided.

The Secretary of the Interior may, upon the request of any member of the tribe, invest any or all of the funds of such member in a life annuity insurance policy, which upon his or her death will go to the heirs of Indian blood of such member; or may, upon the request of any member of the tribe, use the funds of such member to buy a life annuity insurance policy for any member, of Indian blood, of his or her family, or any near relative of Indian blood, such insurance policies to be held in trust by the United States and not subject to sale, cancelation, or transfer of any kind without the consent of the Secretary of the Interior during the life of such member or his or her heirs. The annuities coming from such life-insurance policies shall be paid to the persons designated therein. Such policies and the income therefrom shall not be subject to attachment, garnishment, or execution and may not be pledged as security for any indebtedness; and it shall be stated in such policies that they are held in trust for such Indians.

The Secretary of the Interior may invest the accumulated funds to the credit of restricted members of the Osage Tribe, after paying the taxes of such members, in United States bonds, Oklahoma State bonds, real estate, first-mortgage real-estate loans not to exceed 5 percent of the appraised market value of such real estate (where the member is a resident of Oklahoma, such loans shall be on Oklahoma real estate), stock in building-and-loan associations in Oklahoma, livestock, or deposit the same in banks (banks in the State of Oklahoma to be preferred), or expend the same in such other way as may be for the best interests of such members, such expenditures, investments, and deposits to be made under such rules and regulations as the Secretary of the Interior may prescribe: *Provided*, That no investment of any of the funds of such members shall be made without their consent.

SEC. 2. That part of section 17 of the act of May 25, 1918 (40 Stat.L. 561–579), which provides for the change of designation of homestead allotments of Osage Indians to an equal area of their unencumbered surplus is hereby amended to read as follows: "That any and all members of the Osage Tribe may change the present designation of their respective homesteads to an equal area of their unencumbered surplus lands in Osage County, upon application to and under such rules and regulations as the Secretary

of the Interior may prescribe; and the members of the tribe whose balances at the Osage Indian Agency are insufficient for the payment of ad valorem taxes on taxable lands may in the same manner change the present designation of their respective homesteads to an equal area of their unencumbered inherited, purchased, or otherwise acquired lands in Osage County: *Provided*, That each tract after the change and designation shall take the status of the other as it existed prior to the change in designation, as to alienation, taxation, or otherwise, and that any order of change or designation shall be recorded in the proper files of Osage County: *Provided further*, That the Secretary of the Interior be, and he is hereby, authorized, where the same would be for the best interests of the Osage Indians, allotted or unallotted, to permit the sale of surplus and homestead allotments or any other lands, wholly or in part, of such Osage Indians, and to remove the restrictions, under such rules and regulations as he may prescribe and upon such terms as he shall approve."

SEC. 3. That section 3 of the act of March 2, 1929 (45 Stat.L. 1478), is hereby repealed.

SEC. 4. That section 7 of an act of February 27, 1925 (43 Stat.L. 1008), be, and hereby is, amended to read as follows: "That none but heirs or devisees of Osage Indian blood shall inherit or take any right, title, or interest to any restricted lands, moneys, or mineral interests of the Osage Tribe, from those of one half or more Osage Indian blood who hereafter die; but in no event shall an heir or devisee not of Osage Indian blood receive more than one half of such an Osage estate: *Provided*, That this section, except as to limitation on amount or portion of estate to be taken by those not of Osage blood, shall not apply to spouses under marriages existing prior to February 27, 1925."

METLAKAHTLA INDIANS OF ALASKA

The bill (H.R. 4808) granting citizenship to the Metlakahtla Indians of Alaska was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Indians of the Tsimshian Tribe, and those people known as Metlakahtlans, who emigrated from Metlakahtla, British Columbia, Canada, to Annette Island, in the Alexander Archipelago in southeastern Alaska in the year 1887, and there established a colony known as Metlakahtla, Alaska, and any and all other British Columbia Indians who joined them there not later than January 1, 1900, and have since resided continuously therein, having been faithful and loyal to the Constitution, laws, and the Government of the United States, are hereby declared to be citizens of the United States.

SEC. 2. The granting of citizenship to the said Indians shall not in any manner affect the rights, individual or collective, of the said Indians to any property, nor shall it affect the rights of the United States Government to supervise and administer the affairs of the said Metlakahtla Colony. And any reservations heretofore made by any act of Congress or Executive order or proclamation for the benefit of the said Indians shall continue in full force and effect and shall continue to be subject to modification, alteration, or repeal by the Congress or the President, respectively.

SUITS OF CHEROKEE INDIANS—FRANK J. BOUDINOT

The Senate proceeded to consider the bill (S. 3117) authorizing and directing the Court of Claims, in the event of judgment or judgments in favor of the Cherokee Indians, or any of them, in suits by them against the United States under the acts of March 19, 1924, and April 25, 1932, to include in its decrees allowances to Frank J. Boudinot, not exceeding 5 percent of such recoveries, and for other purposes, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 4, after the word "any", to insert "suit or", and on page 2, line 2, before "Stat. L.", to strike out "3" and insert "43", so as to make the bill read:

Be it enacted, etc., That in compliance with request of the Cherokee Indians upon final determination by the Court of Claims of any suit or suits against the United States by the said Indians, sometimes known as the "Cherokee Nation", or by any class, classes, or bands thereof, commenced and prosecuted under the authority of the acts of Congress approved March 19, 1924 (43 Stat.L. 27), and/or April 25, 1932 (47 Stat.L. 137), and in the event judgment or judgments shall be rendered in favor of said Indians, or any of them, the said Court of Claims is hereby authorized and directed to include in its decrees allowances to Frank J. Boudinot, a member of the Cherokee Tribe of Indians, who has for many years been active in pressing the claims of the Cherokees against the United States by their request and direction and at his own expense, or to his heirs, personal representatives, or assigns, a reasonable percentage, not to exceed 5 percent, of such recoveries: *Provided*, That such allowances to said Frank J. Boudinot shall be in addition to any and all fees and expenses authorized by said acts of Congress of March 19, 1924, and April 25, 1932; and this act shall not be construed to affect in any way the contracts with attorneys entered into thereunder.

Mr. ROBINSON of Arkansas. Mr. President, will the Chairman of the Committee on Indian Affairs give an analysis of this measure?

Mr. FRAZIER. The chairman of the committee is not present; but this is the regular form of bill to allow the Indians to go into the Court of Claims. It is a jurisdictional bill. The committee considered it carefully, and I believe it should pass.

Mr. ROBINSON of Arkansas. The report was unanimous?

Mr. FRAZIER. Yes.

Mr. ROBINSON of Arkansas. I notice that there is a limitation as to the fees that may be paid.

Mr. FRAZIER. Yes; the usual limitation.

Mr. ROBINSON of Arkansas. I have no objection.

The amendments were agreed to.

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

BILLS PASSED OVER

The bill (S. 1842) to amend sections 211, 245, and 312 of the Criminal Code, as amended, was announced as next in order.

Mr. McNARY. Mr. President, at the request of the junior Senator from Pennsylvania [Mr. DAVIS], who is temporarily absent from the Chamber, I ask that the bill go over for the present.

The PRESIDING OFFICER. The bill will be passed over for the present.

The bill (H.R. 6013) to authorize the sale of land and houses at Anchorage, Alaska, was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, there is no report on this bill appearing in the file which I have. I should like some information about the bill. It gives the Secretary of the Interior broad powers to dispose of the public lands. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 3843) to repeal an act of Congress entitled "An act to modify and amend the mining laws in their application to the Territory of Alaska, and for other purposes, approved August 1, 1912" was announced as next in order.

Mr. McKELLAR. Let that bill follow the same course. There is no report on it.

The PRESIDING OFFICER. The bill will be passed over.

SALE OF REAL ESTATE UNDER COURT ORDER

The bill (H.R. 1567) amending section 1 of the act of March 3, 1893 (27 Stat.L. 751) providing for the method of selling real estate under an order or decree of any United States court was announced as next in order.

Mr. McKELLAR. Mr. President, there ought to be an explanation of this bill, because it allows a chancery court to sell property at private sale. I am wondering what the purpose of the bill is.

Mr. STEPHENS. Mr. President, the purpose is to expedite matters in litigation.

Section 1 of the present law, which is proposed to be amended, is in the exact language of the bill down to the word "*Provided*", in line 1, page 2. The amendments come in the two provisos which are printed here.

It seemed to the committee that the rights of the parties were properly safeguarded.

The provisos are:

That the court may, upon petition therefor and a hearing thereon, after such notice to parties in interest as said court shall direct, if it find that the best interests of said estate will be conserved thereby, order and decree the sale of such real estate or interest in land at private sale: *Provided further*, That the court shall appoint three disinterested persons to appraise said property, and said sale shall not be confirmed for less than two thirds of the appraised value.

This bill was considered by the House committee and passed the House. Several letters with reference to the matter are included in the report, and if the Senator cares to have them read I shall be glad to do it; but, as I said in the beginning, after careful consideration we thought it very proper to have this measure passed, and that the rights and interests of all persons were carefully preserved.

Mr. LOGAN. Mr. President, the last clause—

Provided further, That the court shall appoint three disinterested persons to appraise said property, and said sale shall not be confirmed for less than two thirds of the appraised value—

absolutely prohibits a sale of property if it does not bring two thirds of its value. I do not see how a law like that could be constitutional or why it should be passed. If a person holds a mortgage on real estate, and it is appraised, and when it is sold it does not bring two thirds of its appraised value, there is no sale at all; so unless the bidder can be forced to bid two thirds of the value of the property the mortgage holder has no remedy.

If that provision should be changed so that the owner or his assignee should be given 2 years, or any other reasonable period of time, in which to redeem the property if it brought less than two thirds of the appraised value, I should have no objection; but unless the bill can be amended to that effect I shall have to ask that it go over, because that is revolutionary.

Mr. McKELLAR. Mr. President, if the Senator will yield, we have the old system of chancery courts in Tennessee; and I am so imbued with the idea of their justice and equity that I am very loath to want to change the law about sales at all. As the Senator from Mississippi knows, I hate to object to anything in the world he proposes.

Mr. STEPHENS. I have no personal interest in the bill.

Mr. McKELLAR. If the Senator has not, I ask him to let it go over for the day, and let us consider it at another time.

The PRESIDING OFFICER. On objection from the Senators from Tennessee and Kentucky the bill will be passed over.

COLUMBUS DAY

The joint resolution (H.J.Res. 10) requesting the President to proclaim October 12 as Columbus Day for the observance of the anniversary of the discovery of America was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President of the United States is authorized and requested to issue a proclamation designating October 12 of each year as Columbus Day and calling upon officials of the Government to display the flag of the United States on all Government buildings on said date and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies expressive of the public sentiment befitting the anniversary of the discovery of America.

T. PERRY HIGGINS

The bill (H.R. 518) for the relief of T. Perry Higgins was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of T. Perry Higgins for disability from arterial rheumatism alleged to have been contracted in the course of his employment as a civilian in the Army Transport Service of the United States during the World War, in the same manner and to the same extent as if the said T. Perry Higgins had made application for the benefits 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, within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefits shall accrue prior to the approval of this Act.

GEORGE JEFFCOAT

The bill (H.R. 2026) for the relief of George Jeffcoat was considered, ordered to a third reading, read the third time, and passed, 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 Government of the United States, the sum of $5,000 to George Jeffcoat, husband of Mary Alma Jeffcoat, on account of the death of the said Mary Alma Jeffcoat, who was killed by one S. S. Sligh, Jr. (a Federal officer, known as a Federal prohibition officer, in Government service, while on duty), on December 21, 1931, while driving an automobile on a public street in the town of New Brookland, Lexington County, S.C.: *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.

CAPT. J. O. FARIA

The bill (H.R. 2321) for the relief of Capt. J. O. Faria was announced as next in order.

Mr. McKELLAR. Mr. President, does the Department approve this bill? Was it submitted to the Department?

Mr. GIBSON. There is a report from the Interior Department which is adverse.

Mr. McKELLAR. It is adverse? Will the Senator explain why?

Mr. GIBSON. This is a bill in which I think the Senator from New York [Mr. COPELAND] is interested.

Mr. COPELAND. I am not familiar with the bill.

Mr. McKELLAR. Let it go over for the present.

The PRESIDING OFFICER. The bill will be passed over for the present.

G. ELIAS & BRO., INC.

The bill (H.R. 2561) for the relief of G. Elias & Bro., Inc., was considered, ordered to a third reading, read the third time, and passed.

OSCAR F. LACKEY

The bill (H.R. 4779) for the relief of the estate of Oscar F. Lackey was considered, ordered to a third reading, read the third time, and passed.

ELIZABETH T. CLOUD

The bill (H.R. 190) for the relief of Elizabeth T. Cloud was announced as next in order.

Mr. McKELLAR. Let that go over. There does not seem to be any report accompanying the bill.

The PRESIDING OFFICER. The bill will be passed over.

RUSSELL & TUCKER AND OTHERS

The Senate proceeded to consider the bill (H.R. 2340) for the relief of Russell & Tucker and certain other citizens of the States of Texas, Oklahoma, and Kansas.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

Mr. CAPPER. Mr. President, this is a bill to give the parties enumerated the right to enter suit in the United States Federal Court for the Northern District of Texas for damages due from the United States by reason of neglect on the part of officials and inspectors of the United States Department of Agriculture, Bureau of Animal Industry, in dipping tick-infested cattle in Texas and Oklahoma.

Mr. McKELLAR. It gives them the right to sue in the United States District Court?

Mr. CAPPER. In the Federal Court for the Northern District of Texas. A similar bill was previously passed by the Senate, and a similar bill some years ago went through both Houses.

Mr. McKELLAR. These people must have a real case, or they would not want to go into court.

The PRESIDING OFFICER. The question is on the third reading of the bill.

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

FRANCES E. ELLER

The bill (H.R. 3611) for the relief of Frances E. Eller, was considered, ordered to a third reading, read the third time, and passed.

PORTER BROS. & BIFFLE

The Senate proceeded to consider the bill (H.R. 7279) for the relief of Porter Bros. & Biffle, and certain other citizens.

Mr. McKELLAR. Mr. President, what does this bill involve?

Mr. CAPPER. It is a bill similar to the one just passed.

Mr. McKELLAR. It simply allows the parties to go into court?

Mr. CAPPER. Yes; it allows them to go into the Federal court.

The PRESIDING OFFICER. The question is on the third reading of the bill.

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

WALTER E. SWITZER

The Senate proceeded to consider the bill (H.R. 3463) for the relief of Walter E. Switzer.

Mr. ROBINSON of Arkansas. Mr. President, what is the amount carried in the bill as reported?

The PRESIDING OFFICER. The Chair is advised the amount is $2,000.

Mr. ROBINSON of Arkansas. I have no objection to its consideration. The original bill carried $10,000.

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

GALEN E. LICHTY

The bill (H.R. 4847) for the relief of Galen E. Lichty was considered, ordered to a third reading, read the third time, and passed.

B. EDWARD WESTWOOD

The Senate proceeded to consider the bill (H.R. 4516) for the relief of B. Edward Westwood, which had been reported from the Committee on Claims with an amendment, on page 1, line 3, to strike out the words "Postmaster General" and to insert in lieu thereof the words "the Comptroller General of the United States", so as to read:

Be it enacted, etc., That the Comptroller General of the United States 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 amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

STANTON & JONES

The bill (S. 294) for the relief of Stanton & Jones was announced as next in order.

Mr. McKELLAR. Mr. President, we have no report on that bill in our files.

The PRESIDING OFFICER. The number of the bill stated on the calendar is an error. That is the number of the bill in the last Congress. The proper number of the bill for this Congress is S. 294.

Mr. ROBINSON of Arkansas. Mr. President, the Senator from Tennessee raises the point that the report on the bill has not as yet become available. If that be true, I suggest that it go over.

Mr. CAPPER. I have a copy of the report here.

Mr. ROBINSON of Arkansas. It is not convenient to consider the bill in that way.

The PRESIDING OFFICER. The bill will be passed over.

Mr. ROBINSON of Arkansas subsequently said: Mr. President, my attention has been called by the Senator from Kansas to the fact that Senate bill 294 merely provides for referring a matter to the Court of Claims. If that be correct, I shall make no objection to its consideration.

Mr. CAPPER. That is correct.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with amendments, on page 2, line 11, to strike out the word "petition" and to insert in lieu thereof the word "suit", and on line 12, to strike out the word "filed" and to insert in lieu thereof the word "brought", so as to make the bill read:

Be it enacted, etc., That whereas, due to conditions brought about by the late war with Germany, Stanton & Jones suffered losses in performing revetment work at Pellican Bend, Mo., under contract with the Engineers' Office, dated June 12, 1918; and whereas, because of equitable and moral considerations, it is the intention of Congress that the said Stanton & Jones shall be reimbursed for whatever losses and/or damages were suffered by them in performing the work in question begun during the period of the late war with Germany, the said claim is hereby referred to the Court of Claims of the United States to be adjudicated upon the basis of such losses and/or damages with instructions to determine from the evidence already submitted, and such additional evidence as either party may desire to submit, the amount of any such losses and/or damages, and the said court is hereby given jurisdiction and instructed to render judgment for the amount of such losses and/or damages as may be found to have been suffered by the said Stanton & Jones in the performance of the said work begun during the late war with Germany: *Provided*, That suit shall be brought in said court within 4 months from the date that this act becomes effective.

The amendments were agreed to.

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

VICTORIA ARCONGE

The Senate proceeded to consider the bill (S. 2585) authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge, which had been reported from the Committee on Indian Affairs with an amendment.

Mr. McKELLAR. Mr. President, I do not find a report on this bill in my file.

Mr. FRAZIER. Mr. President, this is simply a bill to authorize the Secretary to cancel a patent issued to this Indian woman. Patents in fee were issued to a great many Indians a few years ago, many of them over the protests of the Indians. The Department has now adopted the policy that under certain circumstances they can cancel the patents in fee and let the lands go back in trust, to be held by the Government in trust for the Indians, so that they will not have to pay taxes.

Mr. McKELLAR. This would be helpful to the Indian and not hurtful?

Mr. FRAZIER. It is for the benefit of the Indian, and the committee was very favorable to the bill.

The PRESIDING OFFICER. The clerk will state the amendment.

The amendment was to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to cancel the patent in fee no. 527856 issued to Victoria Arconge under date of May 8, 1916, covering her allotment of land on the Yankton Sioux Reservation, S.Dak., described as follows: Lots 582, 583, 586, and 587 of the Yankton Indian Reservation, S.Dak., containing 160 acres, and to issue to her a trust pate ntin lieu thereof covering the same land to be held in trust for her sole use and benefit or, in the case of her decease, for the sole use and benefit of her lawful heirs for the same period under the same conditions as other trust allotments are held on that reservation as extended by the last proclamation of the President relating to the said reservation and with the right of the President in his discretion to extend the trust period: *Provided*, That any valid encumbrances now resting against any of said land shall not in any manner be affected by the provisions of this act, but any of such land so encumbered, if still owned by the allottee, shall, when such encumbrances have been removed, become subject to the provisions of this act as fully and to the same extent as if such land were now unencumbered.

The amendment was agreed to.

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

SALE OF LAND AND HOUSES AT ANCHORAGE, ALASKA

Mr. TYDINGS. Mr. President, while I was absent from the Chamber, orders of business 869 and 870, being, respectively, House bill 6013 and House bill 3843, dealing with Alaska, were temporarily passed over. Both these bills have passed the House of Representatives and have the approval of the various departments having jurisdiction over the subject matter. I, therefore, ask unanimous consent that the bills may be considered.

The PRESIDING OFFICER. Is there objection to the consideration of the first bill referred to by the Senator from Maryland?

There being no objection the Senate proceeded to consider the bill (H.R. 6013) to authorize the sale of land and houses at Anchorage, Alaska.

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

APPLICATION OF MINING LAWS TO ALASKA

The PRESIDING OFFICER. Is there objection to the consideration of the second bill referred to by the Senator from Maryland?

There being no objection, the Senate proceeded to consider the bill (H.R. 3843) to repeal an act of Congress entitled "An act to modify and amend the mining laws in their application to the Territory of Alaska, and for other purposes, approved August 1, 1912."

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

CAPT. J. O. FARIA

Mr. GIBSON. Mr. President, I ask unanimous consent to recur to order of business 875, being House bill 2321, and to consider the bill at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 2321) for the relief of Capt. J. O. Faria.

Mr. McKELLAR. Will not the Senator from Vermont explain the bill?

Mr. GIBSON. Mr. President, the bill proposes to authorize the United States Compensation Commission to consider and determine the claim of Captain Faria, who was injured while employed by the United States Shipping Board. He failed to file his application within a year, and this bill would merely give him the right to have his case heard by the United States Compensation Commission.

Mr. McKELLAR. I have no objection.

The PRESIDING OFFICER. The question is on the third reading of the bill.

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

HOARDERS OF SILVER (S.DOC. NO. 173, PT. 3)

Mr. ROBINSON of Arkansas. Mr. President, in connection with the statement I made at the beginning of this morning's session with respect to the communication of the Secretary of the Treasury addressed to the Secretary of the Senate under date of April 25, 1934, relating to alleged hoarders of silver, it is noted that the Secretary states he has supplied all the information in his possession, and that he is transmitting certain incomplete data to the Chairman of the Committee on Banking and Currency of the Senate. I am informed that the Chairman of the Banking and Currency Committee, who is present, has a letter in relation to the subject.

The PRESIDING OFFICER. The Chair will state to the Senator from Arkansas that there is on the desk a letter from the Secretary of the Treasury giving further information in regard to the matter to which the Senator adverts. Would he be willing to have the letter read at this time?

Mr. ROBINSON of Arkansas. Let the letter be read.

The PRESIDING OFFICER. The Chair lays before the Senate a letter from the Secretary of the Treasury transmitting, in further response to Senate Resolution 211, a list of names of holders of "spot" silver and silver futures. The letter will be read.

The legislative clerk read as follows:

THE SECRETARY OF THE TREASURY,
Washington, April 26, 1934.

Col. EDWIN A. HALSEY,
Secretary United States Senate.

MY DEAR COLONEL HALSEY: I have hitherto transmitted to you a list of indicated holders of "spot" silver and silver futures as of January 31, 1934, as to which holders information appeared to be complete.

In the course of inquiry the names of certain other persons and firms appeared as owners of "spot" silver and silver futures as of Janury 31, 1934, but in these cases the information is not complete. Further investigation would be required to conclude the inquiry in many of these cases. In view of the fact that considerable difficulty has been experienced in getting the necessary information in a number of cases, the Treasury Department does not have the facilities to carry the matter further. In response to your request made over the telephone this morning, I am sending to you this list.

There is not included in the attached list any reference to holders of less than 50,000 ounces of "spot" silver or of less than two futures contracts. Because such small holders were very numerous, no systematic attempt was made to obtain complete information with reference to them.

Sincerely yours,

H. MORGENTHAU, Jr.,
Secretary of the Treasury.

The PRESIDING OFFICER. The letter, with the accompanying paper, will be referred to the Committee on Banking and Currency and be printed.

Mr. FLETCHER. Mr. President, I was not present this morning when this subject was brought up. In fact, the letter to me as Chairman of the Committee on Banking and Currency was only received this morning, and it explains that the reports made by the Secretary of the Treasury to the Senate comply with the resolution of the Senate insofar as the Secretary can go. He mentions that there are some matters to be looked into, and that perhaps he has not the authority to do it, but he has sent to the Committee on Banking and Currency a report as to these items which he thinks might be further investigated. That matter is now pending before the committee. I think it is going to be laid before the committee tomorrow morning. Under the resolution already adopted, I believe the committee has authority and power to make this investigation. Whether or not the committee will undertake to do it I do not know, but I presume very likely they will; and if we need further authority, we will come to the Senate and ask for it.

I now send to the desk and ask to have read the letter sent to me which I received this morning. The letter explains the situation.

The PRESIDING OFFICER. The letter will be read.

The legislative clerk read as follows:

TREASURY DEPARTMENT,
Washington.

Hon. DUNCAN U. FLETCHER, *Chairman*
Banking and Currency Committee of the Senate,
United States Senate.

MY DEAR SENATOR FLETCHER: I have hitherto transmitted to the Secretary of the Senate a list of the indicated holders of "spot" silver and silver futures as of January 31, 1934, as to which holders information appeared to be complete.

In the course of the inquiry the names of certain other persons and firms appeared as owners of "spot" silver and silver futures as of January 31, 1934, but in these cases the information is not complete. Further investigation would be required to conclude the inquiry in many of these cases. In view of the fact that considerable difficulty has been experienced in getting the necessary information in a number of cases, the Treasury Department does not have the facilities to carry the matter further. Accordingly, I am sending to you this list for such further attention as you may deem warranted.

There is not included in the attached list any reference to holders of less than 50,000 ounces of "spot" silver or of less than two futures contracts. Because such small holders were very numerous, no systematic attempt was made to obtain complete information with reference to them.

If further information in this matter should come to me, I shall turn it over to your committee.

Very truly yours,

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

The PRESIDING OFFICER. The letter will be referred to the Committee on Banking and Currency.

Mr. ROBINSON of Arkansas. Mr. President, I merely wish to add that it seems to have been made clear in the letter from the Secretary of the Treasury to the Secretary of the Senate of the 26th instant, and in the letter to the Chairman of the Senate Committee on Banking and Currency just read, that the Secretary of the Treasury has supplied all the information he has, and that he has complied with the Senate resolution.

Mr. FLETCHER. I think the Senator's statement is correct.

THE AIR MAIL

Mr. ROBINSON of Arkansas. Mr. President, I ask that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed consideration of the bill (S. 3170) to revise air-mail laws.

Mr. BLACK obtained the floor.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

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

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

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

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. BLACK. Mr. President, yesterday when I suspended my remarks, I was discussing certain parts of the evidence that had been introduced before the special Senate committee with reference to the purpose and object of the conference that was held in Washington adjacent to the offices of Postmaster General Brown by certain air-mail operators. I have presented certain portions of the evidence given by Mr. Brittin of the Northwest Airways, Mr. Sheaffer of the Transcontinental and Western, and Mr. Hanshue of the Western Air Express and the Transcontinental and Western. I shall now read a brief extract from the evidence given by Mr. Hanshue, from page 2978 of the record, with reference to the same subject. It will be understood that Mr. Hanshue is an officer of one of the companies, and this evidence was given by him under oath before the committee. Naturally I am not attempting to quote all the evidence by all the witnesses. In some cases there are conflicts between evidence given by the same witness, but on page 2978 Mr. Hanshue was asked with reference to this meeting—

The CHAIRMAN. Was that not with a view to determining who should continue to occupy or should occupy? Was not that the object of it?

Mr. HANSHUE. I think so.

The CHAIRMAN. That was the whole subject, was it not? Was it not, Mr. Hanshue?

Mr. HANSHUE. Yes; I think it was.

The CHAIRMAN. Those were the controversies, and that was what was left up to be decided, was it not?

Mr. HANSHUE. Yes.

Up to this time I have presented to the Senate some of the statements of Mr. Brown with reference to the object and purpose of the meeting, a statement by an officer of the Northwest Airways, a man who was an officer at the time he represented that company in this conference, the evidence of Mr. Sheaffer, and now I present the evidence of Mr. Hinshaw.

I wish to show to the Senate what was stated by the representative of the Aviation Corporation of Delaware. Mr. Hinshaw was a representative of the Aviation Corporation of Delaware at the conference held by the Postmaster General. At the time Mr. Hinshaw testified before the special committee he was no longer with the Aviation Corporation, but was a representative of the United Airways. Mr. Hinshaw, however, had taken a very active part both in connection with the passage of the McNary-Watres Act and in connection with the revision of the air-mail map when the favored operators decided upon who should have the particular routes. Mr. Hinshaw had every reason to have power and influence, for he had been the assistant to Mr. James W. Good in the campaign for Mr. Hoover, and he had been a very active participant in the campaign, both before the convention and after the convention. He was here as the paid representative of the Aviation Corporation of Delaware, and the evidence shows that he took one of the most prominent parts of any who participated in all these gatherings. Remembering that I have stated that the evidence shows that the purpose and object of this meeting was to decide how the air-mail routes should be distributed among the favored members, I now call attention to the statement of Mr. Hinshaw, under oath before the committee, which is found on pages 1579 and 1580.

The CHAIRMAN. Did you take part in the conference that divided up the air map?

Mr. HINSHAW. Yes, sir.

The CHAIRMAN. Whom were you representing at that time?

Mr. HINSHAW. American Airways, which is a subsidiary of the Aviation Corporation of Delaware.

[Vol. 4, pp. 1584 and 1585]

Mr. HINSHAW. Along in the summer of 1930, a notice went out that there would be a revamping of the air-mail map, and there were some 30 or 40 different groups of people who came into Washington.

Senator McCARRAN. Who sent out the notice?

Mr. HINSHAW. The Post Office Department.

Senator McCARRAN. Was it in writing?

Mr. HINSHAW. The operators were notified that they were to come to Washington on air-mail business.

Senator McCARRAN. How were they notified?

Mr. HINSHAW. By letters, as I remember; and this meeting took place in Washington. Mr. Brown addressed the meeting initially, and he told us that he wanted three competitive transcontinental routes; that he wanted these people that were operating in the territories—that he would try to work it out for them either by extension, and if he could not do that, he would have to put up the two transcontinental routes for advertisements, if he were unable to do it by extension. He stated that those people in this meeting should get together and try to work out to see who would be the operating company to operate these transcontinental routes. He further stated that any companies that had been operating, that had a pioneer interest in a line, in other words, had been running it for a year or 2 years——

The CHAIRMAN. Like Ball?

Mr. HINSHAW. No; these were non-air-mail carriers—that the companies should buy them, that he wanted those people taken care of.

Continuing the quotation from Mr. Hinshaw's testimony:

American Airways was interested in the Southern Transcontinental because they had 4 air-mail contracts going out of Dallas, 1 to Brownsville, 1 to Houston, and Houston over to New Orleans, and New Orleans to Atlanta. Naturally, the Southern Transcontinental interested them. On that Southern Transcontinental route were three air lines that were passenger air lines, not mail carriers. One was the Delta Air Mail Service, which flew from Atlanta to Dallas; the other was the Standard Air Lines, which flew from Los Angeles to El Paso; and the third was the Halliburton Air Lines—the safe way—which came down as far as Mineral Wells and Big Springs from Wichita Falls down to the Southwest through Tulsa. American Airways proceeded to try to deal with those people.

Remember, this was before the competitive bids were called for.

The CHAIRMAN. To buy them out?

Mr. HINSHAW. Yes, sir; and they did buy them out, and we were given to understand that there would not be, until the situation was cleaned up and these people taken care of—that there would not be any advertisements for these two transcontinental routes. That is correct, what you said, sir.

In other words, here were some routes which were to be opened up supposedly to competitive bidding or to be opened up in some other way. The representative of the Aviation Corporation of Delaware was at the meetings and testified that it was necessary for them to "clean up that section", or, as he said, to buy them out, which was done. What could have been the purpose of buying out these prospective competitive bidders in that section? There could be only one purpose. He said they did buy them out, and they did it, as I shall show later by the sworn testimony of the president of the Aviation Corporation, not because they wanted the lines, but because it was in the program that they should be bought out.

Let us see what the president of the Aviation Corporation testified under oath about that. This is the man who was president of the Aviation Corporation of Delaware at the time the meetings were held and at the time the Aviation Corporation of Delaware was compelled to purchase these companies in order to "clean up the territory". At page 1651 of the record of the hearings Mr. Coburn, the president of the Aviation Corporation of Delaware, said under oath:

Yes, sir; my firm was engaged by the Aviation Corporation of Delaware to assume the management of that corporation and its subsidiaries, and I was selected president on the 17th of April 1930, and I continued in that engagement until the 17th of March 1932, when we retired from the management of the company.

On page 1654 occurred the following:

The CHAIRMAN. Did not Mr. Brown say that he expected those granted any contracts or extensions in this matter to go as he said in reference to what lines they tried to get.

Mr. COBURN. Yes, sir; and we all agreed voluntarily.

The CHAIRMAN. Did he not say that?

Mr. COBURN. Yes, sir.

On page 1655:

Mr. COBURN. He said that he hoped that he would be able to put into effect an airway map which he exhibited to us, showing the mail routes then in operation and the mail routes that he wished to establish, including two independent competitively owned transcontinentals. In doing that, he wanted to recognize the pioneering work that had been done by mail operators and by passenger operators both.

The CHAIRMAN. He was going to recognize pioneers on all lines?

Mr. COBURN. Yes, sir; which interested me, because our company owned some lines flying passengers only and losing a lot of money. He stated that he wanted to work it out so that on any route there would be just one operator flying both mail and passengers, day and night; he thought that that was the most economical way for the Government to do it; that he wanted to assure us that we would not get any earnings from our mail subsidies from which we could pay dividends; that we would have to look for our profits to our passenger and express business, and he wanted us to get together and carve up the map.

Note those words, "He wanted us to get together and carve up the map."

For each operator to work out the place on the map where he belonged; that the mail operator in any territory or on any route get together with any one or more passenger operators in such territory or route and work out a combination so that everybody that had made any investment in the pioneering have such opportunities as the future might show of realizing on it, and to do that there would have to be a lot of trading done.

Here is the Postmaster General at a conference which has been pictured as being held by one who had "great vision." He had the operators there. The president of the Aviation Corporation of Delaware swears that they were told to "carve up the map" and that "there would have to be a lot of trading done."

Continuing Mr. Coburn's evidence:

"Now", he said, "I will leave you, and you just go ahead and work it out", and that was when he left us and that is when we picked out Mr. MacCracken to serve as chairman. We discussed it at some length, and a working committee was set up. I remember I put Mr. Hinshaw on to represent our company because he lives here in Washington.

On page 1656, Mr. Coburn continued:

We all agreed, for instance, that Northwestern should have the extension up to Winnipeg.

I digress to remark that shortly after this meeting was held Postmaster General Brown wrote a letter to the Comptroller General asking him for authority to grant an extension to the Northwest Airways up to Winnipeg. The Comptroller General held that it could not be done, but it was in line with the agreement of the operators.

Continuing Mr. Coburn said:

There was no question about that. As to the rest of us, we could not agree, whereupon we all agreed to turn the matter in to the Postmaster General and we would abide by his decision—whatever was fair—and our company was then in the position of living up to that agreement and cooperating with the Postmaster General in the rearrangement of the map, and that is how the thing came up, because he proceeded then to say, "We are going to establish these two transcontinentals, and until those are established we are not going to exchange any certificates for contracts nor am I going to make any extensions or any modifications in the method of paying for the mail."

Remember, a great many of these companies had certificates and the statement has been made that they were not illegal, that they were simply granted to extend old contracts. Certainly they were, but the Postmaster General held over their heads the sword of Damocles and told them, "Until you agree among yourselves as to who shall have the lines there will be no certificates issued and there will be no readjustment of your mail pay." A man of vision, creating a great air-mail system for the country, holding over the heads of the operators the threat, "You must agree or I shall not renew your certificates."

I call attention to the fact that every air-mail contract that was canceled on the ground of fraud, every certificate that was canceled, every extension that was canceled, was a contract made or a certificate granted or an extension granted after this was done, and in line and in accordance with the purposes and objects of that meeting. Not a single certificate, not a single extension, not a single contract was granted to one that did not agree to the statement the Postmaster General made, "I will not grant you any extension, I will not readjust your pay, until you agree among yourselves", as Mr. Coburn swore, "how the map will be carved up."

Whose map was that? Did it belong to the Aviation Corporation, of Delaware, to the United Aircraft Co., to the Northwest Airways, to the North American or General Motors, or did it belong to the people? Did it belong to Postmaster General Brown, who delegated to these operators the right to divide up the territory and say who should get the contracts at exorbitant rates? If it did, then truly he was a man of vision. We will find later that this vision was not broad enough in its scope, as the results show, to embrace to any appreciable extent any except the four companies I have mentioned.

In volume 4, pages 1658 and 1659 occurred the following:

Mr. COBURN. Anybody who had submitted sealed bids always has a nervous few minutes.

That was because I asked if he had any fear that anybody was going to bid against him. I suggested to him that he might think that even among air-mail operators they would abide by a gentleman's agreement, and he said:

Mr. COBURN. Anybody who had submitted sealed bids always has a nervous few minutes.

The CHAIRMAN. Even where the qualifications have been arranged in advance to limit it to comparatively few—1, 2, or 3 big companies?

Mr. COBURN. The chairman seems to think I should not have been in the least disturbed.

The CHAIRMAN. I was wondering why you were. If you were disturbed it had to be because you were fearful that the Aviation Corporation or the North American or the American Airways—which one were you connected with? I get these companies all mixed up.

Mr. COBURN. American Airways.

The CHAIRMAN. All you could fear was that you were in danger from the other two I have mentioned. Was there anybody that could qualify?

Mr. COBURN. I did not anticipate any danger from them.

The CHAIRMAN. You did not anticipate any trouble from them?

Mr. COBURN. No, sir; but I did not know what might turn up.

As a matter of fact, at the very time those bids were called for, the president of the Western Air Express, who testified he had signed an agreement to which I shall later advert, had in his pocket authority from his company to bid on two of those lines.

The CHAIRMAN. You did not know but what someone might bid and they might knock out the night flying by law?

Mr. COBURN. I did not know about that. From my point of view the question of strength and ability to do the task loomed up rather big, but really at this time, Mr. Chairman, I cannot analyze my feelings and the cause for them except I was this way [indicating].

The CHAIRMAN. In spite of all the precautions that had been taken?

Mr. COBURN. Yes, sir.

The CHAIRMAN. In spite of all the qualifications which had been added?

Mr. COBURN. Yes, sir; I was as nervous as a witch.

The CHAIRMAN. You were still nervous and fearful that something might happen?

Mr. COBURN. Yes, sir.

The CHAIRMAN. You surely did not fear any of the companies that had been in there would go back on their agreement?

Mr. COBURN. No, sir.

The CHAIRMAN. You knew they had agreed not to bid?

Mr. COBURN. There was no formal agreement, but there was a general understanding.

The CHAIRMAN. Of course, it was not signed on the dotted line, but you knew, as far as these three big companies were concerned, there was an understanding that there would be no bidding on the line informally allotted to their brother lines?

Mr. COBURN. I did not fear any of those companies that I had dealings with would come in and bid.

The CHAIRMAN. You did not fear them?

Mr. COBURN. No, sir.

The CHAIRMAN. Why?

Mr. COBURN. I understood they were not going to bid, and I had a great deal of confidence in that.

The CHAIRMAN. That was the express understanding, that they would not bid?

Mr. COBURN. Yes, sir; but I did not know but that someone else would pop up.

The CHAIRMAN. You thought some interloper would come in?

Mr. COBURN. Yes, sir; quite right.

Senators have read much in the papers to the effect that there has not been any proof about what happened from those who were there. This gentleman was there. He was the president of the Aviation Corporation. He declared under oath that those present agreed not to bid, and he had no fear that they would, and they proceeded to carve up the map. Yet there are some who seem to think the moral conception of the people of the United States has sunk to such a low and degraded level that when people make an agreement contrary to law and contrary to morals and contrary to ethics to defraud the United States Government by preventing competitive bidding, they can gloss it over and say any criticism of it is a persecution.

I call attention to the fact that this testimony of Mr. Coburn was given before noon. After noon Mr. Daniel M. Sheaffer, of the Pennsylvania Railroad and the Transcontinental, asked to take the stand again; and he took the stand, and wanted it expressly understood that he did not agree not to bid. I have already read what he had testified and what he reported to his committee. Then I asked him if he had been discussing the matter with anybody during the noon recess, and he said yes, with his attorney. I asked him if he knew that the law provided that if the parties made a combination not to bid it would disqualify them, and he said yes, he was familiar with that. Then, after that happened, Mr. Coburn again took the stand and concluded that perhaps he had better clear up the matter; and I desire to show how he cleared up what Mr. Sheaffer had said.

COBURN SAYS FORCED TO AGREE

On page 1674, Mr. Coburn said:

Mr. COBURN. Over 75; not over 100.

The CHAIRMAN. Between 75 and 100 pounds—all right. Now, Mr Coburn, do you deny now that it was generally understood in this meeting among every one of the people there that they were to decide in that meeting which air line would be operated by which company and that contracts were to be made on that basis? Do you deny that?

Mr. COBURN. No, sir.

The CHAIRMAN. You do not deny that?

Mr. COBURN. I do not.

The CHAIRMAN. That is the truth, is it not?

Mr. COBURN. Yes, sir.

The CHAIRMAN. Then, if it is the truth that it was generally understood in that meeting that an agreement was to be reached between those present and the Postmaster General that certain routes between certain points should be allotted to certain companies, do you still say that under the law there was left the freedom of right to bid upon any other line except the one which was to be allotted to the various companies?

Mr. COBURN. Yes, sir.

Remember, this is after Mr. Sheaffer had testified.

The CHAIRMAN. You say now that, in spite of the understanding that there was to be an agreement made for an allotment of lines, that that left one free to act contrary to the understanding?

Mr. COBURN. No, sir. We were to agree, but we did not agree, and we told the Postmaster General that we could not agree, and therefore we left it to him to divide them up.

The CHAIRMAN. Left it to him to divide them up?

Mr. COBURN. Yes, sir.

The CHAIRMAN. All right; now, you agreed to abide by what he said, didn't you?

Mr. COBURN. I did; yes, sir.

The CHAIRMAN. And so did the others, didn't they?

Mr. COBURN. I don't know.

The CHAIRMAN. But it was generally understood in there, wasn't it, when you did not finally agree upon dividing up the country, that the Postmaster General should divide it up as he saw fit?

Mr. COBURN. We left it to him—I did.

The CHAIRMAN. And that each one was to accept his decision?

Mr. COBURN. I did.

Here is what I asked Mr. Coburn; and listen to his reply:

The CHAIRMAN. Would you have considered it ethically right, according to the code of any standard of business that you have ever known, to make an agreement that you would abide by that action and then bid contrary to that agreement?

Mr. COBURN. I would not.

The CHAIRMAN. You would not?

Mr. COBURN. No, sir.

The CHAIRMAN. And, in fact, nobody did, did they?

Mr. COBURN. No; I think that is right.

I have read the statements of the two representatives of the Aviation Corporation of America with reference to that meeting. I cannot believe there is any man anywhere who will deny that if those statements are true, those contracts are illegal and fraudulent. Has the time come when men can stand up and defend, in the highest lawmaking body of this Nation, an agreement made by people in a Government building whereby they stand up and say, "We will agree with each other on a division that will prevent competitive bidding", and then try to sell the country on the idea that that position is decent or honorable? If it is, the system of ethics and morals of the United States Government and its people has certainly sadly departed from the old-fashioned ideas of honesty and justice which prevailed in its early days. The Supreme Court of the United States denies it. The courts of every State in the Union deny it. The right-thinking mind of every honest individual in the Nation denies it. There is an old commandment upon which the sound fundamental morals of this people are based, that "Thou shalt not steal." I have no sympathy and no respect for the ideas of a man who is willing to try to send another man to jail for stealing $25 or $100 and at the same time is willing to gloss over or protect or defend those who, in high places, rob the taxpayers of the Nation of millions and millions of dollars.

What difference is there between the man who breaks open a store and takes $25 worth of goods and the man who, by chicanery and trickery, deprives the Government of the United States of the right to get its services at the lowest price by agreements with other men to prevent honest, open, and fair competitive bidding? There may be a distinction. There is some distinction in my mind, and it is this:

I do not consider that any man is right who designates as "Public Enemy No. 1", whoever that man may be, the individual criminal who goes out and risks his life. I would rather class as "Public Enemy No. 1" the man who sits in high places, either in the seats of the Government or the councils of the great financial and industrial leaders of the Nation, and who is willing to deprive the people of the United States of millions of dollars as he conceals himself behind the forms and shadows of legal protection.

Now, let us go a little further. So far I have quoted exclusively from the beneficiaries of the very contracts that were canceled. I now read a statement made by Mr. Thomas H. McKee, who was not one of the beneficiaries. It was made under oath before the committee. Mr. McKee was the representative of the Wedell-Williams Co. He made a full and complete report in writing of that meeting. He reported it in writing to no less a person than Commander Jahncke. I will read just a little of what he said and place the rest of it in the RECORD (pp. 1445–1446):

I do not believe I was able to see Mr. Glover after that, and I made several attempts, through Mr. Macpherson, to talk to Mr. Brown, but he was always too busy to be seen, and, in the meantime, I did a little scouting around Washington, and found out, to my surprise, that there were a number of air-mail contractors here attending a very mysterious meeting in the Post Office Department.

I may state that Commander Jahncke was the Assistant Secretary of the Navy at the time the letter to which I have referred was written.

I learned finally, through the Department of Commerce, Bureau of Aeronautics, to the effect this meeting was in progress and was being held in Mr. Brown's anteroom. So I went to Mr. Macpherson and made every possible effort to find out what it was all about and receive an invitation through regular channels to participate in the meeting.

I was very much surprised to find that Maspherson knew very little about what was going on, although the meetings were being held only a few feet from his office, and finally I used a little rather unusual method, and finally finding out I was not wanted in the meeting, I crashed the gate one fine morning and went in anyway.

The CHAIRMAN. How did you get in?

Mr. MCKEE. I phoned Mr. Macpherson from the Mayflower Hotel and told him I was an important official of one of the air-mail contractors.

The CHAIRMAN. Whom did you tell him you were?

Mr. MCKEE. I did not tell him any name.

The CHAIRMAN. What company did you mention?

Mr. McKEE. I left that to his imagination. He said the meeting was to be held in the anteroom of the Postmaster General at 10 o'clock.

I shall ask to have quotations I have from the evidence placed in the RECORD. Mr. McKee finally got in, but he found there was no place for him in this gathering. He was not a representative of an aviation corporation; he was not a representative of any of these companies which got their lines and were absorbed. So he was authorized to get out. They asked him where he operated, and he told them. The chairman of the meeting, Mr. MacCracken, told him, according to Mr. McKEE (p. 1447):

We have been authorized to draw up this new air-mail picture for the country. I am going to bear in mind what you have outlined, and I am going to talk to the Postmaster General sometime this morning and discuss the matter fully with him, and if I find that he wants us to go further into your petition for mail in this connection, I will let you know and I will invite you to come before our group here and give you an opportunity to be heard.

The long and short of that is that they were not in the picture, although I shall later read from a letter from Mr. Glover in which he calls attention to the fact that the Aviation Corporation did not take care of Wedell-Williams, and they were threatening to bring suit about it. He wanted to know why they did not take care of Wedell-Williams.

I now ask to have inserted in the RECORD a letter of Mr. McKee to Commander Jahncke dated June 17, 1930, found on pages 1452, 1453, and 1454 of the record, volume 4.

The PRESIDING OFFICER (Mr. LONERGAN in the chair). Is there objection?

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

1426 TWENTY-FIRST STREET, NW.,
Washington, D.C., June 17, 1930.

MY DEAR MR. SECRETARY: Knowing of your interest in civil and commercial aviation and the air transport activities of Mr. Harry P. Williams and associates of the Wedell-Williams Air Service, Inc., of New Orleans, I am submitting for your information some rather interesting disclosures that have been brought to light recently respecting the attitude of Post Office Department officials in charge of air mail toward passenger air transport operators who are potential air-mail contractors.

I came to Washington some 3 weeks ago as the personal representative of Mr. Williams and the Wedell-Williams Air Service Co. My mission was primarily to lay before the Post Office Department two petitions: (1) That our passenger route from New Orleans to Fort Worth, via Shreveport and Dallas, be designated an air-mail route; and (2) that the Wedell-Williams Co. be permitted to bid upon an air-mail contract over that route. Prior to leaving New Orleans on this mission, I was instructed to do everything within reason and honor to make a legitimate effort to obtain such a designation and such a contract. This I have attempted to do, without success.

I am attaching hereto a copy of a letter sent to me by the Post Office Department under date of June 5, which purports to explain the reasons for the Department's refusal to honor our petitions and grant our requests. This letter, signed by Supt. E. B. Wadsworth of the Air Mail Division, speaks for itself. From the train schedules he refers to you will see that the best train service between New Orleans and Fort Worth is about 16 hours. Wedell-Williams Air Service makes the trip in slightly more than 4 hours.

Shortly after my arrival in Washington I began to hear rumors of certain conferences of air transport operators who were said to be meeting in executive session in the ante-room of the Postmaster General. It was indicated these conferences were secret and that only those who had connections could gain admission to the deliberations.

I inquired of Mr. Macpherson, secretary to the Pstmaster General, as to who was attending the conference, and whether they were invited by the Department, or simply met there of their own volition. I also stated my desire to attend the conferences. Mr. Macpherson was more cordial—a pleasant chap—but was rather vague. He did not apparently know who invited the operators. He did know several of the men attending the conference, whose names he gave me. But inasmuch as I lacked the proper connections I was not invited to the hearings.

Determined to find out something of these hearings, I went uninvited to the room in which they were held and found probably 15 gentlemen present. Mr. William P. MacCracken and Col. Paul Henderson were present, and the former gentleman talked to me briefly. I outlined the nature of my case in behalf of Wedell-Williams. He made a notation of our present route on one of his maps and, after telling me frankly that this conference had been called by the invitation of the Postmaster General, made the following statement to me. Said he, "I will be glad to take up with the Postmaster General the matter of Wedell-Williams and your route from New Orleans to Fort Worth, and if he (the Postmaster General) wants us (the conference) to go into your case, we shall be glad to do so. In such an event you will be called and given an opportunity to present your case." I thanked Mr. MacCracken and departed. Later, the same day, I talked with MacCracken again, and he advised me that he had talked with Postmaster General Brown, who had expressed the wish that the group, apparently under the leadership of Mr. MacCracken, should not consider our case at the present time, as it had so many other complex questions to deal with.

In fine, Mr. Secretary, here was a hand-picked, select group of fallible and interested air transport operators, formally and officially invited to meet in Washington under the auspices of the Post Office Department, and apparently authorized by their official host to straighten out the national air-mail situation.

During the course of their deliberations, which covered the best part of 3 weeks or more, these gentlemen, executives of leading air transport organizations in this country, secretly formulated recommendations, plans, and perhaps policies, for submission to the Postmaster General which very probably will affect, frequently adversely, the many small operators all over the country. And during these meetings the small passenger transport operators, many of whom are well qualified and interested as potential air-mail contractors, were as voiceless as the tomb. This is hardly a democratic state of affairs, and the whole procedure would seem to violate the American philosophy of giving parties of interest a fair hearing before an impartial official or tribunal.

A day or two prior to the time the petitions of Wedell-Williams Air Service, Inc., were acted upon by the Post Office Department, I had a telephone conversation with Mr. E. B. Wadsworth of that Department. On that occasion I raised the question as to why Wedell-Williams had not been invited to this conference, inasmuch as we hoped to bid on future air-mail contracts to be let in our territory and, furthermore, in view of the fact we are an operator of record in the Commerce and Post Office Departments. Mr. Wadsworth, in responding to my inquiry, frankly told me some astounding things. Among these the following are the most shocking:

(a) That the small transport operators had been ignored by the Department insofar as this secret conference was concerned.

(b) That this had been done because most of such operators are somewhat removed from Washington, and were probably not very much interested in what the conference proposed to do.

(c) That the small operators were probably operating over short routes, and were therefore engaged in an uneconomical proposition and probably unable to maintain representation in Washington.

(d) That had all operators been invited, their presence would have resulted in such a mass of conflicting opinions, demands, recommendations, and ideas that the purpose of the conference would have been defeated.

(e) That it had been the experience of the Department that an air transport organization operating over a route less than 700 miles long could not hope to make money, and that such organizations should not expect to receive recognition by the Post Office Department in the form of a subsidy or an air-mail contract.

The above is the candid statement of an important official of the Post Office Department. You will notice that his trend of thought is reflected in the attached copy of his letter to me, on June 5, in which he expresses the views of the Department whereby it refuses to grant the petitions of Wedell-Williams Air Service. Since we are operating over a route only 470 miles long, I take it we cannot hope to have our petitions endorsed by the Department.

The position of Superintendent Wadsworth is completely out of harmony with the will of the present Congress as reflected in the Watres Air Mail Law, which recognizes specifically any and all organizations which have operated for 6 months on a daily schedule over a course 250 miles long. Further, his position conflicts with the admitted intention of the Congress to assist all air transport operators—both great, near-great, and small—at a time when many aviation executives admitted their industry was about to collapse, by granting such operators an air-mail contract. Further, his position negatives the business man's understanding of the Presidential policy to stimulate trade and commerce and accelerate business in general.

In view of the attitude of the Post Office Department, as reflected in the enclosed letter from Mr. Wadsworth (June 5) and further in view of the verbal testimony made by that gentleman to me as hereinbefore set forth, it would seem that the future of Wedell-Williams Air Service, Inc., and other small operators like it, rests in the hands of William P. MacCracken, Esq., Col. Paul Henderson, and their associates representing the great aviation interests of this country. This is indeed a sorry and unfortunate spectacle.

By the admission of Mr. MacCracken, the Post Office Department has placed in the hands of this conference group practically the authority to control the future destiny of every small air transport operator in America. It is idle to say that these gentlemen will not abuse their authority, or that the Department will not heed their recommendations and demands. If it was not expected that they would abuse or exceed it, why should it have been given to them in the first instance?

The Wedell-Williams Air Service is very much disturbed over the present situation. It is engaged in rendering an air passenger transport service which links up four of the great cities of the Southwest and covers a route which is not now served by air-mail planes. The only air mail out of New Orleans for Dallas and Fort Worth departs at 11:30 in the morning. It must go west

to Houston, Tex., and north to Fort Worth and Dallas, arriving there after 7 in the evening. On the return trip there is no air mail service worthy of the name, as mail must be placed on a train at Houston and sent via rail into New Orleans. Such is the present air-mail picture in this locality.

I have been advised confidentially that there is likely to be a congressional investigation into this situation. I hope that it may be had. In the meantime I am submitting this statement to you in good faith, because I know how keenly you are interested in the commercial, industrial, and financial upbuilding of New Orleans and its vast trade territory and of its important relation to north and northeast Texas.

It would give us much pleasure to believe that the Post Office Department had considered our petitions on their merits. But in view of recent events and disclosures as outlined herein, we are bound to come to another conclusion.

I have the honor to submit this statement to you in behalf of the Wedell-William Air Service, Inc., of New Orleans, La.

With great respect, believe me,

Very sincerely yours,

THOMAS HUDSON MCKEE,
Washington Representative.

Hon. ERNEST LEE JAHNCKE,
Assistant Secretary of the Navy,
Navy Department, Washington, D.C.

Mr. BLACK. Mr. President, I will read one or two statements from this letter that was sent to Mr. Jahncke, written June 17, 1930:

In fine, Mr. Secretary, here was a hand-picked, select group of fallible and interested air-transport operators, formally and officially invited to meet in Washington under the auspices of the Post Office Department, and apparently authorized by their official host to straighten out the national air-mail situation.

During the course of their deliberations, which covered the best part of 3 weeks or more, these gentlemen, executives of leading air transport organizations in this country, secretly formulated recommendations, plans, and perhaps policies, for submission to the Postmaster General which very probably will affect, frequently adversely, the many small operators all over the country. And during these meetings, the small passenger transport operators, many of whom are well qualified and interested as potential air-mail contractors, were as voiceless as the tomb.

I call attention to the fact that at that time Weddell-Williams were operating a pioneer line, and had been operating it for the necessary length of time to qualify them for a contract under the new law.

PAUL HENDERSON, VICE PRESIDENT OF UNITED, TESTIFIES

Now let us read from the vice president of the United Aircraft. I have already read from the statements of the officers of two of the large companies. I shall now read a statement made by the vice president of the United, found on page 1457 of the record, remembering that the issue here was whether or not they met for the purpose of dividing up the air-mail map, and thereby agreed to something which would prevent competitive bidding.

The CHAIRMAN. This is Col. Paul Henderson?

Mr. HENDERSON. Yes, sir.

The CHAIRMAN. Are you connected with any of the airline companies now?

Mr. HENDERSON. Yes, sir; I am vice president of the United Airlines.

The CHAIRMAN. Do you hold any other position with them?

Mr. HENDERSON. I am vice president of the United Aircraft Transport.

Pages 3003–3004:

I find practically every one of them made the statement that they would prefer the plan suggested rather than competitive bidding. Were the operators themselves the first ones that mentioned competitive bidding, or did the Postmaster General outline a plan with reference to avoiding competitive bidding?

Colonel HENDERSON. The plan which he outlined would have avoided competitive bidding.

The CHAIRMAN. And you understood that from what he said?

Colonel HENDERSON. Yes. I could not fail to understand it.

Page 3005:

The CHAIRMAN. I desire to refresh your recollection as to the statement made by the Postmaster General, by a memorandum prepared and, I believe, submitted to the Post Office Department.

I then asked him to look at the memorandum. He read the memorandum. I asked him if he prepared that memorandum. He said:

Parts of it; yes, sir.

Page 3006:

The CHAIRMAN. I will ask you whether or not the statements made here—

This was reading from the memorandum.

He further invited them to try to agree among themselves on which of the operators should operate those new lines which he wished to create.

Colonel Henderson questioned the propriety of this meeting while it was in progress. That will be found on page 3004. I shall ask to have the answers on pages 3004, 3005, and 3007 inserted in the Record.

The PRESIDING OFFICER. Is there objection?

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

The CHAIRMAN. Did you understand and did you discuss with anyone in there at that time, or within the next hour or two, whether you considered it to be legal and right?

Colonel HENDERSON. I did; yes, sir.

The CHAIRMAN (continuing). To agree on a division of those routes by the extension method or any other method?

Colonel HENDERSON. I did; yes, sir.

The CHAIRMAN. With whom did you discuss it?

Colonel HENDERSON. With the chairman of the meeting.

The CHAIRMAN. Who was that?

Colonel HENDERSON. Mr. MacCracken.

The CHAIRMAN. What was that discussion?

Colonel HENDERSON. Shortly after MacCracken was elected chairman I moved over into a chair adjoining his at the table where he was sitting and said, "Bill, I wish that you would adjourn this meeting immediately." He asked me why, and I told him I thought it was a great mistake to go on with it further until we had some more definite information about the legality of the plan that we were supposed to consider.

The CHAIRMAN. What did he say?

Colonel HENDERSON. He said that I was crazier than hell, and that he would not adjourn the meeting.

The CHAIRMAN. Did you tell him why you thought it ought to be adjourned?

Colonel HENDERSON. Yes, sir.

The CHAIRMAN. What reason did you give to him for wanting to adjourn the meeting? What criticism, if any, did you make of the plan?

Colonel HENDERSON. I told him that I did not believe the bill contemplated any such action as that which had been suggested, and I thought that we ought to all inform ourselves about it before we moved forward on anything.

* * * * * * *

Colonel HENDERSON. Mr. Chester W. Cuthell.

The CHAIRMAN. Mr. Cuthell?

Colonel HENDERSON. Yes, sir.

The CHAIRMAN. What was that discussion?

Colonel HENDERSON. I called Mr. Cuthell into the corridor and told him that I believed this meeting was an improper one and we should adjourn it at least until we learned something more about it.

The CHAIRMAN. Did you tell him why you thought it was improper?

Colonel HENDERSON. No.

The CHAIRMAN. What did he say about it?

Colonel HENDERSON. He said: "I quite agree with you; if we were holding this meeting across the street in the Raleigh Hotel, it would be an improper meeting; but, because we are holding it at the invitation of a member of the Cabinet and in the office of the Post Office Department, it is perfectly all right."

The CHAIRMAN. Did you discuss anything with any of them that day in connection with the illegality of the purposes of the meeting as you understood it?

Colonel HENDERSON. I did not consider that the meeting was illegal. I thought it was improper.

The CHAIRMAN. I desire to refresh your recollection as to the statement made by the Postmaster General, by a memorandum prepared and, I believe, submitted to the Post Office Department—I am not sure; submitted to some one, I think by you—and I will ask you to look at page 16. I am not sure just when that was made [handing memorandum to witness]. Do you remember when that memorandum was made?

Colonel HENDERSON. I don't know what it is until I look at it. It is dated March 15, 1933.

The CHAIRMAN. If you will look at those two paragraphs or any others you desire to, then I wish to ask you a question about it.

(Witness examines memorandum.)

The CHAIRMAN. May I have that now? Did you read that part?

Colonel HENDERSON. I read this page; yes, sir.

The CHAIRMAN. Did you prepare this?

Colonel HENDERSON. Parts of it; yes, sir.

The CHAIRMAN. I will ask you whether or not the statement made here—"He further invited them to try to agree among themselves on which of the operators should operate those new lines which he wished to create"—I will ask you if that statement is correct?

Colonel HENDERSON. Yes, sir.

The CHAIRMAN. That is correct?

Colonel HENDERSON. Yes, sir.

The CHAIRMAN. You were referring to the Postmaster General when you said that, "He further invited them to try to agree among themselves on which of the operators should operate those new lines which he wished to create?

Colonel HENDERSON. Yes, sir.

The CHAIRMAN. Was that in this meeting of May 19?

Colonel HENDERSON. That was the purpose for which he asked us to organize ourselves when he left the room.

The CHAIRMAN. In other words, the purpose he told you to organize for was to agree among yourselves on which of the operators should operate the new lines which he wished to create?

Colonel HENDERSON. That is right; yes, sir.

The CHAIRMAN. Did you have any other discussions with the operators that day that you recall?

Colonel HENDERSON. Only with my own associates.

The CHAIRMAN. Who was that?

Colonel HENDERSON. Mr. Johnson.

The CHAIRMAN. Mr. Phil Johnson?

Colonel HENDERSON. Mr. Phil Johnson, who was then president of the Boeing Air Transport, and Mr. Wheat, who was then an official of the United Aircraft & Transport.

The CHAIRMAN. What was that discussion?

Colonel HENDERSON. Well, after the meeting adjourned we three and perhaps others of our associates went to the hotel and talked the whole matter over.

* * * * * * *

Colonel HENDERSON. None. We spent the evening together, and sometime after dinner, at my suggestion, we went over and called on a personal friend of mine, who is a lawyer—none of us are lawyers.

The CHAIRMAN. Who was that, Colonel Henderson?

Colonel HENDERSON. Judge John Edwards, who was then Assistant Secretary of the Interior, with whom I had a personal acquaintance for several years.

The CHAIRMAN. What was the object of discussing that with him?

Colonel HENDERSON. Well, I have a high regard for his ability as a lawyer, and we were looking for a little advice.

The CHAIRMAN. As to what?

Colonel HENDERSON. As to the propriety of this plan, as to what we should do.

The CHAIRMAN. As to the propriety or legality?

Colonel HENDERSON. Either.

The CHAIRMAN. What advice did he give you about the plan?

Colonel HENDERSON. If we asked him for any particular advice other than his opinion as to whether it was a workable plan, I cannot say. He was very definite in saying that he did not believe it was a workable plan and that, of course, nothing could or would or should come from it.

The CHAIRMAN. Did he discuss the legality of it in any way with you?

Colonel HENDERSON. No. I think most of our discussion was an attempt to interpret the word "extension", and I remember that he said in his opinion there was a great deal of difference between the word "extension" and the word "elongation"; that he would think that "extension" might be thought of in the terms of the tail of a dog, but it certainly would not be longer than the dog; but that he could see that if the word had been "elongation" that it might be extension to any length compared to the thing that it was an extension to.

Mr. BLACK. Mr. President, I will refer to what was said there. Mr. Henderson, deciding that this meeting was wrong, stating in the beginning that he first thought it was a joke. He could not believe, he said, that anybody would try seriously to divide up the air-mail map in any such way. He has testified under oath, this vice president of the United Air Lines, by whose testimony the company is bound, according to the decision of the United States Supreme Court.

He got up and said, "Bill, I wish you would adjourn this meeting immediately"—

Speaking to Mr. MacCracken. Mr. MacCracken asked him why. Mr. Henderson said:

I told him I thought it was a great mistake to go on with it further until they had some definite information about the legality of the plan we were supposed to consider.

The CHAIRMAN. What did Mr. MacCracken say?

Colonel HENDERSON. He said that I was crazier than hell, and that he would not adjourn the meeting.

In other words, the chairman of the meeting, at the time the paid representative of more than one of the operators who later benefited by the contracts, declined to adjourn the meeting, even though its propriety was questioned by the vice president of the United Air Lines. Not content with that, Mr. Henderson took it up with the attorney for the Transcontinental & Western, or the T.A.T., and Mr. Cuthell took the position that that meeting was legal if held in the Post Office Department but that it would not be legal if held anywhere else.

Then, still not satisfied, Mr. Henderson, with the president of the United Aircraft himself, and another of his representatives, took it up with a lawyer that night in order to ascertain just how far they could go, questioning it at the very time that the meeting occurred.

Does that sound as if there has been no evidence, that there has been no proof, of the collusive and fraudulent purposes for which these people met down there in the Post Office Department to divide up the property of the United States as though it belonged to them and not to the people?

It may be that the time has come in this country when such activities simply prove that a man has great vision, but in the olden days it would not have been referred to as great vision. People would have referred to one of the commandments written of old.

Let us see what the attorney for the Transcontinental & Western, who was present in this meeting, said was the object and purpose of the meeting 2 days after the meeting of May 19. There was no reason in the world why the attorney for the T.A.T. should have written a letter to the president, or one of the chief men in the company, Mr. C. M. Keys, on May 21, 1930, and have told him anything but the truth. No one can imagine that there could have been the slightest excuse for Mr. Chester W. Cuthell to have written to Mr. C. M. Keys 2 days after this meeting was held and given him a false report of the objects and purposes of the meeting, remembering that we have been hearing that it was not to avoid competitive bidding, that there has been no evidence that such a purpose was intended, that it is wrong to theorize and jump to conclusions.

Let us see what the attorney for the company which got a contract, at a cost which, if it had gone 10 years, would have meant a cost to the Government of $16,000,000 over the next low bid, said was the object and purpose of that meeting.

I have already read the first seven paragraphs of this letter. I shall now proceed with the remainder:

At Monday's meeting—

May 19—

everybody was present—

This is the meeting which had been called at the instance of Mr. Cuthell and Mr. Daniel M. Sheaffer—

At Monday's meeting everybody was present. I never saw a Cabinet officer take such a courageous stand. He told the full meeting that he would like to avoid competitive bidding, but that that could only be done if all of the elements in the business agreed on some equitable distribution of routes, services, and compensations.

In other words, 2 days after the meeting the gentleman who suggested the meeting wrote to an officer of his company and told him that the Postmaster General said he wanted to avoid competitive bidding, but that the only way in which it could be done was for the operators to get together and agree on an "equitable distribution of routes, services, and compensation."

Whose compensation was that? Whose money was it that the Postmaster General was so flippantly saying to these gentlemen must be divided up and alloted among themselves? Eventually, it came from the hard-earned nickels and dimes and dollars of the men who contribute to create the wealth of this Nation. It did not come from these operators. It did not come in large part, unfortunately, from the gentlemen who drew $435,000 bonuses and salaries in 1 year. It came from the people who work and who toil. The Postmaster General told them, according to his statement, that they must agree upon an equitable distribution not only of routes but of services and compensation. A man with vision.

Let us see what else he said:

He suggested the appointment of a committee to prepare a new map and a new grouping of routes. Paul immediately countered with a suggestion that there be two committees—

That is in line with the report made by Mr. Wadsworth as to what happened. Continuing—

one representing those that already had mail contracts that would be extended, and the other representing companies with no mail contracts. Brown immediately answered that there was no assurance whatever that the old air-mail routes would be extended, and that such extensions—

Note—

depended entirely on the result of the committee's work and his approval thereof.

What did Cuthell say he said?

Nothing will be done until the agreement is reached. You—United Aircraft—you are here. I have it in my power to grant or withhold the certificate from you. Unless you agree with the others, nothing will be done in the way of a certificate until we have worked out this plan.

Reading further:

Bill MacCracken was present, representing Western Air and Pittsburgh Aviation Industries. We had Sheaffer and Maddux, representing T.A.T.; Doe, representing Eastern Air Transport; and Frank Russell, representing Curtiss-Wright Flying Service. Furlow was there also.

In other words, they had quite a representation.

The Postmaster General left the meeting, taking Glover and Wadsworth with him. I immediately nominated MacCracken to be chairman and obtained the support of everyone present, although I knew that Paul expected to have that position.

Each group thereupon named its representative. Paul was named by United; Hanshue, Thompson, Doe, Russell, and Sheaffer were the others. We withheld Maddux for the subsequent negotiations and because of his old troubles with Hanshue. Mayo attempted to limit the discussion of the committee by having it declare a policy that no new routes would be suggested which might increase the total amount to be expended beyond the appropriations. There is no such limitation in the law now, except in respect to contracts let after July 1, 1931. He also sought and obtained a statement from the Postmaster General that pioneer companies would only be those that had operated for over 6 months over 250-mile routes. That would exclude the Flying Service.

I have therefore urged upon Frank the necessity of persuading the Postmaster General that the Flying Service should be considered a pioneer, because it owns more planes, flies more miles, and many more passengers than any of the other contractors; that it has invested its own money without any contract or support from the Government; that it has provided airports, schools, and services which are just as important to the development of aviation, and which are proving just as unprofitable as the operation of passenger craft. It will be a very simple matter to prove that on a competitive bid—

Note this:

It will be a very simple matter to prove that on a competitive bid the Flying Service, because of its wider scope of operations over which its overhead can be distributed, can underbid a contractor carrying mail alone.

The whole plan of having the business divide up the Government's money—

Says the company's lawyer—

without competitive bidding will surely fail unless not only the Flying Service but perhaps other operators are taken into consideration.

The Postmaster General stated plainly that he would not welcome bidding—

Note this: It is said there is no evidence. Listen to the attorney, 2 days after the meeting—

The Postmaster General stated plainly that he would not welcome bidding by one company for lines in another one's territory.

Whom is this gentleman appearing for? For the Transcontinental & Western, the company that has been sending out propaganda for the last month, a great mass of it, in individual lots. It is the company of which Mr. Rickenbacker is an officer, the company of which Mr. Scheaffer and others are officers. What does this attorney say?—

The Postmaster General stated plainly that he would not welcome bidding by one company for lines in another one's territory, but stated that he would have to have such a competition unless an equitable arrangement could be made all around.

What does that mean? Let that be glossed over. Send out the word to the American people that somebody wants to try an issue before them on whether they believe in public honesty and public decency, or whether they believe that partisan spirit and special privilege should continue to override the honesty and decency that heretofore has existed in this Nation.

Continuing—

Obviously we cannot, in justice to the Flying Service, give up this possible source of revenue merely to accommodate lines which probably will not use our equipment.

Note that, "probably will not use our equipment."

It is equally obvious that there is a possibility here for an all-around trade.

The bill which is pending contains a provision divorcing the operating companies from the manufacturing interests. I invite those who are interested in knowing the extent to which the combination of companies has gone, to look at the chart which is on the wall, which will show a part of the combinations. It would be impossible to show all of them without covering the entire wall; but this chart shows a part of the interlocking directorates and stock ownership of these companies.

Notice what this attorney said, that these people probably would not use their equipment, and that it gives a chance for a good "all-around trade."

We have not yet been able to close the arrangements with Western Air. My guess is that Talbott is waiting to see what extensions Western Air could get before concluding the trade.

Listen to this. The Senate will remember that I read yesterday the beginning of the letter saying that certain representatives had already come to Washington about this extension to the Western Air.

By our aggressive moves last week—

Says Mr. Cuthell—

we have definitely blocked such a possibility and Hanshue understands what we have done. * * *

Doe will take a very firm position that Eastern Air is entitled on its performance to a most favorable consideration to an extension to Dallas—

But he did not get it—

which is along the lines of the route that the Postmaster General really wants established. In connection with this route, we have had several discussions with Coburn, the new president of the Aviation Corporation. I believe that Coburn, being a realist, is going to recommend that Aviation Corporation curtail its activities very sharply. He does not wish to join up in the Pennsylvania arrangement by which we hope to bring T.A.T. into New York in cooperation with the Pittsburgh group, Ball and Eastern Air Transport. * * *

I shall not read all the letter, but I desire to read now from a paragraph which shows what was done in the way of advertising:

He intends, therefore—

Says Mr. Cuthell—

to avoid the 40-cents-a-mile provision—

And that is what was done—

and get everyone flying both passengers and mail and receiving something like N.A.T.'s 80 cents day and 95 cents night flying rate. Assuming, therefore, that we cannot make a Western Air or Pittsburgh Aviation deal, I am confident that T.A.T. is going to get a mail contract, but I am certain that we will get a contract if we can make that combination.

I am certain that we can get a contract if we can make that combination.

Continuing:

I am fairly certain that Eastern Air will be granted an extension contract so as to enlarge its scope of operations to a point where it can afford to put in a considerable number of new planes.

The next step will be a report by the subcommittee to the full committee next Monday in Washington. It will be a miracle if this is a unanimous report, but by that time I hope to have more definite understandings with Western Air and the Pennsylvania group. I am very sure—

Says Mr. Cuthell—

that the P.M.G. will go the full limit to avoid competitive bidding, but the dangers to his own situation of overstepping his authority are obvious. Unless everyone is taken care of there may be an attack on the whole program in the courts, and unless the routes and the moneys are so clearly equitably distributed Congress simply will decline to appropriate more moneys at the next session or, indeed, may amend the bill so as to change his provisions radically.

But Mr. Cuthell said the third time:

I am very sure the P.M.G. will go the full limit to avoid competitive bidding.

And he did. I read the last paragraph:

Maddux is handling himself well, and Dan—

That is Sheaffer—

and Cheever—

That is Cowden—

are working very earnestly. Lindbergh has helped some, but the others in the group did not contribute very much except occasional attendance at meetings.

I have just read from a photostatic copy of a letter written by the attorney for the Transcontinental and Western, reporting what transpired at that meeting, 2 days after it occurred. In the face of that statement made by the attorney for the company, backing up the previous statements I have read from Coburn, from Hanshue, from Brittin, and from Sheaffer, is there any one who can deny that the object and purpose of that meeting was to do exactly what it did—to divide up the air-mail map, and to award the contracts to those who were specially selected, and not to those who earned them by competitive bidding?

Mr. President, having read from the evidence what took place there, I will call attention to the fact that, on page 2449 of the record, Mr. Brown specifically denies that this meeting continued or that any of its purposes continued after June 2, 1930. He also made the following statement in answer to a question I asked:

The CHAIRMAN. Then it is a fair statement, is it not, Mr. Brown, to say that the chief discussion among the operators under this meeting hinged around a plan to act under the Watres bill in awarding contracts by extensions or subletting or otherwise?

Mr. BROWN. That is correct; in line with the letter of the Watres bill.

The CHAIRMAN. And in such a way that there would be no competitive bidding?

Mr. BROWN. That is all they wanted to do—all of them.

Remember that on June 2, according to the evidence Mr. Brown gave before the committee, the whole transaction was closed. Now, let me show how far he departed from the facts. Mr. MacCracken made a report of this meeting, which was written on June 4. We only have a copy of that report, the original could not be found. Mr. MacCracken also wrote a letter to the Postmaster General on that date. We could not find the original letter; Mr. Brown did not turn it over to us; neither was it returned in the correspondence that he brought back after evidence as to the destruction by fire; but a copy taken from the files of Mr. MacCracken makes this statement, on June 4:

WASHINGTON, D.C., *June 4, 1930.*

Hon. WALTER F. BROWN,
Postmaster General.

MY DEAR MR. POSTMASTER GENERAL: The committee has instructed me to advise you that the representatives of all of the parties involved in the controversies desire to submit these controversies to you as arbiter and agree to be bound by your decision.

Faithfully yours,

——— ———.

On the same day there was submitted a report with an agreement, according to the statement, on 7 of the routes but a controversy as to the 5 remaining. The operators agreed as to 7 of the routes and made that recommendation to the Postmaster General. At the end of their statement they said:

The operators interested in the routes under controversy have all agreed to submit the issues to the Postmaster General, in the hope that a satisfactory solution may be reached. They request that an opportunity be afforded them to present their claims for consideration on the respective routes, in such manner and at such time as may be designated by the Postmaster General.

I shall ask here to have inserted in the RECORD as part of my remarks a copy of the report made by Mr. MacCracken, together with the names of the representatives.

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

The matter referred to is as follows:

WASHINGTON, D.C., *June 4, 1930.*

Hon. WALTER F. BROWN,
Postmaster General of the United States,
Washington, D.C.

MY DEAR MR. POSTMASTER GENERAL: Pursuant to your invitation, representatives of the air-transport operators met on Monday, May 19, to formulate recommendations for the extension of the Air Mail Service, with a view to the participation in this service of air transport operators now engaged exclusively in passenger and express service.

This committee has held numerous sessions during the time which has intervened since the first meeting, and a list of those in attendance at one or more of these sessions is hereto attached.

The committee also submits with this report a map indicating its recommendations, as well as the problems which remain unsolved.

The committee has made a study of 12 routes, and has agreed upon recommendations as to 7 of these; while as to the remaining 5 there are still some matters in controversy.

RECOMMENDATIONS

No. 3. Omaha to St. Paul and Winnipeg: Northwest Airways (now flying entire route).

No. 4. Albany to Boston: Aviation Corporation.

No. 7. Denver to Kansas City: United States Air Lines (now flying route).

No. 8. Pueblo to Fort Worth and Dallas: Western Air Express (now flying route).

No. 9. Pueblo to El Paso: Western Air Express (now flying route).

No. 11. Great Falls to Lethbridge: National Parks Airways (only party in interest).

No. 12. Seattle to Vancouver: United, first schedule; Varney Air Lines, second schedule.

ROUTES WHICH ARE STILL THE SUBJECT OF NEGOTIATION

No. 5. Pittsburgh to Washington and Norfolk: Final terms not yet arranged.

No. 1. Los Angeles, San Diego, El Paso, Dallas to Atlanta.

No. 6. Dallas to Louisville: Atlanta to Dallas, Eastern Air Transport and Delta Air Service; Louisville to Dallas, Aviation Corporation and Curtiss Flying Service; Los Angeles, San Diego, El Paso to Dallas, Western Air Express and Aviation Corporation.

No. 2. Los Angeles, Albuquerque, Kansas City, St. Louis, Columbus, Pittsburgh, Philadelphia, and New York.

No. 10. Amarillo, Oklahoma City, Tulsa, and St. Louis (Tulsa cut-off): Kansas City to New York, Transcontinental Air Transport and Pittsburgh Aviation Industries; Los Angeles to Kansas City, Amarillo, Oklahoma City, Tulsa, to St. Louis, Western Air Express and Transcontinental Air Transport; Amarillo, Oklahoma City, Tulsa, and St. Louis cut-off, Western Air Express, Southwest Air Fast Express, Transcontinental Air Transport.

Because of the line of N.A.T. (United) south of Kansas City seemed to stand in the way of a proper solution of several of our problems, United has suggested that it abandon its line south of Kansas City and take over some other line of equal value; such line to be one that might be properly operated in connection with United's other lines. This would permit the clearing of the mid-transcontinental of its N.A.T. contract between Wichita and Kansas City, and would open the N.A.T. line south of Kansas City and Wichita for proper disposition in harmony with the Postmaster General's ideas. The suggestion has been made that Southwest Air Fast Express might operate the service on C.A.M. 3 south of Wichita and south of Kansas City.

The operators interested in the routes under controversy have all agreed to submit the issues to the Postmaster General, in the hope that a satisfactory solution may be reached. They request that an opportunity be afforded them to present their claims for consideration on the respective routes, in such manner and at such time as may be designated by the Postmaster General.

Respectfully submitted.

———, *Chairman.*

United: Messrs. Henderson, Johnson, Wheat, Ireland, and Murray.

Transcontinental Air Transport: Messrs. Sheaffer, Cuthell, Maddux, and Furlow.

Western Air Express: Messrs. Hanshue and Woolley.

Northwest Airways: Messrs. Brittin and Smith.

National Parks Airways: Mr. Frank.

Varney Air Lines: Mr. Mueller.

Aviation Corporation: Messrs. Coburn and Hinshaw.

Southwest Air Fast Express: Messrs. Halliburton, Mayo, and Clark.

Eastern Air Transport: Messrs. Doe, Elliott, and Ottley.

Thompson Aeronautical: Messrs. Marshall and Denning.

United States Airways: Messrs. Holland and Letson.

Pittsburgh Aviation Industries: Messrs. Robbins and Hann.

Clifford Ball, Inc.: Mr. Clifford Ball.

Curtiss Flying Service: Messrs. Russell and Wright.

Delta Air Service: Messrs. Moore and Woolman.

Mr. BLACK. Mr. President, it will be noted that certain recommendations were made and certain claimants were named in this report. There appears on page 4613 of the CONGRESSIONAL RECORD of March 15, 1934, a detailed report from the Post Office Department showing that the recommendations were carried out in practically every instance and the reasons for the departure in the several instances where they were not carried out as shown by the evidence. Not only did they meet, not only did they agree as to the seven routes, but they threshed out the others, and in some of the instances after the date when Postmaster General

Brown had sworn before the committee that the matter was closed Postmaster General Brown himself was acting as the arbitrator, a kind arbitrator, deciding the amount of money that should be paid by one company to another in order that they might agree and get a route without any competition between them.

Now, let us see about that. Remembering that Postmaster General Brown says nothing else was done after June 4, I call attention again to the memorandum of D. M. Sheaffer dated June 9, 1930. I read the last paragraph. This was 5 days after the time Mr. Brown says that he had stopped. I quote from Mr. Sheaffer's memorandum made to his committee:

Last Thursday the operators made their report to the Postmaster General and asked that he review the unsettled matters with the operators involved to the end that a satisfactory arrangement may be obtained, and it was decided to abide by the decision of the Postmaster General with regard to the assignment of the routes in controversy.

What did that mean? It meant that he was to assign them and they were to agree to it. That would not have been necessary if there was going to be real, honest, genuine competitive bidding. He had to make no agreement with them as to whom they should be assigned. He knew that, and every other sane and intelligent man knows that when a report like that is made, it means that the Postmaster General was to decide these controversies where they did not agree, and to award the contract to the company he saw fit after they had arbitrated it and had been heard.

Remember also that according to a memorandum which I have previously put in, on July 15, 1930, more than a month after the date when Mr. Brown said the matter was closed, Sheaffer was reporting to his directors that, under the direction of Brown, they were arranging a consolidation with the Western Air Express and the Pittsburgh Aviation Industries, and that if this were done, the Postmaster General could and would award them the contract. Mr. Coburn, who had been the president of the Aviation Corporation, on page 1674, swore that the matters in dispute were left for the decision of the Postmaster General.

About that time, July 9, here is another evidence as to whether or not Mr. Brown was active and whether he had told them to wait. Halliburton had been insisting that he was going to bid if they did not give him a contract. Not only had he done it then, but the evidence in the record shows that the statement is that he was blocking the Watres bill in the House until he could get an agreement that he would get a contract. After the Watres bill was passed, he continued, as they say, to claim everything. Now let me read the telegram of Halliburton to MacCracken, found in Mr. MacCracken's files, dated July 9, 1930, pages 2449 and 2450 of the record. Here is the telegram:

When I and the other operators agreed that the Postmaster General should arbitrate controversy regarding air-mail routes, we believed that he would act under whatever authority the Watres bill gave him without unwarranted delay. If the Watres bill does not give him the authority, then he should act under whatever authority he had prior to the enactment of the Watres bill. Unless he takes immediate action under the Watres bill and grants to the air passenger lines air-mail contracts in accordance with the provisions thereof, then I shall be compelled to withdraw my consent to the Postmaster General to arbitrate the air-mail routes and demand not only the privilege of bidding on any additional route, but shall take the necessary legal action to require the canceling of any extension or route certificate that has been granted under the Watres bill. As chairman of the committee representing the operators, you will please advise me collect what action I can expect the Postmaster General to take.

(Signed) ERLE P. HALLIBURTON.

That is July 9. See what Mr. MacCracken replied:

Mr. ERLE P. HALLIBURTON,
Berkeley Square, Los Angeles, Calif.:

Postmaster General is working on settlements of air-mail controversies.

More than a month after the date when Postmaster General Brown says it was all over. I read further:

States he is making progress but has not yet reached solution. Watres bill in effect repealed prior legislation, and he cannot act under that any more than he could under Watres bill that did not pass. Under circumstances believe it advisable you exercise patience in this situation.

Remember that while the Watres bill was up Larry King was here representing Halliburton. Ted Clarke wired Halliburton, according to page 1515, as follows:

Cannot say how much. Therefore time to bargain is before vote. Erle can phone me 7, your time.

At that time the Watres bill was pending. King says that a man had told the House committee:

This bill will never pass unless Halliburton gets a good contract; he has powerful backing both in the Senate and in the House, and if he chooses he can give us a great deal of trouble.

I read this to show how it led up to paying him $1,400,000 for his property to get him out of the picture.

Halliburton was represented in the May conference by Larry King and Ted Clark—Ted Clark, by the way, had previously been the private secretary to President Coolidge and former secretary to the late Senator Lodge.

Halliburton was also represented by Mr. W. B. Mayo. Mr. Mayo and Secretary Hurley both, according to the evidence of Mr. King found in the record, volume 4, page 1520, took up the Halliburton matter with President Hoover.

On June 30, 1930, Halliburton sent the following telegram to D. M. Sheaffer:

I do not consider that I have anything to gain by waiting until Congress adjourns. The Post Office Department should have acted on this matter more than a year ago, and if I could have secured the cooperation of those parties who now want me to cooperate, this matter could have long since been adjusted. Will be possible for me to leave here tomorrow afternoon for Washington, and unless I have definite assurance that there is to be an immediate adjustment I shall demand the right to bid on all extensions and new routes and am in better position to do this than anyone else in the business.

He was stating the truth. He was in a position to bid. He had the planes. He had been engaged in the service.

On August 4, 1930, a telegram came to Halliburton from W. G. Skelly, national Republican committeeman from Oklahoma, reading as follows:

After thorough analysis of the air-mail situation I am firmly convinced that it would be for best interests of you and your associates in Safeway to work out consolidation with T.A.T.

Remember, Halliburton had been insisting that he would not do it. August 4, 1930, Halliburton wired Skelly:

I do not intend to merge with or become connected with or associated with T.A.T., who prostituted names of Lindbergh and Earhart to general public and then asked the taxpayers to pay for such prostitution. If you care to sell your stock to T.A.T., I have no objection.

ERLE P. HALLIBURTON.

On August 5, 1930, Halliburton wired Skelly as follows:

Did not intend sarcasm by my wire. P.M.G. will not permit any of the operators to merge with Safeway. Northwest Air Lines and others have been warned if they interfere with plans of P.M.G. they will get no extensions of route certificates.

Remember, the Postmaster General had stated that no route certificates would be granted until an agreement was reached.

In volume 4 of the hearings, at page 1494, Mr. Halliburton tells why he merged. I read from the evidence:

The CHAIRMAN. Were you demanding the right to bid?
Mr. HALLIBURTON. Yes.
The CHAIRMAN. And was that right ever accorded?
Mr. HALLIBURTON. Well, I was advised, after considering the legality of the advertisements and everything, that to bid could only delay the thing and would most likely not secure a contract, and therefore was forced into a merger with the Aviation Corporation.

That does not sound like he merged because he wanted to do so.

At page 1491 of the hearings occurred the following:

The CHAIRMAN. Did you not go to see Mr. Brown himself about that very subject, and did you not go to see Mr. Glover, and did not Mr. Glover tell you finally, "I will ruin you if it is the last act of my life; you have tried to buck this thing all the way through, and you are not going to do it"?
Mr. HALLIBURTON. You know, I had so many conferences with Mr. Glover, several with Mr. Brown, in which at no time could we agree. I wouldn't know just when that statement was made, but I know that it was made.

The picture is there. The evidence has already been placed in the record that Mr. Glover had better watch his

step because he was favoring the N.A.T. too much. Paul Henderson was the representative of that company and the representative of T.A.T., and here is Halliburton, who had been insisting on the right to bid in order that he might assert this right, and who is told by Mr. Glover:

I will ruin you if it is the last act of my life; you have tried to buck this thing all the way through, and you are not going to do it.

Does that sound like a voluntary merger on the part of Mr. Halliburton?

Let us see what else he said:

The CHAIRMAN. Did or did not Mr. Glover make that statement to you at any time?

Mr. HALLIBURTON. Yes; he made that statement to me.

The CHAIRMAN. What reason did they give to you for insisting you sell out to the American Airways?

Mr. HALLIBURTON. They did not give me any reason. They alleged I was offering to carry the mail too cheap, using that as an excuse. Outside of that reason I don't know of any particular reason.

The CHAIRMAN. You were financially able to back up any mail aviation company you desired to operate, were you not?

Mr. HALLIBURTON. I would say that I was; yes; because I never have attempted anything that I first did not have finances to carry through.

The CHAIRMAN. Did you have an income at that time from your general business that would justify you in operating an aviation company even at a loss if you desired to do so?

Mr. HALLIBURTON. My income at that time was about three or four thousand dollars a day.

Here was a man able to bid and offering to bid. He was told that he would be despoiled if he attempted to "buck" their plan, and the excuse of those guardians of the public money, those "men of vision", was that he was offering to let the Government pay him too little money for his services to the Government. "Men of vision"! Let that be explained in the propaganda that is daily going out.

Mr. Halliburton found out where he was after the bids were advertised. A very interesting letter appears from Mr. Halliburton at page 1499 of the record of the hearings, addressed to Hon. Patrick J. Hurley, Secretary of War, and dated August 5, 1930, 3 days after the bids were called for. This is a very careful analysis of those bids. It points out their illegalities. It points out the same illegalities that the attorney for the Transcontinental and Western pointed out in his letter. Mr. Halliburton calls the attention of Mr. Hurley to the fact that if they are not careful about this matter it is going to be a blot on the administration. He called attention in his closing paragraph in these words:

If these contracts are awarded, as above outlined, I am quite certain it cannot help but result in an investigation of the Post Office Department, and due to the connection of Herbert Hoover, Jr., with the Western Air Express and the part which they will play in connection with the operation, I am sure it will result in serious criticism of Mr. Hoover himself, and for that reason, as well as personal reasons, I am passing this information on to you for whatever purpose you may care to use it.

Mr. President, I ask permission to have inserted in the RECORD at this point the entire letter of Mr. Halliburton to Secretary of War Hurley, to which I have just referred.

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

AUGUST 5, 1930.

Hon. PATRICK J. HURLEY,
Secretary of War, Washington, D.C.

MY DEAR MR. SECRETARY: I regret that I must burden you further with matters concerning a Department with which you have no connection, but since I feel that I can depend upon you and you have signified that you were willing to help me in any matters which I might have here in Washington I am availing myself of this opportunity.

As you perhaps know, the Post Office Department has issued advertisements calling for bids on two transcontinental air-mail routes; one route extending from New York to Los Angeles, via St. Louis, Amarillo, Tex., and such other stops as may be designated, and the second route from Atlanta, Ga., via Fort Worth, Dallas, and El Paso, Tex., to Los Angeles, and such other points as the Postmaster General may designate.

It seems to me that in several particulars each of these advertisements violates the basic principle and spirit of the new air mail law, and clearly will have the effect of stifling all competition in connection with the extension of the Air Mail Service.

Certain provisions have been inserted in these advertisements which entirely eliminate all the air passenger lines and make only present air-mail contractors eligible as bidders over these routes, notwithstanding the fact that certain air passenger lines have been operating over these routes for over a year and have spent thousands of dollars in developing a passenger business.

Section 4 of the act approved April 29, 1930, clearly contemplated two separate procedures in awarding of contracts for the transportation of mail by air, the first procedure requiring open bidding as to routes carrying more than 225 pounds of mail per trip and the second being limited to routes carrying less than that poundage per trip. As to the second class of routes, requirement of the law is that the contract shall be awarded to the lowest responsible bidder who has been operating on a fixed daily schedule for not less than 6 months over a distance of not less than 250 miles. There is no such requirement as to the first class of routes.

The Post Office Department in its present advertisements has combined both provisions into a single bid, thus bringing into operation the provision that no one shall bid who has not been operating on a fixed daily schedule for more than 6 months and stretching this requirement to 6 months night flying, which eliminates all of the passenger lines which Congress intended should be benefited from this new piece of legislation.

Further, there is a provision in these advertisements permitting joint bids by two companies and providing that "the experience of either company or both will be acceptable insofar as the requirements of the advertisements are concerned." In other words, under the provision of the advertisements it will be possible for a company to obtain a contract which has been operating for less than 6 months, although the law specifically requires for the less than 225-pound routes that they must have been operating for more than 6 months. Here again this appears to be, on its face, a very clear violation of the law. Another and still more serious provision of both of these advertisements is the one to the effect that "in order for a bidder to qualify he shall submit evidence indicating he has had at least 6 months' active experience in operating aircraft on regular night schedules over a route 250 miles or more in length." This, of course, automatically eliminates practically every operator outside of those who are already air-mail contractors and actually eliminates the very class of operators which, it was generally expected, the new air mail law was aimed to help, namely, the companies which have been engaged in passenger carrying, and is contrary to the testimony of Postmaster General Brown before the House Committee on the Post Office and Post Roads; for, of course, Mr. Brown knew that none of the passenger carriers have been flying at night.

As I see it, the effect of these advertisements is to automatically eliminate the Southwest Air Fast Express and such other lines as have been established with a view to developing the passenger business.

The Postmaster General attaches to the advertisement, and makes it a part thereof, a formula which he calls "variable", which under certain conditions are additions to be paid for night flying, etc. Under this formula for paying contractors it is possible for the contractor to receive $1.61 per mile, while under the law the maximum is $1.25 per mile, which, to me, is clearly a violation of the act of Congress.

Certain small air-mail contractors, of which there are three, have been instructed that if they combine with the Southwest Air Fast Express, Inc., or any other air passenger line for the purpose of bidding on these two routes, that the Post Office Department will not issue to them a route certificate when their contracts expire and that they will be granted no extensions under the Watres bill until after the contracts have been awarded on these two routes. It is generally known in the industry that the Post Office Department intends that Western Air Express and Transcontinental Air Transport are to organize an operating company for the transportation of mail over the central route from New York via St. Louis to Los Angeles and that a subsidiary company of the Aviation Corporation is to be awarded a contract over the southern route from Atlanta, Ga., via Fort Worth, Dallas, and Los Angeles.

Why the Transcontinental Air Transport, which prostituted the names of Lindbergh and Earhart to the general public and then expected the taxpayers to pay for this prostitution, should be favored by the Postmaster General is beyond my understanding of all that is just.

If these contracts are awarded, as above outlined, I am quite certain it cannot help but result in an investigation of the Post Office Department, and due to the connection of Herbert Hoover, Jr., with the Western Air Express and the part which they will play in connection with the operation, I am sure it will result in serious criticism of Mr. Hoover himself, and for that reason, as well as personal reasons, I am passing this information on to you for whatever purpose you may care to use it.

With kindest personal regards,

Respectfully,

ERLE P. HALLIBURTON.

Mr. BLACK. Mr. Halliburton called attention to the fact that they had added night flying to the provision, and that they had combined a 40-cent rate with a $1.25 rate contrary to law. I also have a letter from the attorney of the Transcontinental & Western, passed to his own officers, stating that it was his judgment they could not combine the $1.25 bid with the 40-cent bid because it was contrary to law and would deprive some of bidding who otherwise could enter the picture. In other words, under the law

as it is written they could have called for bids for $1.25 on these lines from any company with or without 6 months' experience, but the 6 months' experience clause was applied to those who bid on the 40-cent basis. When the advertisements were issued, the bids were lumped together, so it added an additional restrictive clause, and it was this to which Mr. Halliburton called attention and to which the attorney for the Transcontinental & Western referred and stated that it might force the Comptroller General to reduce their bid to 40 cents per airplane-mile. Not only that, but they added a night flying provision which the Comptroller General held was illegal.

Let us see what Mr. Halliburton did after they threatened to ruin him. Let us see what he did after he pointed out to Mr. Hurley the matters to which I referred, and let us find out how much better Mr. Halliburton was treated with the representation he had than the other operators who were forced out of the picture.

The reason is not far to seek. Senators will recall the names I have stated as those representing Mr. Halliburton, and interceding in his behalf. He had friends at court. He had his letter in the hands of the Secretary of War. He had as his representative a man who had served as the secretary to Mr. Henry Cabot Lodge and as the secretary to President Coolidge. He had representing him Mr. W. B. Mayo, who is known to have had somewhat of a prominent place at that time. He had others whose names I have mentioned; and threats were being made to blot him out from the picture. He protested to the last minute.

What did he do?

On August 23, 1930—note the date, August 23, 1930—for the first time, Halliburton gave his option to the American Airways on the Safeways operation for $1,400,000. Note the price. Halliburton testified under oath that he believed the assets of the company were worth at that time from seven hundred to eight hundred thousand dollars; but the company which bought it did not think that. They had the property appraised by their own appraisers and fixed the value at $569,000, and they paid Halliburton $1,400,000 2 days before the bids were opened. In order, however, to appraise this property at $569,000 the company appraised the hangar at $205,000, which is shown on page 2966 of the record, although Halliburton testified under oath as to its value, saying, "We paid something over $100,000, about $150,000, for the hangar."

This property bought by the American Airways was actually sold to the Western Air Express for $284,000. If that was the actual value of the property, the overpayment to Halliburton to remove him from the picture was $1,116,000. Who will pay that? The company that pays it is the one that got the contract; and that company that year, in 1930, made enough to pay it off. My recollection is that the Western Air Express that year—I shall have the figures presently—made over a million dollars.

What happened then?

The American Airways made a contract with Halliburton for the purchase. Let us see how that happened.

The American Airways was the Aviation Corporation of Delaware. It was the company to which had been allotted the southern transcontinental route through Dallas. The Western Air Express and the T.A.T. were the two companies that had been allotted the middle transcontinental route. The American Airways permitted Halliburton to put in a bid on a part of the southern transcontinental route with one of their companies; but before they let him put in this bid they had him sign on the dotted line that if he got the contract it would be turned over to the American Airways if they wanted it, and, of course, they wanted it. He and the other company got the contract, and it immediately went to the Aviation Corporation of Delaware.

Mr. O'MAHONEY. Mr. President——

Mr. BLACK. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Were the circumstances which the Senator has just described in any degree different from those which existed in the case of the air-mail contract for the route from Cheyenne to Pueblo which was canceled by Postmaster General New?

Mr. BLACK. Not a particle, except that this was probably worse. Postmaster General New did the very thing which the critics of this cancelation would herald as "un-American" when he canceled a contract like that.

These parties made the agreement, and I read from a part of that agreement. I will not read it all, but I will read one paragraph:

> Whereas Safeways is anxious to bid upon one of the said transcontinental mail routes—

And it was—

> and to qualify itself as a bidder, therefor;
> Now, therefore, in consideration of the premises—

And so forth, and so forth.

In other words, Safeways had wanted to bid. Halliburton had been insisting that he should bid before the bill was passed. He demanded a promise from Glover, and, according to his representative, he got it. According to the statement of his representative, sworn to in the evidence, Halliburton had an agreement before the bill was ever passed, that he would be given a chance to bid, and the other operators bought him off. He stated time and time again that he was not only ready but anxious and willing to bid. He declared under oath; he placed it in his telegram; he put it in his letters; and the excuse given to him for not permitting him to do so was that he wanted to carry the mail too cheaply.

Think of that! An agent of the United States, a representative holding the high and exalted position of a Cabinet officer, telling a man who is seeking to do business with the Government, "I will not let you do business with the Government because you will not let me force the Government to pay you enough out of the hard-earned dollars and dimes of the American taxpayer.

A man of vision! Let that issue be taken to the country. If there is a "brain trust" to be formed by any party, I am sure that if its name is proper, that "brain trust" will never permit that issue to be put into the faces of the American people. Rest assured that the American people are honest. They do not believe in fraud, and they will not tolerate it, even to support the failing fortunes of a discredited party.

Now let us see why the American Airways bought out these people. I am not going to stop at that. I am going to refer to the sworn evidence of why they did it. There is no reason not to have the sworn evidence. It is in the record. I read from the evidence of Mr. Coburn, who was president of the Aviation Corporation when they bought out Mr. Halliburton. What did he say at page 1692?

> The CHAIRMAN. You were buying it because you had been told to; you were not buying it because of what they had done for the air?
>
> Mr. COBURN. That is true, but I wanted to find out whether they had done a good job.
>
> The CHAIRMAN. The impelling motive for buying it was because you were told to by the Postmaster General.
>
> Mr. COBURN. Yes, sir; and I had to come back to the executive committee and tell them this was the situation.
>
> The CHAIRMAN. You did not impress your executive committee with the idea of what it was worth; you impressed them with the fact that the Postmaster General had told you to buy?
>
> Mr. COBURN. The Postmaster General is always very careful to say, "I am not trying to tell you, Mr. Coburn, what to do with the assets of your company."
>
> The CHAIRMAN. He always told you, didn't he, he wanted you to take care of somebody?
>
> Mr. COBURN. I understood perfectly that it was necessary preliminary that Mr. Halliburton should be traded into a position that should be satisfactory to him.

Why, of course, no company with an officer with a thimbleful of brains would have bought out a company and paid $1,400,000 for it and then sold its assets for $269,000, unless they had to.

Let us see the next one. Let us see what Mr. Hinshaw declared under oath about the Halliburton purchase at page 1585. He was also the representative of the Aviation Corporation:

American Airways proceeded to try to deal with those people.

The CHAIRMAN. To buy them out?

Mr. HINSHAW. Yes, sir; and they did buy them out, and we were given to understand that there would not be, until the situation was cleaned up, and these people taken care of—that there would not be any advertisements for these two transcontinental routes. That is correct, what you said, sir.

There is the picture. They had already sworn that no certificate would be issued until they took care of these people. I have read that into the RECORD. Now here come the president of the company and the assistant to the president with their sworn statement that they bought out this company, not because they wanted it but because they had to remove it from the picture.

Why did they have to remove it from the picture? There was only one reason. Halliburton threatened to bid. He wanted to carry the mail too cheaply. It was a terrible crime of which Halliburton was guilty—so terrible that he was told by Mr. Glover that if he did not stop trying to buck them, he—Glover—would destroy him.

I desire to state here and now that there is no reason for anybody to get up on this floor, now or hereafter, and say that Mr. Glover had not been given a chance to testify. He was given the chance to testify, and it was stated in an open meeting of the committee when he was in the room that if he desired to testify the way was open to him.

Now, let us see what else happened in that trade. That was not all of it. It was necessary to get somebody else out, to work it all together. Here were two routes. The contract of August 23, 1930, provided that the Western Air Express agreed to buy 20,000 shares of its own stock from the American Airways for $1,115,000, or $55.77 per share. The last sale of that stock before August 23, 1930, had been at $34.50 per share; and the Western Air Express agreed in that contract to buy this stock at $55 per share.

Why did they do that? In a memorandum which was restored to the committee after it had been removed from Mr. MacCracken's files, and which is in this record, or in the CONGRESSIONAL RECORD, Mr. Hanshue explained why they did it. It was because they were forced to do it. He explains it in the memorandum.

In other words, the company bought 20,000 shares of its own stock for $1,115,000, being $425,000 more than the 20,000 shares would have brought at the price realized at the last sale of that stock. This contract also agreed to let the Postmaster General arbitrate the value of the Los Angeles property of the Western Air Express between the amounts of $300,000 and $500,000; and the Postmaster General did arbitrate it, and raised it from $300,000 to $406,000. That was long after the Postmaster General had sworn that it was all over so far as he was concerned.

Mr. President, that was not the only company they needed to get out. There was another, a little company down there, which did not have as much political influence as this one. It did not have these gentlemen representing it, but it was a pioneer company, and it was threatening to bid. It wanted a contract. I refer to the Delta Air Service. It was in the way. It was about to block the award of these contracts to the lines which the Postmaster General had selected, to wit, the Aviation Corporation of Delaware for the southern lines, and the Transcontinental & Western for the middle lines.

The Delta Air Service was a claimant to this line, according to the MacCracken report. Let us see what happened to them. Let us see whether they sold out because they wanted to sell. This is what their man, Mr. Woolman, said (p. 1605):

The CHAIRMAN. Did Mr. Grosvenor tell you anything about what Postmaster General Brown had told him?

Mr. WOOLMAN. I do not recall that he did, except that we were to get together.

The CHAIRMAN. You were to get together?

Mr. WOOLMAN. On a satisfactory basis to American Airways, ourselves, and the Post Office Department.

The CHAIRMAN. Mr. Brown had told you that, had he not?

Mr. WOOLMAN. Yes, sir.

The CHAIRMAN. When Mr. Brown told you you would have to get together, what did he say as to what way you would have to get together?

Mr. WOOLMAN. I do not think that he stated exactly how we would have to get together at all.

The CHAIRMAN. Did he say to get together on carrying the mail, or that you would have to sell out and they would have to buy you, or what?

Mr. WOOLMAN. I think he left that open, naturally, but it was understood, in discussing the matter with him later, that we would probably—we told him it seemed we would have to sell out to him and we were not entirely satisfied with the figure, and he assured us American Airways would do the right thing; he was sure.

The CHAIRMAN. That was Postmaster General Brown?

Mr. WOOLMAN. Yes, sir.

What business was it of the Postmaster General to be telling a pioneer operator, who had been operating a line, the first line that was ever operated on the way he flew, to sell out to the American Airways? Who can defend any such conduct without a blush coming on his face? What business was it of the Postmaster General?

Let us see what Mr. Hinshaw said they told him to do about that company, remembering it was threatenig to bid. Pages 1586 and 1587:

The CHAIRMAN. Did you not keep Mr. Woolman informed as to Mr. Brown's attitude?

Mr. HINSHAW. Yes; because we had some difficulty in arriving at a price with Mr. Woolman for his service.

The CHAIRMAN. Why was it necessary for Mr. Brown to be consulted about that?

Mr. HINSHAW. Mr. Brown laid down the premise that we had to buy them out, and I rather suspect, when they found they had to be bought out, they put up their price.

Who was it who said that? It was the paid representative of the American Airways in the transaction who stated that under oath.

Now I read what Mr. Coburn said, as appears on page 1683:

The CHAIRMAN. Who told you to buy them out?

Mr. COBURN. Oh, the Postmaster General had put us through that territory and it was up to us to make a satisfactory arrangement with them.

Why was that? Let us see what happened to this company which did not have the political influence which Mr. Halliburton had behind him. Remember, Mr. Halliburton sold his property for $1,400,000, and the assets were later sold to the Western Air Express for $269,000. I read from page 1607:

The CHAIRMAN. Well, the question is, Did you want to continue to operate a line?

Mr. WOOLMAN. Yes, sir.

The CHAIRMAN. Or did you want to sell?

Mr. WOOLMAN. I preferred to operate.

The CHAIRMAN. You had been in that business how long?

Mr. WOOLMAN. In airplane operations since 1925.

The CHAIRMAN. And you sold because you had to, did you not, Mr. Woolman?

Mr. WOOLMAN. Well, it was that or else.

The CHAIRMAN. What percentage of what your company cost you did they finally pay you?

Mr. WOOLMAN. I think we received approximately 50 cents on the dollar for the money we had spent in our operations.

The CHAIRMAN. And that was in the development of that route?

Mr. WOOLMAN. Yes, sir.

Therefore, it will be seen that the Postmaster General was directing them how to act, whom to buy from, whom to remove from the picture.

WINNIPEG EXTENSION

Remember, the Winnipeg route had been assigned to the Northwest Airways by the agreement, and it was shortly after this that the Postmaster General sent to the Comptroller General a request for an opinion in order to know whether or not they could let that route by extension.

The MacCracken report, which it is said was abandoned, assigned that route to Northwest Airways, by agreement, and on July 9, 1930, the Postmaster General, carrying it out, wrote to the Comptroller General, saying:

The Northwest Airways, Inc., has indicated to the Department its desire to have its route extended under the provisions of this bill to Winnipeg and to Omaha, and the Department is desirous of so doing.

Of course it was desirous of so doing. Had they not agreed upon it? Was that not a part of the pie that was

to be allotted to the Northwest Airways? Was not that a part of the spoils?

On July 24 the Comptroller General wrote a letter declining to hold that extension legal. I shall not go into the merits of that.

On August 2, 1930, there were advertisements for bids on the two transcontinental routes, on the ninth day after the Winnipeg decision, immediately after the Winnipeg decision. They had tried to see whether or not they could get that decision from the Comptroller General, trying to extend lines all across the country, by extension, under paragraph 6, and the Comptroller General would not let them do it.

What did they then do? Mr. Hinshaw said that when the Winnipeg decision came out, Postmaster General Brown almost had a stroke of apoplexy. Why? Because it was interrupting the plans. So, 9 days thereafter, they called for advertisements on the two routes as a formality.

Note this. Let us see who was controlling and putting those advertisements out. The Postmaster General was supposed to have the power, but on August 1 we find a telegram from Hinshaw, the representative of the Aviation Corporation, to Wadsworth, superintendent of mails, saying (p. 2340):

We are satisfied to have advertisements published tomorrow.

Why was it necessary for the Aviation Corporation to give its consent to have an advertisement published for the southern route?

On the next day, when the Aviation Corporation had consented, the advertisements went out, on August 2.

It will be remembered that Mr. Hinshaw has stated, as shown on pages 1591 and 1592, that there was an agreement about bidding, and it will also be recalled that Mr. Halliburton had pointed out that this advertisement called for restrictions which the law did not permit.

Not only that, but in a letter of November 17, 1930, by Mr. Cuthell, the attorney for the Transcontinental & Western, we find this statement about this particular advertisement, backing up exactly what Halliburton had stated:

It may be that the Comptroller intends to deal generally with their contracts—

Speaking of aviation—

as well as ours, in which event there would be some common ground for presentation of argument. On the other hand, it may very well be that the Comptroller will disapprove of this particular payment on a special ground that exists in the Aviation Corporation case which does not exist in ours.

You will recall that after the contract was awarded on the 40-cent basis—

This is not some outsider talking; this is the attorney for the Transcontinental & Western:

You will recall that after the contract was awarded on the 40-cent basis and before flying had actually commenced, and of course before the volume of mail increased over the 225 pounds per trip, there was an amended award by which the Government agreed to pay about 85 cents. I am at a loss to find any legal justification for the amended award.

My own feeling (which is not based on any intimation from official source) is that the Comptroller may sustain the Aviation Corporation's contract as well as our own as a valid 40-cent contract—

That man knew what the law was. He was their lawyer. As a matter of fact, it never should have been sustained for a penny over 40 cents, even if it could be sustained at all—

but hold both illegal in respect of payments under the $1.25 provision, because there are no statutory qualification tests in respect of proposals under the $1.25 basis where there are a few in respect of the 40-cent basis. There is no doubt at all that several companies which would have been qualified under the $1.25 basis, such as Curtiss-Wright Flying Service, were prohibited from bidding because of the inclusion of the statutory tests under the 40-cent arrangement as well as by the night-flying regulation.

Conceived in fraud? Every imaginable restriction was imposed so that the attorney for one of the companies is compelled to write to one of his associates that the thing is illegal. Yet this is the attorney for the company which has been sending out this propaganda, the attorney for the company in which Mr. Rickenbacker is an officer.

Now we find that they wanted to impose some restrictions, so we find here a photostatic copy of the first suggestion as to putting in night flying.

Now, who would Senators suppose inserted this restrictive clause? Naturally, Senators might think it would be the Postmaster General. It might be thought, at least, it was one of his subordinates, but it was not. Here is the photostatic copy showing who it was. It was Mr. William P. MacCracken—not an officer of the United States, but a paid representative of the very companies who wanted to restrict other companies from bidding. If there is any question about it, here are the photostatic copies as proof. No one has denied them. The Comptroller General held it illegal. Everybody else who has known anything about it has known it to be illegal; but it stood there.

It was 2 days before the day these bids were finally opened that Halliburton, the Western Air Express, and the Aviation Corporation made their agreement. Therefore, Halliburton could not bid. Of course, when the Aviation Corporation and the Western Air Express agreed with each other, they did not bid against each other. They were adjusting the differences between them as to the property that would be bought.

At this time I wish to call the attention of the Senate to the fact that the Supreme Court of the United States, in the case of McMullen against Hoffman, One Hundred and Seventy-fourth United States Reports, page 649, has expressly and unequivocally held that such a combination is a nefarious one. This combination, however, was not only approved by the companies but it was approved by the Post Office Department and by Postmaster General Brown, the man with the vision.

Now let us see what was stated about that bid by a man who knew about as much about what was going on as anybody in Washington. He had been an Assistant Postmaster General. He had been an active Republican for many years. He had been close to the powers that were in control. He was here representing aviation companies. He knew so much about this bid, and assisted the Transcontinental & Western to such an extent, that after they got their contract they wrote him a letter and thanked him for the services he had rendered to them for obtaining this contract. Here is the letter:

OCTOBER 9, 1930.

DEAR PAUL: Now, that the smoke has cleared away, and T.A.T. and Western Air Express have been awarded a contract and have set up a new operating company, I have a little breathing spell, and I wanted to drop you a note to express our appreciation of your great help in bringing about this conclusion which was so important to our welfare, as well as the welfare of the aviation industry.

I personally greatly value your assistance and cooperation, and at any time that I can be of assistance to you I hope you will not hesitate to call on me.

With kind regards, etc.

D. M. SHEAFFER.

Now let us see what this man Henderson, whom he thanks for his assistance, said about how that contract was awarded. In volume 7 of the record, pages 3095 and 3096, let me read what Mr. Henderson said about how this particular contract was awarded. I shall read what he said to his board in the report he wrote out, which he said he and the board worked over together, in which he referred to the Postmaster General and what occurred in May 1930:

He then invited all of the operators who were at that moment operating air-mail contracts, as well as those who were seeking Government help for passenger lines, to suggest to him changes in the air-mail map by the addition of two transcontinental lines and other lines not then in existence. He further invited them to try to agree among themselves on which of the operators should operate those new lines which he wished to create.

I continue reading further along in the report. He says:

Although these two biddings took the form of usual Government mail-contract biddings, they were in fact not competitive, since the Postmaster General had dealt with potential bidders to a point where all were eliminated except the successful bidder in each case.

Who said that? The vice president of the United Airways in a report made to his directors, which he said he and the

board worked over together. That is how the so-called "competitive-bid" contract was awarded.

I have already called the Senate's attention to the memorandum of Mr. Sheaffer, in which he gave a full statement on this subject; and at this point in my remarks I ask to have printed in the RECORD his memorandum of July 15, 1930.

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

The memorandum referred to is as follows:

MEMORANDUM COVERING IMPORTANT POINTS IN THE DEVELOPMENT OF A CONSOLIDATED OPERATION. T.A.T., INC., AND WESTERN AIR EXPRESS, INC., AS PRESENTED IN THE ATTACHED AGREEMENT CONTEMPLATING THE FORMATION OF AN OPERATING COMPANY

To the Executive Committee, T.A.T., Inc.:

Since the early days of organization, in 1928, T.A.T. has endeavored to effect corporate and operating relations with Western Air Express. This was recognized as important by the executives of both companies by reason of the competitive service operated between Los Angeles and San Francisco, and later between Los Angeles and Kansas City.

The airway mileage operated by T.A.T.-Maddox is 2,344 miles, while that of the Western Air Express in competition is 2,228 miles, which includes the service from Amarillo to Tulsa, so that the airway mileage operated is very close.

In the past the difficulties that the executives of T.A.T. encountered were largely due to the fact that Western Air Express enjoy a very profitable air-mail contract between Los Angeles and Salt Lake City, all of which prompted the desires on the part of the Western Air Express to maintain and retain their corporate position and individuality in the air transportation business.

Negotiations pointing to some form of consolidation have been working ever since. With the enactment of the Watres bill—legislation intended to assist passenger-carrying lines as well as to establish a more scientific basis of pay for the carriage of air mail—the present Postmaster General, the Honorable Walter F. Brown, called the operators together early this spring, asking that they endeavor to work out among themselves three transcontinental air lines, namely, the present northern route, a central route via St. Louis, and the southern route via Atlanta and Dallas; these three routes to be operated by independent companies, separately owned and managed, and competitive in service.

For the central transcontinental, New York to Los Angeles-San Francisco, via Philadelphia, Pittsburgh, St. Louis, Tulsa, Kansas City-Amarillo, it was the desire of the Post Office Department that this be operated by one company, and as T.A.T. and the Western Air Express were the two important factors operating large mileage on this route it was the Postmaster General's suggestion that these two lines consolidate or in some manner work out an operating arrangement to that end. Other consolidations and rearrangements of air service became very much involved, to the end that the report of the operators to the Postmaster General left very much unsettled, but the operators agreed unanimously that the Postmaster General should act as umpire in settling and working out such rearrangements as might be necessary, to the end that three transcontinental lines would be established, and the operators agreed to abide by his decision.

In view of the fact that the operators were unable to decide among themselves to a full conclusion many of the major problems, the Postmaster General naturally has taken those problems up in their order of importance, the first being that of the central transcontinental.

Early in the year, recognizing the possibilities of economies that might be effected as a result of the consolidation with the Western Air Express, and also recognizing the fact that to secure a transcontinental mail contract it would require some form of consolidation, the executives of T.A.T. again approached the subject with the Western Air Express. These negotiations were carried on for several months, but the demands of the Western Air Express were too exacting, namely: Requesting an exchange of 5 for 1 and a very heavy participation in the outstanding options of T.A.T. This basis of exchange of stock was not felt to be justified, in view of the fact that the book value of the two companies was about 3 to 1 and the cash or quick assets were on about the same basis, as well as other potential factors taken into consideration. Finally these negotiations were terminated, as the Western Air stated they would not be willing to give up the identity of their corporation.

The Postmaster General having indicated that he could and would arrange so that an air-mail contract award would be properly made to the central transcontinental, providing the two companies organized for the operation of the service, T.A.T. got together with the Western Air Express on a plan to form an operating company, on the following basis, namely:

That our physical property on the line or route should be put into a new company at its depreciated value, and any difference in these property accounts should be made up by dollars, on the basis of both companies having a like interest in the new transcontinental company; that a third party, namely, the Pittsburgh Aviation Industries Corporation, which organization had done a great deal of valuable work in developing a new airline across the State of Pennsylvania, should have an equitable interest.

These negotiations have been carried on in detail in conference with the Postmaster General, and the agreement submitted is the result.

The statement attached presents figures as they relate to the property accounts, etc., of the two companies, namely, T.A.T. and Western Air.

T.A.T. will retain in its accounts its entire miscellaneous organization and corporate expense, the land and property at Monterey, Dodge City, Las Vegas, and Gallup, the land and property at Clovis, N.Mex., less the removable property, and the hangar and passenger station at Waynoka. The property and cash account, after turning in certain property to the new operating company, will approximate $4,800,000. The depreciated value of the property turned in to the new company by T.A.T.-Maddux will be $2,400,000.

The depreciated value of the property of the Western Air Express will be $2,148,000. This is subject to some revision, as the sale value of the land of the Los Angeles Terminal at the time the Western Air Express, Inc., purchased the property is to be determined by the Post Office Department, and this land is to be included at that value. Such adjustments as may be made as a result will to that extent affect the asset value of T.A.T.-Maddux.

T.A.T. today is suffering substantial losses and has been experiencing these losses since it started operations, July 1929; the Western Air Express are also suffering heavy losses on their passenger-carrying lines, but these losses are being largely made up by their mail contract on the Salt Lake route. It is fundamentally important and necessary that T.A.T. secure a mail contract; it is of strategic importance that the transcontinental line be one company; it has been determined that the only satisfactory solution is the one proposed in the attached contract with the Western Air Express, Inc.; and if the mail contract is secured it will be the means of turning our red figures into black.

It is believed that the arrangement proposed, while it seems to exact heavy tolls and contributions on the part of T.A.T., is the best that can be worked out, and, in all, after considering the many potential factors, that it will result most favorably and advantageously to the corporate interests of the Transcontinental Air Transport, Inc.; and under such an operation the new company, operating between New York and San Francisco via the route of Pittsburgh, St. Louis, etc., bids fair to become the most important in volume of traffic and character of operation of any air line in the world.

The attached contract and agreement as between T.A.T. and the Western Air, together with the exhibits, all of which are in sufficient detail, and which have been approved and accepted by the Western Air Express, Inc., are presented for your consideration and action today, with a favorable recommendation.

Respectfully,

CHAIRMAN EXECUTIVE COMMITTEE.

JULY 15, 1930.

Mr. BLACK. On page 1648, Mr. Sheaffer's memorandum said:

These negotiations have been carried on in detail in conference with the Postmaster General, and the agreement submitted is the result.

That is a month and a half after the time when the Postmaster General had testified under oath that this whole thing—the agreement between T.A.T. and Western Air—was called off. Now, let us see how much it was called off. I asked Mr. Sheaffer, on page 1572, as follows:

The CHAIRMAN. The Western Air also wanted you to pay a great deal more for their property than it cost them?

Mr. SHEAFFER. They wanted us to take the property and pay more than a 50-percent basis—than a 47½-percent basis.

The CHAIRMAN. And you reported that fully to Mr. Brown, did you not?

Mr. SHEAFFER. Yes, sir.

The CHAIRMAN. And told him?

Mr. SHEAFFER. I told him——

The CHAIRMAN. And told him each movement you were making and how you were getting along and what it was hanging up on?

Mr. SHEAFFER. Yes, sir.

The CHAIRMAN. You wrote him about it, too, did you not?

Mr. SHEAFFER. Possibly I did.

The CHAIRMAN. You wrote him more than three or four letters?

Mr. SHEAFFER. Yes, sir.

The CHAIRMAN. How many did you write?

Mr. SHEAFFER. I could not tell. I have not the number in mind.

On page 1573, volume 7, is a memorandum for the Honorable Walter F. Brown in which a complaint is made that the Western Air Express wants to increase the value of its land and the T.A.T. does not want to pay it. Then I asked Mr. Sheaffer:

Did you go to see General Brown about the disagreement over the values?

Mr. SHEAFFER. We did.

The CHAIRMAN. Did you present the matter to him to determine what the property was worth?

Mr. SHEAFFER. Yes, sir.

The CHAIRMAN. Did he arbitrate it for you?

Mr. SHEAFFER. It was very difficult, Mr. Chairman, to get the appraised value of that land.

The CHAIRMAN. Did he arbitrate it for you?

Mr. SHEAFFER. Yes, sir. He set an appraised value of the land through the inspectors of the Post Office Department.

The Postmaster General had the inspectors of the Post Office Department going over the country appraising the value of property between two private companies in order that they might combine and deprive the Government of a competitive bid.

Mr. Hanshue said, on page 2902 and page 2903:

Mr. HANSHUE. We combined before it was advertised.

The CHAIRMAN. Before it was advertised?

Mr. HANSHUE. Yes, sir.

The CHAIRMAN. And you combined conditionally on getting it, did you not? It was a conditional combination, was it not?

Mr. HANSHUE. No; I think the original agreement with T.A.T. was not conditional. I don't remember.

The CHAIRMAN. Do you mean that if you had not gotten that line that this corporation would have stayed organized and that you would have stayed merged with T.A.T.?

Mr. HANSHUE. No; I did not understand your other question—you mean conditionally on securing a mail contract?

The CHAIRMAN. Sure.

Mr. HANSHUE. Yes, sir.

The CHAIRMAN. So that the combination was made conditionally on getting a mail contract, wasn't it?

Mr. HANSHUE. Yes.

On page 2912 I asked Mr. Hanshue this question:

The CHAIRMAN. If anything had been said about—if you had thought it was competitive bidding, you would have gone on and taken your chance—

Listen to this:

on competitive bidding rather than to have combined with a company that you objected to combining with, would you not?

Mr. HANSHUE. Yes, sir.

The CHAIRMAN. You reached the conclusion, did you not, Mr. Hanshue, after a month or two there, and many discussions, that your only chance to get any kind of a contract over your lines was to combine with the T.A.T.?

Mr. HANSHUE. Yes, sir.

The CHAIRMAN. And that is the reason that you combined, and the only reason, is it not? You still objected to it when you did it, did you not?

Mr. HANSHUE. Yes, sir.

Mr. Hanshue wanted a mail contract. His only chance was to combine.

Senator McCARRAN then asked him, on page 2943:

Senator McCARRAN. So your entering into the agreement with T.A.T was by reason of the rather direct suggestion that you would have to do that, or you would not get a contract; isn't that true?

Mr. HANSHUE. Yes.

Later on—and I quote from his testimony—he responded to questions asked by Senator McCARRAN, as follows:

Senator McCARRAN. Just one or two questions more—the reason you would have to stop operating was, of course, because you could not get a contract. That is true, isn't it?

Mr. HANSHUE. Well, because we could not afford to run the passenger line at a loss.

Senator McCARRAN. You had to have a contract in order to run the line?

Mr. HANSHUE. Had to have a mail contract.

In order to show that fraud and collusion usually run the same course, I wish to read a resolution adopted by the United States Senate in 1834 with reference to an exact combination such as this. The report is dated June 9, 1834, a hundred years ago.

Resolved, That it does appear that an agreement was entered into between two companies of mail contractors, the express object of which was to put down all opposition lines of coaches, and all competition in the transportation of passengers on their respective mail routes. That said agreement was drawn by an officer of the Department, and entered into at his pressing instance, and that it was sanctioned by the Postmaster General; and that such agreement, so sanctioned, is an interference with the honest pursuits of the free citizens of these United States; that it tends to establish an odious and oppressive monopoly, and is an unjust invasion of private rights.

Exactly the same thing. Here is Hanshue swearing that they made him combine; that the Postmaster General forced him to do so. The Senate of the United States, a hundred years ago, expressed its disapproval of such conduct, and I believe that the people of this country are still honest and still opposed to any such pernicious practices.

I call attention to the fact that on page 2946 of the record Mr. Hanshue gave evidence with reference to the agreement made between his company and T.A.T. I ask to have inserted in the RECORD at this point, as part of my remarks, certain marked paragraphs in volume 7, pages 2946 and 2947, with reference to this agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[From vol. 7, pp. 2946 and 2947]

The CHAIRMAN. Stating that those two companies would bid on those two routes?

Mr. HANSHUE. That is right.

The CHAIRMAN. And the Western Air, that was making the bid jointly with Transcontinental, was the same company that you had authority to bid on either or both of those routes in full; that is right, isn't it?

Mr. HANSHUE. Yes.

The CHAIRMAN. But you did agree here that the Transcontinental and Western Air jointly would bid, didn't you, on the middle route? That is correct, isn't it?

Mr. HANSHUE. Well, we stated that we were going to bid.

The CHAIRMAN. And this was an agreement, wasn't it—it starts off: "This agreement made and executed this 23d day of August 1930"—you agreed to the terms in his contract, didn't you?

Mr. HANSHUE. Sure.

The CHAIRMAN. And did you not also agree at the same time that a bid would be made on the southern route by the American Airways through its subsidiary—that is correct, isn't it?

Mr. HANSHUE. Yes; it says so.

The CHAIRMAN. And didn't you go further and agree there that there were various adjustments that had to be made between the companies in order for those bids to regulate the affairs of the company after the contracts were awarded?

Mr. HANSHUE. Well, we agreed to buy certain equipment from them and to sell them certain equipment.

The CHAIRMAN. And both contracts were entirely contingent, at your suggestion, were they not, upon the Transcontinental obtaining the middle route and the other one obtaining the southern route?

Mr. HANSHUE. Certainly it was all contingent on that.

Mr. BLACK. Mr. Hanshue had here a man named Woolley. Mr. Woolley was his representative; he was also a paid representative. He told all about how this happened. He told about Mr. Hanshue calling up over the long distance to his office in California at 3 o'clock in the morning in an effort to determine whether or not he should yield to the coercion by combining with T.A.T. That evidence is most interesting, and I ask at this point to insert in the RECORD, as a part of my remarks, the evidence of Mr. Woolley, which is found in volume 7, pages 2845 and 2846.

The PRESIDING OFFICER. Without objection it is so ordered.

The matter referred to is as follows:

[Vol. 7, pp. 2845 and 2846]

Mr. WOOLLEY. Mr. Hanshue had agreed to take certain assets and sell them certain assets on this other line, if it got the contract down there.

Through the information I had I realized how they had been brought to Mr. Hanshue or the other gentlemen concerned. And it constituted a very definite program to eliminate certain independent bidders from bidding on these contracts.

We argued that thing out in the Carlton Hotel until about 3 o'clock in the morning. Mr. MacCracken and Mr. Bishop were present. Mr. MacCracken repeated what other lawyers had told me about what was right and what could not be done, and had discussed it informally with some members, and if the administration wanted it done that way it would be all right, and all sorts of arguments, and I finally told Mr. Hanshue I thought he should fight. He said to fight Brown on this thing would take a million dollars. I said, "You better spend the million than to give them six and one-half million without a fight."

About 3 o'clock in the morning he seemed to be persuaded to my point of view. At that time he said he wanted to telephone the coast. I don't know whom he contacted. He went in the other room. I understand he called Mr. Chandler or Mr. Garland—couldn't get one of them, and got the other.

The CHAIRMAN. Who is Mr. Chandler?

Mr. WOOLLEY. The owner of the Los Angeles Times, who was one of the principal supporters of Mr. Hoover in the campaign of 1928. Mr. Garland is the Olympic man, a very wealthy man, delegate to the Republican National Convention of 1928. They are both men of business standing and friends of Mr. Hoover. He called Mr. Talbott, who was on the board of directors.

The CHAIRMAN. Who is Mr. Talbott?

Mr. WOOLLEY. Chairman of the board of Richfield Oil Co. He came back after he had been in there awhile and said one of these first two gentlemen he contacted told him not to do anything that would embarrass the President. Of course, these gentlemen came into Western Air Express purely as a matter of pride. They did

not care anything about the investment—it was infinitesimal in their holdings—and with their relations with Mr. Hoover, we should do nothing to embarrass the administration, and Mr. Talbott told him I was young and excitable, and you would never get anywhere fighting, you better do what the Postmaster General wants you to do if you are going to get along. * * *

The demands Mr. Hanshue told me of were that he was to buy certain assets and to take off their hands certain Western Air stock that they held, and in turn he was to sell them Western Air's assets on the southern line; and as a further consideration there had existed some contract or other between Pittsburgh Aviation Industries and T.A.T. with regard to sharing of that transcontinental route, if T.A.T. got it. I think it was based on some mileage principle, and when we first heard of that I insisted, and Mr. Hanshue insisted that it should come out of T.A.T.'s share of these holdings, that it was a contract with T.A.T., and Hanshue told me he had been in with Mr. Sheaffer to see Mr. Brown and Mr. Brown insisted that Pittsburgh Aviation would take a smaller portion but that it must come out of the middle. I told him, "You are giving control of your company away"; he was supposed to have a managerial contract that gave Western Air Express the management of the combined line, T. & W. A., for a year, but giving voting control into the hands of these eastern people that had a preconcerted agreement before we ever went into the negotiations at all, and I didn't like it, and he didn't like it, but he seemed to think the Postmaster General would not give him anything if he did not take that.

Mr. BLACK. I desire to read just a little as to whom he called up. He said:

About 3 o'clock in the morning he seemed to be persuaded to my point of view. At that time he said he wanted to telephone the coast. I don't know who he contacted. He went in the other room. I understand he called Mr. Chandler or Mr. Garlland—couldn't get one of them, and got the other.

The CHAIRMAN. Who is Mr. Chandler?

My recollection is, I might state here, that one of the editorials that has been placed in the RECORD is from the Los Angeles Times.

Mr. WOOLLEY. The owner of the Los Angeles Times, who was one of the principal supporters of Mr. Hoover in the campaign of 1928.

Mr. Garlland is the Olympic man, a very wealthy man, a delegate to the Republican National Convention of 1928. They are both men of business standing and friends of Mr. Hoover.

This evidence of Mr. Woolley shows that the combination that was made between these two companies was made over the vigorous protest of the Western Air Express, and the testimony of Mr. Hanshue which I have already read shows exactly the same thing.

Mr. Woolley also testified, on pages 2846 and 2847, with reference to the transaction, and I ask unanimous consent to insert that in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

The matter referred to is as follows:

[Vol. 7, pp. 2846 and 2847]

Mr. WOOLLEY. That was the thing that aroused my feeling of possibly this thing not being right. I went down to the Aviation Corporation about that time, and Mr. Coburn, president of the company, was standing at the door, and Mr. Hinshaw was at his desk inside the door. Mr. Coburn said, "I don't like to be a party to this sort of thing, but I guess we have to do it."

Sometime previous to that Mr. Hinshaw told me he had made a trip to Tulsa with a view to seeing if he could absorb Halliburton; and when he came back he said Halliburton wanted $1,700,000 and it was ridiculous.

At this time I learned that Mr. Coburn, through pressure from the Postmaster General, was to take Mr. Halliburton out for $1,400,000. I said, "That is a 'hell' of a lot for what he has got"; and Hinshaw said, "You are not getting out of it; you fellows have to pay your share." He meant, "You fellows have to buy those assets and take some stock off our hands."

That led me to believe some places, somewhere, this had been agreed to to put us on the spot and partition us and turn us over to these fellows, and not only give them our lines but pay them to take us over.

Mr. BLACK. In order that there may be no doubt about the fact that Mr. Hanshue did say he was forced to consolidate, I call attention to this part of his memorandum which was brought to the United States Senate under subpena to Mr. MacCracken after it had been removed from his files. Says Mr. Hanshue:

The deal for the Aero Corporation was barely completed when we were advised by the Postmaster General that we must sell the Standard Air Lines to Aviation Corporation and combine our Kansas City and San Francisco divisions with T.A.T. This did not set well with our directors, and they advised me to stand "pat" and insist on the Post Office Department giving us mail on our portions of the two transcontinentals. However, after several conferences with the Postmaster General I could see that this could not be done without a battle, which might upset temporarily the whole plan and work a hardship on everyone in the industry, so I consented to make an attempt to merge the properties of the T.A.T. and W.A.E. on the central transcontinental on a 50-50 basis.

He says further:

This feeling was not alleviated any when they were advised that we had to sell the Dallas route for $400,000 and take a $600,000 loss on it.

* * * * * * *

To sum up, the directors are not pleased with the deal given them by the Postmaster General, nor with the merger with T.A.T., whereby they lose their most valuable asset, the Alhambra Airport.

In other words, the Western Air Express was forced to combine with T.A.T. in order to get a contract.

Mr. President, it was about this time that the Pittsburgh Aviation Industries Corporation horned in. The Senator from Arkansas [Mr. ROBINSON] has already placed in the RECORD the letters and evidence showing their political activities. He has shown that in behalf of that company the then Secretary of the Treasury, Mr. Andrew W. Mellon, reported that he had taken up with the Postmaster General in person at a Cabinet meeting, a contract which this company desired. Two of the Mellons were connected with this company. It was this company which the Postmaster General directed should become a part of this organization. That is made clear by the memorandum to which I refer on page 1648 of the record, if there is anybody who has any question about it, in which it is stated that the Pittsburgh Aviation Industries Corporation, which organization had done a valuable work in developing new air lines, should have an equitable interest. It never had developed any air line. The only air line it had was one to Harrisburg, where they were going so as to have political appropriations made by the Pennsylvania Legislature, and another one to Washington, where they were going to the Department and sitting in on conferences with air-mail operators, when they never had operated any scheduled line in all their history. This company, however, was forced into the picture and became a part of the company.

Right here let me make one suggestion. I heard read in this Chamber a report of the activities of the Pittsburgh Aviation Industries Corporation. It so happens that I have in the files of correspondence a letter revising the statement that was to be made by the Pittsburgh Aviation Industries to show how small a part it had taken in political activities, and the report which I heard read was strikingly similar to that which would appear after the revision had been made.

Now let us see how they got in. They threatened to come down to Washington, and they called attention to those who were on their committee. Let us see who was on that committee which they threatened would come to Washington. From the record, volume 4, page 1569, I read this statement:

Other alternative is for committee—Humphrey, Mellon, and Monro, of our executive committee—to go with George to see Brown and present to him our claim to above 10-percent arrangement.

That is the way the Pittsburgh Aviation Industries got in. It was needed. Of course it claimed, as was shown by the Senator from Arkansas in his remarks, that it should have credit for the airports and the air developments that had been made by public money. This company took the position that it was just as much entitled to credit for money which had been spent by the State as though the company had expended it itself. It showed how active the company had been in securing the appropriation after one of the Messrs. Mellon had called up and made the engagement for them.

In order to show the influence of the Pittsburgh Aviation Industries with Mr. Brown, I desire to insert in the RECORD at this point evidence from page 1659, volume 4. I ask unanimous consent to insert in the RECORD the extracts from the evidence of Mr. Coburn.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[Vol. 4, p. 1659]

The CHAIRMAN. You knew about the Ball route being called off by the Postmaster General?

Mr. COBURN. Yes, sir.

The CHAIRMAN. How was that done?

Mr. COBURN. Well, it was testified here yesterday as to the circumstances under which we started negotiations with Mr. Ball. I had forgotten those. But remember, having that option agreement with Mr. Ball, the matter rested until I was told by—it must have been by the Postmaster General—that the Pittsburgh Aviation Industries Corporation was going to work out a trade, if they could, with Mr. Ball, and it would please the Postmaster General if such trade could be worked out and in the event of such trade, would American Airways release Ball from his option agreement, and I said, certainly.

Subsequently, however, an arrangement was effected between Ball's company and P.A.I.C., and we were so advised, and we executed a release.

The CHAIRMAN. You mean the Mellon Co. in Pittsburgh, by "P.A.I.C."?

Mr. COBURN. Yes, sir.

The CHAIRMAN. In other words, the Postmaster General told you it would suit him very much if you would release the Ball Co. so they could make an arrangement with the Mellon Co.?

Mr. COBURN. Yes, sir; and I made that move just like all other moves, in line with the agreement.

The CHAIRMAN. And when he told you that, you said, "Fine"?

Mr. COBURN. Yes, sir; I had worked for Cabinet officers before, when I was in the Navy.

Mr. BLACK. I insert this evidence because Mr. Coburn was first told that he ought to buy out Ball, and later on the Postmaster General told him that Ball was a pioneer. Later on the Postmaster General told him that it had been decided that that company should be bought out by the Pittsburgh Aviation Industries Corporation, of Pittsburgh, Pa.

The Avigation Co. bid lower than the Transcontinental & Western. The evidence shows, if they had secured the bid, that over a period of 10 years it would have saved the Government something like $16,000,000 on the schedules that were operating. The statement has been repeatedly made that they never did have any chance to operate a line. At this point I desire to insert in the RECORD the evidence of Mr. Taney, which is found on pages 1616 and 1617. Mr. Taney shows who was behind their company and that they had $1,000,000 available for use.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[Vol. 4, pp. 1616, 1617]

The CHAIRMAN. What arrangements had you made as to the amount of money that would be put up to begin the operation?

Mr. TANEY. The amount of money to be put up to begin operations was $1,000,000.

The CHAIRMAN. Did you have any assurance of more money, if needed?

Mr. TANEY. As much as we needed; yes, sir.

The CHAIRMAN. Who was behind that?

Mr. TANEY. Mr. Kaufman, Mr. Wick, from Youngstown; Mr. Wyck, and several other gentlemen.

The CHAIRMAN. And Mr. Sherman Adams?

Mr. TANEY. Yes, sir; Mr. Condon is more familiar with that than I am.

The CHAIRMAN. Who were the gentlemen, Mr. Condon?

Mr. CONDON. Sherman Adams, of Boston; Mr. Paul Wyck, of Youngstown; and Mr. Oliver M. Kaufman. Most of the men represented groups who, in turn, had guaranteed money to be paid in if, as, and when we received the contract.

Mr. BLACK. I also ask to insert in the RECORD certain extracts from his evidence appearing on page 1619, volume 4, of the hearings.

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

The CHAIRMAN. Will you please read them into the record, so that they can be understood? First, what was your bid?

Mr. TANEY. Our bid was 64 percent of the allowable rate per mile.

The CHAIRMAN. What was their bid?

Mr. TANEY. 97½ percent.

The CHAIRMAN. Now, will you state what that was per-voyage cost to the Government? First, what was the distance?

Mr. TANEY. Two thousand nine hundred miles.

The CHAIRMAN. What was the voyage difference in those costs?

Mr. TANEY. Figuring on the 75-cent rate, with the variables, our cost to the Government per mile would have been 62 cents. The other bid of the Transcontinental Air Transport & Western Air Express, Inc., would have been $1.01. Over a period of 1 year the difference——

The CHAIRMAN. For how many voyages?

Mr. TANEY. One trip each way each day.

The CHAIRMAN. One trip each way each day?

Mr. TANEY. Yes, sir.

The CHAIRMAN. Is that what they started out with?

Mr. TANEY. Yes, sir. The difference, or the savings, there per year to the Government would have been $835,215.

The CHAIRMAN. Over a period of 10 years it would have been a little over $8,000,000?

Mr. TANEY. Yes, sir; the contract was let on a 4-year basis with the proviso that if the service was satisfactory a certificate for the route would be issued. I do not know whether that has ever been done or not.

The CHAIRMAN. For what length of time?

Mr. TANEY. An indefinite length of time, as I understand it. That is as I understand it, and as in the bid.

The CHAIRMAN. I believe the law says 10 years from the time of the original contract. That would be a difference, on this one trip daily each way, of $8,000,000 in 10 years.

Mr. TANEY. Yes, sir.

Mr. BLACK. After bids had been advertised for and had come in, let us see what happened. On August 26, 1 day after the bids were opened, Mr. W. Irving Glover sent a message back to Mr. Gove. Mr. Gove was his assistant and was the gentleman who had had his stock account taken care of by Mr. Paul Henderson, and who had given Mr. Henderson a note for $10,000, which note was later destroyed in a hotel here in Washington. Here is the message of Mr. Glover:

Cumberland last night. Wired you this morning. Am enclosing clipping from Pittsburgh paper. Looks as if they also wanted be a second-story man or men. Of course, I know you would not accept any strengthening documents to the bids but wanted to be sure. Have Earl go through the three bids and have their failings all lined up for the P.M.G. when he gets home. Be sure to save clipping and telegram.

Yours very truly,

W. IRVING GLOVER.

The very day after the bids had come in, Mr. Warren Irving Glover was sending word back, "Do not let there be any strengthening documents to Avigation Co. bid. Save them for the Pennsylvania Railroad Corporation and for the strong political group from the West coast." That is the substance of what he was saying.

A great deal has been said about Mr. Letson and his testimony before the Post Office Committee that he could not operate. Poor Mr. Letson never yet has learned how he got out of the picture. He does know that he got a contract. It so happens that someone was listening to his telephone conversations at a time when his bid was in, to find out exactly how strong he was. The company had bid and the Transcontinental & Western wanted to put him out of the picture.

On August 30, 1930, 7 days after the bids were opened, they were on Mr. Letson's trail. On that date a letter was written by a man named A. K. Owen, from the Hotel President, Kansas City, to Mr. J. R. Maddux, president of the T.A.T. and the Maddux Air Line. It started off by saying that—

The information contained in this letter came from sources which I consider very reliable, given to me in confidence with permission to advise you personally of the identity of the sources.

Then he proceeds to tell about the financial set-up of Letson. Mr. Skelly, Republican national committeeman of Oklahoma, was also interested in this company, and we are told how these gentlemen wired Mr. Letson not to bid, but the wire got through an hour too late. I read further:

In July with the capital of the company nearly exhausted, Mr. Letson managed to interest Bill Skelly and got him to put $30,000 into the line. This of course makes Skelly as large a stockholder as Letson.

The story of the bid! They reported the complete story of the bid made by Mr. Letson. There was a chance for a Denver-Kansas City mail contract. He got it. The Postmaster General gave it to him; and after it was given to him, Mr. Letson turned over the minutes to Mr. Brown and he lost interest in the Avigation Co. bid.

How did they get this information? Let us see, a large part of the information was obtained because of—

the story Letson gave out over the telephone to a third party this morning, to which I listened in, as follows.

At that very time, within 7 days after the Avigation Co. had made a bid, which would have saved the Government $16,000,000, they had men listening to his private telephone conversations he was having with other people. It was very wise, of course, for him to "behave like a good soldier", because those who did not so behave did not get anything from the administration in charge then in the Post Office Department.

That is the way Mr. Letson was taken care of. On September 17, 1930, Mr. Glover wrote another letter, which I ask at this time to have inserted in the RECORD. It will be found in volume 6 of the hearings, at page 2714.

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

POST OFFICE DEPARTMENT,
SECOND ASSISTANT POSTMASTER GENERAL,
Dallas, Tex.

DEAR CHASE: Your telegrams to hand and your letter of 13th. Tell — the award has been made. Understand down here that Wedell-Williams plan to bring some kind of an action against the P.M.G. as Aviation Corporation did not carry out their bargain with them. How come?

Halliburton is going to make a statement saying P.M.G. is right in requiring what he did in the ads. Take it that the award was not made to Pan American South American route. Did not receive your letters until this morning, so could not wire you regarding telegrams. Believe we can work out of the Avigation bid.

Halliburton is going after Letson, and even Letson's stockholders do not approve this action. Don't know what you told the P.M.G., but there is no use recommending award be made to the high bidder and then getting cold feet, saying you and Earl agreed that we should fill out all the bids. We had better all stick together or we will all hang together. Believe we could make award to the W. Air and T.A.T. and make a statement along with it that no one would object to except the unsuccessful bidder.

Tomorrow I hop over to Houston and there for Thursday and Friday and then on to New Orleans, and reach Washington Monday.

Over 700 delegates to this convention, and believe me, it is an organization. Fight on between Luna for president and O'Rourke, of Brooklyn. May affect the organization. Spent half a day in Fort Worth on post-office site. Well, until later, I am,

Very truly yours,

W. IRVING GLOVER.

Mr. BLACK. In that letter Mr. Glover calls attention to the fact that the Aviation Corporation did not take care of Wedell-Williams and that they had not carried out their bargain. He said, "How come?" Then he said that they would "have to stick together or hang together." He said they must not retreat from the position they had taken in awarding the contract to the high bidder.

Why did he say that? It was because in the meantime a complaint had been made to the President of the United States and a request had been made of the Attorney General for an opinion, and Mr. O'Brian, the Assistant Attorney General, had rendered an opinion stating that the contract should not be awarded on this bid because it was contrary to the statute. At this point I ask that the opinion be inserted in the RECORD as a part of my remarks. It is in a letter dated September 3, from Mr. John Lord O'Brian to Hon. Arch Coleman, and is found on pages 2714 and 2715 of the record of the hearings.

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

SEPTEMBER 3, 1930.

Hon. ARCH COLEMAN,
First Assistant Postmaster General, Washington, D.C.

DEAR MR. COLEMAN: I have carefully considered the question whether the Postmaster General should award a contract for carrying air mail from New York, N.Y., to Los Angeles, Calif., and return, on the basis of the bids received in response to the Postmaster General's advertisement of August 2, 1930. In my opinion, section 4 of the Air Mail Act of February 2, 1925, as amended by the act of April 29, 1930 (U.S.C., title 39, sec. 464), does not authorize the Postmaster General to limit bids to those who have had "at least 6 months' actual experience in operating aircraft on regular night schedules over a route 250 miles or more in length." Since this requirement of the advertisement of August 2, 1930, may have prevented the submission of bids by otherwise qualified bidders and may to that extent have defeated open competition in bidding, I think the Postmaster General should reject all the bids received and readvertise for bids for this route. (See 36 Op.A.G. 33; also 8 Comp. Gen. 252.)

I suggest that paragraph 7, section 1330, Postal Laws and Regulations, be rescinded or amended and that the fifth paragraph on page 3 of the advertisement of August 2, 1930, be omitted from future advertisements for bids for air-mail contracts. I think that in lieu of said fifth paragraph the Postmaster General before awarding any contract involving night flying may require any bidder on such mail contract to satisfy him by appropriate evidence of the bidder's qualifications satisfactory to operate aircraft on regular night schedules. I also suggest that in future advertisements for bids for air-mail contracts the seventh paragraph on page 3 of the advertisement of August 2, 1930, be amended to read substantially as follows:

"The attention of prospective bidders is particularly called to that provision of section 4 that where the air mail moving between the designated points does not exceed 25 cubic feet, or 225 pounds, per trip, the Postmaster General may award to the lowest responsible bidder of those who have owned and operated an air-transportation service on a fixed daily schedule over a distance of not less than 250 miles and for a period of not less than 6 months prior to the advertisement for bids."

Yours very truly,

JOHN LORD O'BRIAN,
The Assistant to the Attorney General.

CONTRACT AWARDED TO HIGH BIDDER

Mr. BLACK. So we find that in the face of the low bid, in the face of everything else, they stood together as they suggested; the agreement they had made was carried out, and the Transcontinental & Western secured the contract. That company, of course, has filed no suit in court. It does not want to file a suit in court—that is, one that can be tried. They prefer to go around filing suits of a kind of which they know the court has no jurisdiction, because they know that the facts with reference to that contract cannot be exposed to the light and scrutiny of judicial decision without having it struck down as fraudulent.

There is another reason why it would be stricken down, among many others. Mr. Brown was a stockholder in the Pennsylvania Railroad and a stockholder in the Pennroad Corporation, one of its affiliates. It is attempted to claim that that makes no difference, because he owned such a small percentage of the stock. That is wholly immaterial. The criminal code, section 93, specifically provides that it is a criminal offense for any public official to award any contract to any firm or person who is indirectly interested in the pecuniary profits of the contracts of such corporation, joint-stock company, association, or firm. It makes it an offense punishable by a fine of $2,000 and imprisonment for not more than 2 years. Not only that, the courts have uniformly held that this is sufficient to strike down the contracts.

In the State of Pennsylvania, in the case of *Melford Borough* v. *Melford Water Co.* (124 Pa. State 623), a contract was made by the borough with the Melford Water Works, and it developed that officials of the Melford Water Works were on the board of officers; and the court said:

It is almost needless to say that a contract so prohibited by law is utterly void, and there is no power that can breathe life into such a dead thing.

In the State of New Jersey—and I call particular attention to this—in the case of *State* v. *the City of Cape May* (36 Atl. 1089) the city made an agreement with a power company to supply power. In developed later that one member of the board had up with himself, as collateral security, 1 share of stock in the power company with which the contract was made. Certainly that was not a very extensive holding. It was collateral security of 1 share of stock. Here is what the court said:

If the vote of an interested member of the common council be admitted, it must be received as absolute verity. No power exists in this or any other court to set on foot an inquiry to ascertain whether or to what extent his official conduct was influenced by his interest in the subject, in which he is supposed to act exclusively for the public benefit. * * * This resolution must be declared invalid.

So, Mr. President, insofar as the contract of Transcontinental & Western Air is concerned, it is void because of the collusive arrangements made in the Post Office Department.

It is void because of the stock owned by the Postmaster General in the Pennsylvania Railroad, which is associated as a part of the T.A.T.

It is void because the whole thing is a stench in the nostrils of decent and honest people, and no court will sustain it.

It is also void because, as stated by the Assistant Attorney General in the opinion which was rendered, the advertisement imposes restrictions that were not imposed by statute.

It is void for another reason. It is void by reason of the fact that the Transcontinental & Western employed Mr. Ernest W. Smoot for the purpose, as they stated, of attempting to "expedite" action on their contract. The courts have uniformly held that any such employment absolutely invalidates a contract. Did they do that? Yes; they did it. The sworn evidence shows that they did it.

I call attention to the fact that on page 2884 of the record, volume 7, there is a letter from Mr. James G. Woolley to Mr. Ernest W. Smoot calling the latter's attention to the friendly and personal relationship between Senator Smoot and the Comptroller General, and asking him to have Senator Smoot write a letter to the Comptroller General. In order that there may not be any dispute, I ask here to have that letter inserted in the RECORD, found on page 2884.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

WESTERN AIR SERVICE,
October 24, 1930.

Mr. ERNEST R. SMOOT,
Senate Office Building, Washington, D.C.

DEAR ERNEST: Enclosed is a draft of approximately what we would like your father to say in a letter to Major General McCarl.

Not knowing how personal and friendly the relationship between the Senator and the Comptroller General may be, the form of address and the language used in this draft are formal. It may well be that you will prefer to redraft it on the basis of your closer knowledge of their relationship. In substance, what we would like is for your father to use his very potent influence with Mr. McCarl to persuade the latter that the award as made should stand as being in the best interest of the public.

Knowing that you will fulfill this one additional mission for us and counting upon the continued good will of yourself and your father as one of our major assets, I am,

Yours very truly,

JAMES G. WOOLLEY.

JGW:GM
Will appreciate immediate action—JIM.

Mr. BLACK. On December 9, 1930, we find Mr. Ernest W. Smoot wiring Mr. Woolley:

Have checked with MacCracken. Find that information came through Pennsylvania Railroad and was given to him as the worst that could happen to this contract.

I call attention to the fact that what he was referring to was that the rate might be reduced to 40 cents a mile.

Still have hopes General will approve your high bid. If he renders decision giving you contract under low bid accept first checks under protest and file claim for the difference. This seems like foolish procedure, but it is a precedent in the General's office and claims have always been paid. Feel nobody should bring pressure to bear on General this week. If nothing happens, first next week father and I will see McCarl again.

Regards,

ERNEST W. SMOOT.

I call attention to the fact that Mr. Ernest W. Smoot testified under oath that the statement that he and his father would "see McCarl again" was not correct, and he denied that he and his father had seen Mr. McCarl.

Mr. LONG. Mr. President, what did he say about the letter?

Mr. BLACK. He said that he did not state the facts.

I call attention also to a letter in volume 7, page 2883, from Mr. Smoot to Mr. Woolley, in which he says:

DEAR JIM: So that you may keep posted, this is to advise you that I prepared a brief that father and I submitted to Mr. McCarl, asking him to expedite the consideration of your contract which is before him.

I wired you and phoned Doc as to the status of this last week. I have no doubt but what the whole matter will be cleared up for us by the middle of next week. Jim, this has been an awfully "tough" job.

I have not heard anything further from Frank, and I think it is about time that some definite arrangement be made. I air-mailed you today copies of the Senate appropriation hearings. No doubt this bill will be passed the first of next week. Will keep you posted as to progress. Let me know if Doc is coming East.

With kindest regards.

Yours sincerely,

ERNEST W. SMOOT.

That letter is dated December 12, 1930. On that date, appearing in the record at page 2885, is a letter from Senator Reed Smoot to Mr. J. R. McCarl, Comptroller General of the United States, which reads as follows:

REED SMOOT, UTAH, CHAIRMAN,
UNITED STATES SENATE,
COMMITTEE ON FINANCE,
December 12, 1930.

Hon. J. R. MCCARL,
Comptroller General of the United States,
General Accounting Office, Washington, D.C.

MY DEAR MR. MCCARL: Appreciating the fact that you have numerous things before you, as we all have these days, I hesitate to write you in this matter, but I have been asked by certain constituents of mine if it is not possible to expedite decision on the Transcontinental-Western Air case which is before you. If it is possible for you to do so, I shall greatly appreciate it.

With kindest personal regards, I remain,

Yours sincerely,

REED SMOOT.

Then we find on January 2, 1931, this telegram from Ernest W. Smoot:

Have assurance that the whole matter will be settled next week. Sorry it couldn't have been a New Year's present. Hope to see you in about 2 weeks.

On January 10 there is a telegram signed by Ernest Smoot, as follows:

Contract O.K. Glad to see you when you come east. Regards.

Mr. Smoot had predicted, a week before, that the contract would be approved by the Comptroller General's Office next week, and next week he wires that the contract is approved.

There will be found in volume 7, page 2871, a bill for services sent by Mr. Smoot to Mr. Hanshue. The bill is for $15,000, less an advance by James Woolley of $2,500, and he says:

DEAR MR. HANSHUE: I am enclosing my bill for the specific services you instructed me on November 13 to perform in Washington.

Both of these projects, the decision of the Comptroller General of the United States on the matter of domestic air-mail appropriations have now reached a successful conclusion. You will note in my bill that I have taken into consideration the $2,500 advance made by James Woolley on December 17, 1930.

With kind personal regards and best wishes, I am

Yours sincerely,

ERNEST W. SMOOT.

Mr. Woolley testified that Mr. Smoot was employed by the Transcontinental & Western Air Express; and it is also true that Mr. Smoot testified, on pages 2874 and 2875, that he obtained part of his information from Mr. Woodside, in the Comptroller's Office, and that Mr. Woodside at the time he [Smoot] testified was in the employment of the General Motors Corporation. If Senators will look at the chart which hangs on the wall, they will find that the General Motors Corporation is to a large extent the holding company of the companies that own the Transcontinental & Western Air, the company that got the contract, and it was awarded after this decision was written.

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

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

Mr. NORRIS. As I remember, this company did not pay Smoot's bill for $15,000, but cut it down.

Mr. BLACK. They cut it down to $2,500. They declined to pay him any more than $2,500. He said that his lawyer—Mr. Donovan, as I recall—advised him not to sue, which was good advice.

Mr. NORRIS. That inquiry is preparatory to the real question I desire to ask the Senator. When Mr. Smoot was on the stand under oath, he admitted that one of these letters he had written to his client was not true; did he not?

Mr. BLACK. He did.

Mr. NORRIS. Was any explanation ever made as to why he told his client that falsehood in the letter, or was the committee able to draw any conclusion on the subject from any other evidence?

Mr. BLACK. I should say the impression he intended to leave was that he wanted to make his client think he was doing a lot of work.

Mr. NORRIS. That is the point I desired to bring out. If it is true that the letter was false, I do not see any other object in stating the falsehood in the letter than to increase his fee, and that was indicated in the bill for $15,000 which was settled for $2,500.

Mr. BLACK. The only inference I could draw, and it may not be correct, is that Mr. Smoot claimed he was doing a lot of work in order to impress his client.

Mr. NORRIS. Did he admit that on the stand?

Mr. BLACK. I cannot state at this time as to that. I have not that particular part of the evidence before me.

Mr. NORRIS. The Senator knows that there are a great many lobbyists around Washington who do nothing in the line of their employment, but who make their clients believe that they control a whole lot of Senators and Representatives and other officials, and draw their money for it.

Mr. BLACK. I think that is generally the case. I think they all exaggerate what they do.

Mr. NORRIS. Probably Mr. Smoot was indulging in that kind of a pastime at the time he wrote this letter.

Mr. BLACK. I have no doubt that he was.

The point I am making is that when a man is so employed, and a company so employs him to "expedite action", it makes no difference whether he expedites action or not; under the decisions of the courts, that invalidates any contract which is obtained by such methods. It is according to well-recognized principles that that should be true.

Mr. Hanshue testified that his company's contract which was canceled was the very contract for whoch they employed Mr. Smoot to use influence to expedite, and he testified that they thought he could expedite it; that he "sold" himself to them. It is the very contract that Mr. Woolley was asking Mr. Smoot to use his father's influence to get, and the object was to expedite the decision.

I desire to read a decision in that connection in order that there may be no question about the law, to show that if there were nothing else in the world bearing on this matter except that one thing, the contract would have to fall.

I read from the case of John E. Gorman against the United States. This is found in Thirty-fourth Court of Claims Reports, which has been cited with approval many times by the Supreme Court of the United States, the last time, as I recall it, in the Fall case. I read from page 242:

As regards the contractor Price, the court is of opinion that this act of his rendered the expedited service—

Note "expedited service"—

contra bonos mores and against public policy. Whether the money went further than the person who received it, whether it was divided with officials of the Post Office Department the court does not inquire. It is sufficient to know that the expedited service was not ordered in conformity with the petition of inhabitants along the post-office routes until the money was promised, and that it was ordered immediately after that arrangement had been made, and that the money was paid so soon as the expedition was secured.

This is not the first time I have brought out, since I have been talking, evidence of employment to expedite action when the money was conditioned upon the expeditious action. Reading further:

This court has always regarded the Government as somewhat in the character of a ward, and its officers in the character of its guardians, and it has never given effect to a contract where it appeared that the contractor had directly or indirectly by direct bribes or corrupt influences, sought to impair the good faith of the guardian. The corrupt purchase of political or personal influence is more insidious, and in its results as bad as direct bribery. Whoever has dealings with a trustee, a guardian, an executor, or officers of the Government can sway them by no influence which will be prejudicial to the interests of the cestui que trust.

Under that decision, and in line with the accepted authorities in all of this Nation, no one can be surprised that this company has not dared to go into the open doors of the Court of Claims. Of course it will not. It may do so if it can be taunted into doing so, but it cannot do so with any hope of winning.

It has been held in all the cases that efforts to secure legislation or contracts by employment of people to use personal solicitation or political influence are contrary to public policy. I have already cited the case of *Tool Co.* v. *Norris* (2 Wall. 54).

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

Mr. BLACK. I yield.

Mr. LONG. The Senator is reading a line of authorities which I am a little bit surprised to hear. Do those authorities go so far as to hold that, for instance, the employment of people to work on legislators is corrupt and against public policy?

Mr. BLACK. Yes; but they draw a dividing line. They say that if the employment is for the purpose of drawing up a bill, actual legal service, or to present an argument before a committee, that is all right; but if those employed are employed to go around and buttonhole people, and have telegrams sent, and worry and annoy everybody to death with propaganda letters, and annoy them by meeting them and talking to them about legislation, when they are doing it not in any public interest but for a fee they are to get, that is contrary to public policy.

Mr. LONG. Then the bringing of people to a capital for the purpose of suppressing legislation, to work on them, even though it is done openly, would be just as corrupt under that holding.

Suppose we had a bill before us like the oil tariff bill, for instance. We would find representatives of both sides practically swarming over this Capitol.

Mr. BLACK. There is a difference between people who are genuinely and bona fide interested in the business and the others.

Mr. ROBINSON of Arkansas. Mr. President, in brief, as I understand it, and have long thought the law to be, any contract of employment by which the employed agrees to exert his influence to cause or to prevent legislation is void as against public policy.

Mr. BLACK. That is correct.

Mr. ROBINSON of Arkansas. There is nothing immoral in the presentation of facts or law——

Mr. LONG. Oh, no; I understand that.

Mr. ROBINSON of Arkansas. To committees of any legislative body, because presumably, at least, that is helpful to the committees.

Mr. BLACK. That is correct.

Mr. ROBINSON of Arkansas. But the employment of any person to influence legislation, to exercise personal influence, to persuade, to intimidate, or to induce a member of a legislative body to take a certain viewpoint respecting legislative measures, is against public policy, and such contract cannot be enforced in any court.

Mr. LONG. Would not the use of the mails along that line be using the mails to defraud?

Mr. ROBINSON of Arkansas. No; I do not think that question would arise, unless the communication made misrepresentations.

Mr. LONG. I was unaware of these decisions, though perhaps I should have known of them. But hiring a man to go and buttonhole legislators is a corrupt act, as I understand.

Mr. ROBINSON of Arkansas. Yes.

Mr. BLACK. I shall proceed with my remarks, but suppose I let the Senator from Louisiana have the two cases which go into that matter very fully. I have already cited the case of *Tool Co.* v. *Norris* (2 Wall. 54), and *Trist* v. *Child* (21 Wall. 450).

Mr. President, I desire to show out of their own mouths that the officers of these companies not only admitted, but boasted, that this particular contract about which I have been talking was obtained as the result, at least in part, of political influence. I do not make that statement without having it supported under oath by the president of the Western Air Express.

I shall read at this point from volume 7, page 2926, Mr. Hanshue's evidence. Bear in mind that I have already cited the cases—and if the cases had not been cited, common sense would tell us that it is true—holding that contracts secured by political influence, and by reason of any cause except the legitimate exercise of a governmental duty by an official, are void. I read:

The CHAIRMAN. There is one question in this memorandum I want to ask you about before we proceed on anything else, that

you gave to Mr. MacCracken and Mr. Frye—and you have stated that the statements in here are correct; that is true, is it not?

Mr. HANSHUE. Yes, sir.

The CHAIRMAN. And represented the views of the directors?

That is, the directors of his company.

Mr. HANSHUE. Yes, sir.

The CHAIRMAN. I find on page 3 of this statement——

Referring to the Western Air Express directors.

The CHAIRMAN. I find on page 3 of this statement referring to the W.A.E. directors:

"They also feel it was through the friends of the Western Air Express who are influential in politics that it was possible to secure the award of this contract and its approval by Government officials."

May I ask who are those friends that are influential in politics that they felt made it possible for you secure that contract?

Mr. HANSHUE. The newspapers——

The CHAIRMAN. What newspapers?

Mr. HANSHUE. The Los Angeles Times, the Los Angeles Examiner, the banks.

The CHAIRMAN. Who runs the Los Angeles Times?

Mr. HANSHUE. Mr. Chandler is the publisher.

The CHAIRMAN. Mr. Harry Chandler?

Mr. HANSHUE. Yes.

That is the first one he admits was active in politics. There has been no newspaper in the entire United States, perhaps, that is, any individual newspaper, which has been so bitter in its antagonism to cleaning up this scandal as the Los Angeles Times, operated by Mr. Harry Chandler.

In July 1925 Mr. Chandler bought 50 shares of Western Air Express stock for $5,000.

In February 1929 he exchanged those 50 shares for 1,250 shares of the Western Air Express, Inc., at $10 par value.

In July 1929, he bought 63 shares at $45.20, making a total payment for the 1,313 shares of $7,847.50.

His profits from these 25 shares, which he kept, are $58,461.10.

Naturally that newspaper would be very bitter against an investigation which would take away from Mr. Harry Chandler the opportunity to continue any such pyramiding of stock values.

How did he come to make that money? According to the sworn testimony of Mr. Hanshue, he made it because Mr. Harry Chandler and others whom I shall name later were influential in politics, and were able to get their contracts.

Let Mr. Chandler publish that in his newspaper. Let him also publish in his newspaper the fact that Mr. Hanshue swore under oath that Mr. Chandler did not usually come to Washington and go to the Post Office Department, but used his regular Washington representative. I wonder if tomorrow Mr. Harry Chandler, who contributed $2,500 to the Republican National Campaign Committee on August 20, 1930, 3 days before these bids were opened, will put that in his newspaper when he states that the President of the United States and his administration have gone wrong in taking away from Mr. Chandler and other influential people the money which they had extracted from the taxpayers of the United States. Let him deny any of those facts. They are testified to under oath, except as to the campaign contribution.

Those are not all the contributions. Do not misunderstand me. Mr. Chandler had a much larger investment than that; but that happened to be the only campaign contribution 3 days before these bids were opened up—the bids of the company for which Mr. Hanshue says Mr. Harry Chandler exercised his political influence to get the contract.

Not only did Mr. Chandler say that; he also said his directors believed it when the statement was made. The statement was not made accidentally. It was made in a written memorandum, and that is one of the memoranda which were returned to the committee after Mr. Hanshue had had them extracted from the files of Mr. MacCracken.

Mr. Chandler was not the only one Hanshue said had political influence that helped him. There is another paper out there called the Los Angeles Examiner. As I understand, it is a part of the Hearst organization. Let us see who he says was the next one that I asked him to mention:

The CHAIRMAN. What was the other paper that you said was influential in politics?

Mr. HANSHUE. Los Angeles Examiner.

The CHAIRMAN. Who runs that?

Mr. HANSHUE. George Young.

Remember, here is the statement that he said was true.

They also felt it was through the friends of the Western Air Express, who are influential in politics, that it was possible to secure the award of the contract and its approval by the Government officials.

The CHAIRMAN. Who else was it that was influential in politics, friends of the Western Air Express, that made it possible to secure the award of the contracts?

Mr. HANSHUE. The banks.

The CHAIRMAN. What banks?

Mr. HANSHUE. The Security First National was one.

The CHAIRMAN. Who was it in that bank that was influential in politics that helped to secure the contract?

Mr. HANSHUE. Mr. Henry M. Robinson.

Mr. Robinson also had made $45,053.41 out of this subsidized company.

The CHAIRMAN. Who was the vice president?

Mr. HANSHUE. William May Garland.

The CHAIRMAN. Was he the only vice president?

Mr. HANSHUE. Yes; he was the only vice president.

The CHAIRMAN. What was his business?

Mr. HANSHUE. Real estate.

The CHAIRMAN. Was he one of the ones you referred to as being influential in politics?

Mr. HANSHUE. Yes; I had forgotten about him.

* * * * * * *

The CHAIRMAN. Who were these friends that were influential in politics that you had in mind? Were there any others?

Mr. HANSHUE. No others.

The CHAIRMAN. How many of those gentlemen you have named came to Washington in reference to the contract?

Mr. HANSHUE. There was one other, Mr. Bonfils.

The CHAIRMAN. How do you spell that?

Mr. HANSHUE. B-o-n-f-i-l-s.

The CHAIRMAN. Where did he live?

Mr. HANSHUE. In Denver.

The CHAIRMAN. Denver, Colo.?

Mr. HANSHUE. Yes.

The CHAIRMAN. What was his business?

Mr. HANSHUE. He was owner and publisher of the Denver Post.

The CHAIRMAN. Was Mr. Chandler holding any political position at that time?

Mr. HANSHUE. No, sir.

The CHAIRMAN. Was Mr. Robinson?

Mr. HANSHUE. No.

The CHAIRMAN. Had they?

Mr. HANSHUE. Never that I know of.

The CHAIRMAN. What was the particular political influence that you mentioned they had, the gentlemen you have named?

Mr. HANSHUE. They were acquainted with members of the administration.

The CHAIRMAN. What members of the administration?

Mr. HANSHUE. Brown and the President.

* * * * * * *

The CHAIRMAN. Will you look at that paragraph at the top of the page and read it, and see whether or not it was true, according to your idea and the idea of your directors, as you stated?

That is the same statement about the political influence.

Mr. HANSHUE. Yes.

The CHAIRMAN. Now read it into the record so we will be sure we know what it is that was the truth as you saw it and as your directors saw it.

Mr. HANSHUE (reading). "They also feel that it was through the friends of the W.A.E. who are influential in politics that it was possible to secure the award of this contract and its approval by Government officials."

The CHAIRMAN. What contracts were you referring to?

Mr. HANSHUE. T. & W.A. contract, Western Air, and T.A.T. rather.

Is there anyone who will have the effrontery to say that a contract obtained by a company whose officers admit under oath it was not obtained on account of merit but which the officers and directors felt they had gotten on the ground of political influence, should be sustained by a man with a decent mind and an honest heart? Perhaps so. If so, I repeat, America has steered far away from the old-fashioned principles of honesty and integrity upon which this country was founded.

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

Mr. BLACK. I yield.

Mr. McCARRAN. I wish to put a question to my colleague on the committee. Will there not be, and has there not always been, so far as the Senator's recollection and reading go, active use of political influence where a right or power is vested in a political agency?

Mr. BLACK. The Senator is correct. That is exactly the reason, as the Senator knows, why I desired to have the letting of these contracts placed in the hands of an independent commission, and why, so far as I am concerned, I personally prefer the Interstate Commerce Commission; but I have always thought, and I now think, that wherever it is possible to have a contract made by a commission sitting as nearly as possible as a judicial body, it is better to have it made there. I agree with the Senator thoroughly.

Mr. Hanshue testified that they had another man named Bishop doing political work in Washington. They had these strong and influential people doing work for them, and they also had Mr. Julius Kahn and Mr. Ernest W. Smoot. In a quotation from a letter written by Mr. Hanshue, which appears in the Record on page 2952, is the statement that they had employed Mr. Julius Kahn. The quotation is as follows:

> You will no doubt remember Wooley. Kahn was his assistant doing special work in the traffic department of Western Air Express, and also political work in Washington.

Not only that, but there will be found on page 2947 and page 2948 the statement under oath by Mr. Woolley, who I presume is reliable in his evidence. Whether he is reliable or not, he was the agent they had here, and he looked like an honest man. He was here as their representative, and it will be found that he said that Mr. Brown would not sign the contract until he had a statement from Senator Smoot and from Mr. Tilson that it would be all right, and he would not be attacked in Congress; and Mr. Woolley testified under oath that he went to both these gentlemen and had them communicate with Postmaster General Brown to tell him that it was O.K. after they had asked Mr. Woolley if it was all right with him. That will be found in the record on pages 2849 and 2848.

In order that it may be clear, I ask to have inserted in the RECORD at this point as a part of my remarks that part of the evidence which I will furnish for the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

> Mr. WOOLLEY. * * * So when we got through we went back to the Graybar Building, to the T. & W.A. office—Mr. Robbins, Mr. Cuthell, and Mr. Sheaffer were all there, and I think Mr. Keyes was there, and I asked Harris, "What was it you wanted me to do?" He said, "The Postmaster General says he won't award this contract until he has assurances he is not going to be attacked on the subject in the House or Senate."
>
> I said, "I thought he told you they were all right and legal." He said, "Well, he did, but he don't want a lot of argument afterward." I said, "Either he don't like the contracts or he is trying to mislead you." I said, "Let the other fellows get the assurances." He said, "They can't go to the people concerned." I said, "Who does he want them from?" He said, "From Smoot and from Tilson." Senator Smoot has been a friend of my family since boyhood, went to school with my mother and father, and Mr. Tilson had told me if ever I was in trouble to come to him.
>
> Smoot was one of the leaders in the Senate, and Tilson was the majority leader in the House. I said, "I will get them for you, if you have to have them, but you never can object to it after this." He said, "Maybe we can." I said, "You cannot if you once go to these people and ask them to stand back of you, you are through." We called Senator Smoot at Salt Lake City by long distance. He asked me if what we got was what we wanted. I said it was the best we could get, and said my principals were satisfied with it. He said he would advise the Postmaster General, as far as he was concerned, it was O.K.
>
> Hanshue and I went to the Roosevelt Building, where Mr. Tilson was conducting the Presidential campaign at that time, and we went in and asked him if the contract was satisfactory—he knew about this affair in 1929 when they were trying to bust us up—Mr. Hanshue said it was not as good as we hoped to get, but it was about all we could get out of the situation. He said, "Well, if you are satisfied with it, I will indicate my compliance to the Postmaster General"—and he started to dictate a letter, and we left.
>
> I never saw either Mr. Smoot's answer or Mr. Tilson's, but I understand they both went for it. The contract was awarded, I think, about 48 hours later.

Mr. BLACK. Such was the situation on the western side. Who was over on the eastern side working for this combination? Mr. W. W. Atterbury. Mr. Atterbury is no insignificant figure himself when it comes to politics. If the Senate will bear in mind that the evidence shows that the bankers of the Pennsylvania Railroad are Kuhn, Loeb & Co., and if the Senate will also bear in mind that, according to the evidence given before the Pecora committee under oath, the bankers who finance the transactions of that railroad insist on having policies submitted to them from time to time, and that it is also true, as correspondence shows, that Kuhn, Loeb & Co. were interested in determining the fate of various contracts, and were called upon for assistance, it can be seen that there was no mean political combination over on the eastern side.

Not only that; the directors of the T.A.T. were Col. Henry Breckinridge, Richard F. Hoyt, Paul Henderson, Earl Reynolds, W. B. Mayo, and William H. Vanderbilt.

Who else was there? The officers and directors of the Pittsburgh Aviation Industries Corporation. Whom did that embrace? They boasted of their board, the names of the members of which I have read into the RECORD. They boasted of their influence in Washington, and they had a right to boast of it, because they had the powerful Mellon family on that board, as they also had directors of the Pennsylvania Railroad. There is the combination, the irresistible, unbreakable force, one which was too strong to be resisted by the small and insignificant group who had nothing but a desire to operate a line on a cheaper basis, with the backing of bankers who would supply them money, but who did not have the political influence. They were even abandoning their bid which they sent in. Their bid was brought down by Mr. Kauffman, as I believe the evidence shows, and Mr. Letson says that Mr. Fess declined to represent them after the bid had been brought down. Old man Letson out there, his telephone conversations being listened to, reports being made that, like a good soldier, he had played the game. The other two men were left out on an island to oppose the strongest political forces all the way from California to the East that have ever been faced in the history of this Republic by men who sought a contract.

What happened? Why, of course, the Senate knows what happened. The high bidder got it, and the taxpayer has been footing the bill. How did they get it? It is not for me to change the statement of their sworn officer. Mr. Atterbury came down to see about it. The evidence shows that Mr. Atterbury made one or more trips to Washington and came down once to talk with Mr. Brown alone. There is the story.

Mr. NORRIS. Mr. President——

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

Mr. BLACK. I yield to the Senator.

Mr. NORRIS. I think the Senator ought to designate Mr. Atterbury by his official position. We know what it was, but the RECORD ought to show just who Mr. Atterbury was.

Mr. BLACK. Mr. Atterbury was at that time the president of the Pennsylvania Railroad Co., a director in various banks and other railroads, linking himself up with a small coterie of financiers in New York who direct the destinies, or who have directed the destinies, of the people of this Nation; and Mr. Atterbury also was either then or had been Republican national committeeman for the State of Pennsylvania.

Everywhere we go we find them springing up. Mr. President, do not let me be misunderstood. I have no more sympathy and no more respect for a Democratic national committeeman who would use his office for the purpose of trying to get special favors than I have for a Republican national committeeman doing such a thing. I am in favor of a bill with teeth in it, that will stop the pouring into Washington of lobbyists from every section of the country to attempt to obtain special favors, I do not care to what party they may belong or claim to belong.

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

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Maine?

Mr. BLACK. I yield to the Senator.

Mr. WHITE. I wonder if the Senator, while he is on this subject, will discuss the propriety of the chairman of the Democratic national committee being the person who, under the pending bill, is the one who will let the air-mail contracts?

Mr. BLACK. Yes; I shall be glad to accommodate the Senator by stating that the new air-mail contracts for which bids have been submitted, for the first time, in my judgment, since air-mail contracts have been let by competitive bidding, are being let honorably and justly. It is my belief that they have had an open, fair, square deal. I do not want to be led off into any such discussion; but there is quite a difference between a Senator or public officer serving as a committeeman in his party and a paid lobbyist serving as a committeeman. I have no criticism of any Senator or any public officer who wants to serve as a member of a party committee; I consider that to be his business; but I am opposed to having any member of the committee of any party trying to take advantage of his position in order to earn money, and reflecting upon the administration of which he claims to be a part, by leaving the impression that he can get special favors. I am not saying that with reference to any individual; nor do I say that because a man is a party committeeman that means that he cannot honestly represent a client; but I do say that with reference to the particular contracts which I imagine many would like to forget—such as the Transcontinental and Western Air—they are polluted from the beginning; they are filled with corruption so that they ought to be a stench in the nostrils of any honest-thinking citizen. Has the time come when the officers of a company can go on the stand and swear that they got their contracts by reason of political influence, and men will still defend it? Such a condition invalidates the transaction on its face in the mind of every man who believes in contracts being awarded not as political favors but in an honest spirit, according to American customs.

Mr. NORRIS. Mr. President——

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

Mr. BLACK. I yield.

Mr. NORRIS. I would not interrupt the Senator now to make this contribution if I had not already interrupted him along the same line, but having done that, and having listened to the questions asked by the Senator from Maine [Mr. WHITE], I should like, if the Senator will permit me, to say that I have tried to follow the investigation made by the committee of which the Senator from Alabama is the chairman, and I should like, with his permission, to say now that, so far as I have been able to observe his work on that committee and the work which the committee have done, I think they have performed an admirable service and are entitled to the grateful appreciation of the American people.

I agree with what the Senator said just a few moments ago about political influence, and the way it was wielded to get contracts; but I want to go further. I believe that the methods used by these corporations to get contracts are indefensible; they are corrupt, and deserve the condemnation of all honest men; but to prevent such things from happening, as a preventive measure, and without doing any injustice to anybody, I do not believe that we ought to stop at that. I do not believe that a chairman of a national committee ought to hold a position in the Cabinet of the President of the United States, especially when he is going to be called upon to act upon contracts as important as these are.

I think that applies to Mr. Farley, and it is only right for me to say that, because I believe it is only carrying out the idea that I have, and which I think the Senator from Alabama has, that the real object, after all, is to purify public dealings and not have anyone be able from the record hereafter to point the finger of scorn at corruption which has, I think, been so ably exposed by the Senator from Alabama.

Mr. BLACK. I appreciate the Senator's remarks. I will state not because of the one who is Postmaster General but for the reason——

Mr. NORRIS. Mr. President, will the Senator let me interrupt him again?

Mr. BLACK. Certainly.

Mr. NORRIS. I want to say that nothing, so far as I know, has pointed to anything Postmaster General Farley has done that is in any way wrong, or technically illegal, but I should like to have the members of the President's Cabinet placed beyond the power of evil influences. It is not because this man or that man may be dishonest; I think it is because the position he holds enables a dishonest man to perform acts which will bring about the results the Senator has disclosed.

Mr. BLACK. I am personally very much gratified that the present Postmaster General saw fit to do that which any honest man ought to do. When he found there was fraud he took action which the honest people of this country, who know the facts, will approve. I agree with the Senator.

Mr. McKELLAR. Mr. President——

Mr. BLACK. Just a moment. I agree with the Senator from Nebraska that I would prefer not to have matters of this kind decided by any one man. I want a bill and I am joining in championing a bill which provides for turning the letting of such contracts over to the Interstate Commerce Commission.

Mr. McKELLAR. Air-mail contracts?

Mr. BLACK. All air-mail contracts, without subsidy. That is what I favor. That is what I want to have enacted into law.

Mr. McKELLAR. I agree with the Senator that these contracts might well be put in the hands of the Interstate Commerce Commission, as it is proposed to do in the bill now before us. But I want to say also in behalf of Mr. Farley that even if these contracts were dishonest and corrupt, as I believe them to be, it took a remarkable degree of courage to cancel them, and I believe the Senator from Alabama agrees with me.

Mr. BLACK. I think I may say that any man, wherever he comes from or to whatever party he belongs, who has the courage to arouse the antagonism of the National City Bank—and I shall later show these are the people—and to interfere with the closely related affairs of the Morgans and the Kuhn-Loebs in New York is a man of courage, and I take off my hat to him.

Mr. NORRIS. Mr. President——

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

Mr. BLACK. I yield.

Mr. NORRIS. As I look at it, it is no defense to say that Mr. Farley, for instance, is a man of great courage and great honesty. So far as I know, no one has charged anything else. He is a human being; and human nature is about the same whether we find it in the Democratic Party or the Republican Party. I do not believe the chairman of the Republican National Committee or the chairman of the Democratic National Committee ought to be a Member of the United States Senate. Such a man might retain his office as a United States Senator, and Mr. Farley might retain his office as Postmaster General—I would not have any objection to that—but he ought to resign as chairman of a great political party in either case.

Many Senators will remember that just a few years ago the chairman of the Republican National Committee was a member of this body. I would not say anything against him. I knew him. I thought a great deal of him. I thought he was a fine man. I am not criticizing him as a man at all. I know he possessed an influence here by virtue of his chairmanship of the Republican National Committee that no other Senator possessed. Although he had practically no other influence, there were a good many votes on vital questions here which he controlled absolutely without doing anything himself and without saying a word. When it was known where he stood and what he wanted, there were some votes that went his way. I, personally, know of some instances of that kind.

I do not want to be understood as criticizing him. I did not criticize him. I do not want to be understood as criticiz-

ing Postmaster General Farley or saying he has not done his duty, because I think he has. But we are establishing precedents and the fact that he is Postmaster General ought to disqualify him from being chairman of a great national political committee.

Mr. BLACK. Mr. President, I want to call attention now to one more contract made by the Western Air Express. On July 31, 1931, the company made a contract by which it agreed if it ever got to where it could operate its line more rapidly or could carry passengers more cheaply than the Aviation Corporation of Delaware, it would surrender its contract. That is a very unusual contract, but that is exactly the contract which was made. In other words, under this contract, if the Western Air reached a point where it could carry passengers more cheaply or more quickly than the Aviation Corporation, it must surrender its contract.

Why did it make that kind of a contract? Mr. Hanshue declared under oath it was because he had to make it in order to get it at all. The Postmaster General told him he had to get a contract sublet by the Aviation Corporation of America, otherwise he would lose the interest he had in the line. So he made an agreement in writing which is in the record. I will read just briefly to show there is no question about it:

Senator McCARRAN. Mr. Hanshue, I would like to have you explain as to what you understood—it is not clear to me—as to what was understood, and what is the significance of the language read by Senator BLACK a few minutes ago as to these two routes?

Mr. HANSHUE. You mean this last paragraph about rates and time, and so forth?

Senator McCARRAN. Yes. Tell us in your own way just what that meant as you understood it.

Mr. HANSHUE. It simply meant if we could carry passengers faster from El Paso by way of Albuquerque to Los Angeles, or for a cheaper rate, and did so, we would lose the contract.

The CHAIRMAN. In other words, could you speed it up so as to go faster than this Transcontinental Line to Los Angeles——

Mr. HANSHUE. Faster than the Southern.

The CHAIRMAN. Than the Southern Line?

Mr. HANSHUE. Yes.

The CHAIRMAN. And cheapened the rates so you could carry people cheaper than they, you would lose your contract?

Mr. HANSHUE. The mail contract.

He made that contract because it was necessary for him to do so, or he would get no contract at all. It is true he had been operating that line. That is one of the lines which he was complaining he had taken away from him.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nevada?

Mr. BLACK. I yield.

Mr. McCARRAN. I hope I will not disrupt the train of thought of my colleague on the committee, and I want him to understand my interruption is not intended to do anything except to develop a thought.

As I recall, the evidence before the committee shows that Hanshue and his associates had devoted a large part of their lives and their time and their money to the development of those western lines. It also discloses that the Postmaster General had it in his power, and had made known his power to Hanshue and his associates, to put them out of business and destroy everything they had put into their respective lines. I think the Senator will agree with me on that point.

Mr. BLACK. The Senator is correct. It was for that reason that they combined with T.A.T., and it was for that reason they lost their line in the South which they had begun to operate, as Mr. Hanshue stated, because the Postmaster General had indicated to them he would give them a mail contract.

Mr. McCARRAN. Just another interruption, if the Senator please. I know the Senator is tired, because he has now been on his feet several hours.

Mr. BLACK. I am almost through, but I am glad to yield to the Senator from Nevada.

Mr. McCARRAN. I want to develop just this thought from the Senator. Wherever power is vested in a Federal agency or in one individual having Federal power behind him, and he threatens with destruction those who must come before him, they naturally will yield and bend to his will.

Mr. BLACK. That is usually true. That would not excuse them, however, if they did a wrong act. There is no difference between the Senator and me in respect to the idea he has in mind. I favor, as I have heretofore stated, turning these contracts over to the Interstate Commerce Commission. The Senator from Nevada favors a different commission. Insofar as our ideas of principle are concerned they are identical. We want to remove hereafter the making of these contracts from any agency, whether it is a good man or a bad man holding the office, and we want it placed in a commission which will pass upon the facts and deal justly with all concerned.

I ask to have inserted in the RECORD at this point, without reading, the evidence of Mr. Hanshue as to why he took this subcontract. It appears at page 2932 of the record.

The PRESIDING OFFICER. Without objection, the evidence referred to will be printed in the RECORD.

The matter referred to is as follows:

The CHAIRMAN. You stated in the contract between you and the Robertson Aircraft Corporation, the American Airways, Inc., on the 31st day of July 1931:

"Whereas the Western Co. has heretofore made claim to the said proposed air-mail contract between El Paso, Tex., and Albuquerque, N.Mex."

That is correct, is it not?

Mr. HANSHUE. Yes.

The CHAIRMAN. Is it not true that in that contract you were compelled against your will to agree that you would not ask for "an extension or extensions, either longutudinally or laterally, or in any other way on route no. 33, or any consolidation thereof or route certificate granted thereon."

Is that correct?

Mr. HANSHUE. That is correct.

The CHAIRMAN. So that on this contract made on the 31st day of July you did agree in writing over your signature, did you not——

Mr. HANSHUE (interposing). Sure.

The CHAIRMAN (continuing). With these people that you would not ask for any extensions or consolidations or anything else that would affect this American Airways Line across the continent?

Mr. HANSHUE. Yes, sir. That is the only way I could have the thing sublet to us.

The CHAIRMAN. The only way you could have what sublet to you?

Mr. HANSHUE. The extension from El Paso to Albuquerque.

The CHAIRMAN. Who attached that condition to the contract?

Mr. HANSHUE. American Airways.

The CHAIRMAN. The Postmaster General approved—this was turned over to him, was it not?

Mr. HANSHUE. Yes.

The CHAIRMAN. And he approved it, did he not?

Mr. HANSHUE. That is what I understand.

The CHAIRMAN. It was turned over before the extensions were granted, was it not?

Mr. HANSHUE. We had to——

The CHAIRMAN. You had to?

Mr. HANSHUE. We had to make the agreement first.

* * * * * * *

The CHAIRMAN. Why did you make such a contract as that, Mr. Hanshue?

Mr. HANSHUE. We had to do it to get the mail. They submitted a very much more stringent contract than that to begin with, but this is what it finally——

Senator McCARRAN. Who submitted it?

Mr. HANSHUE. The American Airways.

The CHAIRMAN. Had you been told you must agree with them before you would get any contract?

Mr. HANSHUE. Yes.

The CHAIRMAN. Who told you that?

Mr. HANSHUE. The Postmaster General.

The CHAIRMAN. Which Postmaster General?

Mr. HANSHUE. Postmaster General Brown.

Senator McCARRAN. Right there, Mr. Hanshue, I would like to have you explain as to what you understood—it is not clear to me—as to what was understood, and what is the significance of the language read by Senator BLACK a few minutes ago as to these two routes?

Mr. HANSHUE. You mean this last paragraph about rates and time, and so forth?

Senator McCARRAN. Yes. Tell us in your own way just what that meant as you understood it.

Mr. HANSHUE. It simply meant if we could carry passengers faster from El Paso by way of Albuquerque to Los Angeles, or for a cheaper rate, and did so, we would lose the contract.

The CHAIRMAN. In other words, could you speed it up so as to go faster than this Transcontinental Line to Los Angeles——

Mr. HANSHUE. Faster than the Southern.

The CHAIRMAN. Than the Southern Line?

Mr. HANSHUE. Yes.

The CHAIRMAN. And cheapened the rates so you could carry people cheaper than they, you would lose your contract?

Mr. HANSHUE. The mail contract.

Mr. BLACK. Mr. President, the strange part about this agreement is that it is not new, either. Let me read an exactly similar thing that happened in 1834, and what the Senate then thought about it:

Resolved, That it appears that an individual who made a contract for the transportation of the mail was required to give it up for no other reason than that it might be given to another desirous of having it; and that the act of the Department in requiring such surrender and effecting the transfer was illegal and unjust.

I also find that the Senate then resolved that the Department had a custom of varying from the advertisement; and I have already shown how they varied from the advertisement in this case. In fact, all the things which have recently occurred are just a repetition of the same old fraudulent practices which occurred heretofore.

I desire to call attention for just a few minutes, and then I shall conclude, to what has happened to the Government's money. I cannot go into all the figures, but I desire to call attention to what has happened to the Government's money. I made the statement a number of times that some bankers and some brokers have been getting it, and some individuals have been getting rich. Let me tell about a few of them. I might add that not so many are getting rich, because there are not so very many of them. The insiders are very few and very choice, but I will give the names of a few of them.

Let us find out what the bankers made out of some of these sales.

The North American, Inc., received for its stock $25,000,000 and paid to its bankers and brokers, for selling it, $4,864,726. Their brokers were the Bank of America and Keys.

The Aviation Corporation of Delaware received into its treasury from the sale of stock $35,000,000, and paid to its bankers and brokers for the sale of stock $5,000,000. They were W. A. Harriman & Co. and Lehman Bros.

The Transcontinental Air Transport received into its treasury $5,000,000, and the potential profit of the insiders, its bankers and brokers, on stock at the high price was $9,324,076; and the profits computed on the basis of actual sales by Blair & Co. were $1,141,280.

The stock sold by United Aircraft, for which money went into the treasury, amounted to $13,789,000. The National City Bank, through its associate, made $5,895,000; so that it got nearly $6,000,000, while the company got $13,000,000.

Now, let me go just a little further here.

The Western Air Express, routes 4 and 12, in 1930 made a net profit of $1,651,913.33. Its total investment at that time was $540,000. That represented a net profit during that year of 305 percent and a little more, which should have carried them, on an 8-percent basis, for 38 years.

The profits made by Western Air on their mail contracts from 1927 to 1933, inclusive, were more than $3,500,000. This is according to their Post Office Department reports.

Mr. Hanshue, the president of that company, bought 270 shares of that stock in 1925, 1926, and 1927. He paid $29,285 for it. He exchanged it for 6,750 shares of Western Air Express Corporation of Delaware in 1929. He sold 4,550 shares. He received, for the part that he sold, $225,362. He had left, however, 2,200 shares.

He paid, for 6,750 shares, $29,000, so that he actually realized as a profit $196,000, and he had 2,200 shares left. During that time—1925 to 1933—he drew salary and expenses of $305,265; and that is the company which made 305 percent in 1 year.

During that time Mr. Herbert Fleishacker came into the picture. Mr. Fleishacker is also a very generous contributor to the campaign fund out in California. Mr. Fleishacker bought 55 shares for $10,340 in 1927. He then sold them, and made a profit in 1929 and 1930 of $72,591. This was the company that was drawing its living from the Government.

I might mention there, incidentally, that this was a mere sideline to Mr. Fleishacker. He was also drawing some of the ocean-mail pay money. He made as profits and salaries out of that, in 6 years' time, $3,685,763.98, and he made $2,514,348 of that money without one nickel of investment. He did not invest a nickel, and made $2,514,348 on the subsidized shipping business, because he was one of the insiders. To make this total of $3,685,000 he had invested $185,000, but he had borrowed $50,000 of that back, and had received far more than that in salaries.

Now, let us take Pratt & Whitney. It started out with an investment of $1,000—5,000 shares at 20 cents a share. It exchanged those 5,000 shares, at 20 cents a share, for 868,000 shares of United Aircraft stock. That is the stock for which the public paid $97 a share when the insiders first turned it loose. So the owners of the Pratt & Whitney Co., which in 1927, according to the evidence, was an insolvent company—it owed more than it had—in 1929 got 868,000 shares of United Aircraft stock, or a total, at $97 a share, of $75,516,000, out of a $1,000 investment in a concern which 2 years before was worth nothing.

Who is going to pay for that? The taxpayer, of course, out of subsidies and contracts.

Mr. W. E. Boeing's orginal investment was $487,119. He ran it up to a value of $30,853,372 in stock of the United Aircraft which he received. He actually took profits of a little over $12,000,000, and had 36,000 shares left on hand. Bear in mind that that is the same company that sold their stock through the National City Bank. The only money they got in was the money that went through that institution; and they had to pay practically $6,000,000 to the bankers in order to get $13,000,000 into the treasury to take care of these gentlemen whose $1,000 investment grew to $75,000,000.

It might be interesting to know that the total investment of the Boeing Air Transport Co., according to the reports to the Post Office Department, was $750. That was the investment, $750. They issued some preferred stock, which was retired out of Post Office profits; but their common-stock investment, according to their reports to the Post Office Department, was $750. They bought that stock at 6 cents a share. This stock was then exchanged for United Aircraft stock. Now, note, the poor public had to buy it, and they paid $97 a share; but when the Boeing Air Transport stockholders exchanged their 6-cent shares, they received 106,433 shares of United Aircraft stock, which cost them a total of 47/100 of 1 cent per share—47/100 of 1 cent per share—and the market price of that stock in which $750 had been invested, at $97 per share, the day it opened up to the public, was $10,324,001.

Where did that come from? It came out of the United States Treasury, because that company with the $750 investment made a profit in 1928 of $891,629, or 118,884 percent on the investment.

In 1929 the company made a total profit of $1,657,897, or 221,053 percent on the investment.

In 1930 it made $1,141,700, a return of 152,227 percent on this $750 investment.

In 1931 it made $1,089,751, or 145,300 percent on the investment of $750.

In 1932 it made $731,410.62, or 97,521 percent on the $750 investment.

It seems to me that a company like that might be able to go along for a few months without having its hands dipped any deeper into the Public Treasury, unless the public just likes the pleasure of contributing to those who have, and taking money away from those who have not in order to give it to those who have.

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

Mr. BLACK. I yield to the Senator from Tennessee.

Mr. McKELLAR. All of which goes to show that these manipulators not only get the subsidies from the Government themselves, but they so use them as to get enormously larger sums from the public at large by the sale of stock.

Mr. BLACK. Why, certainly. The stockholders paid money for their stock. It did not all go into the Treasury. Only a small percentage of it went into the Treasury, because the very day the insiders turned it loose it sold for $97 a share; but do not ever think the insiders paid that.

They not only did not pay it, but they paid themselves $6,000,000 for the privilege of taking it at the low price, and then turned it loose on the public.

I am not sure that I placed in the RECORD the statement that Mr. F. B. Rentschler in July 1925 bought 1,375 shares of Pratt & Whitney aircraft stock at 20 cents a share, for $275, which grew like the prophet's gourd until in 1928 he had a stock dividend of 101,200 shares, and in 1928 he transferred that for 219,604 shares of the United Aircraft. That is the company which is a combination of the two.

The market price of the stock, on the day it was issued—this stock which cost him $275—was $21,301,588, and by the next year it had climbed up until the $275 had a potential value of $35,575,848.

During that time, from 1927 to 1933, the salary and bonus was $1,600,000, 1 year amounting to $430,000, and I have letters from people who work for Pratt & Whitney, whose names I cannot reveal because I would not want them to lose their jobs, whose wages during that very year were cut so low that some of them had to go out and ask for public charity from the Red Cross. In the face of that are we to be told that there is fairness or justice in a system which pours millions into the pockets of a few insiders and, at the same time, impoverishes and makes destitute the men who perform the work and do the labor without which the wheels could not revolve?

Mr. C. W. Deeds bought some stock for $40, and it grew and it grew until it was worth at its highest price $5,624,640, after it reached the United Air Transport Co.

I have stated for the RECORD the profits of the Western Air, according to their own reports, and because it has been stated on the floor that the T.A.T. and the Western Air have been losing a million dollars a year, I shall ask to have inserted in the RECORD a memorandum signed by Mr. Daniel M. Sheaffer on May 8, 1931, showing that the company was not losing money. It shows that it was in the black in 1931.

I have already shown the profits made by the Western Air Express. This memorandum is interesting also because it shows the bankers who actually pulled the strings which controlled each one of these different companies. Mr. Sheaffer did not intend this for the public. He intended it for the private eyes, evidently, of the Pennsylvania Railroad officials, and it actually tells who controls, and it does not say anything about the control of the little stockholders, about whom we have heard so much. It states the railroads and the companies which controlled.

I looked up today in a report a reference to one of these organizations which controls a large part of this stock—the Founders Corporation—and, as I recall it, it required five pages in the printed record to show the different stocks they owned—all the power companies and interlocking corporate affiliations of the large business enterprises of this Nation.

Senators should not permit themselves to be deceived. This is but a part of the same general fight which has to be made in this country if the plain, average, everyday American citizen is to have his rights preserved, to draw an honest wage. He cannot get it if it is taken away from him in excessive profits and high salaries and high bonuses. He will continue to be in the future, as he has been under this so-called "prosperity" of the past, actually the forgotten man as he walks up and asks for alms and for bread during the very years when some of the companies are making a thousand percent profit, and salaries and bonuses continue at the high rate, to be placed in the bulging pockets of those who already have more than they need.

What we have been fighting for has been to show to the country that this system of special privilege could not be permitted to continue if equity and justice and right are intended to prevail in the United States of America. It is with that idea that I have joined in the bill which has been offered. I believe fully and completely in the principle of placing this matter in the hands of some body which can act on it judicially, and grant rates according to what the companies ought to receive, according to the evidence.

I do not believe in granting any further subsidies to maintain companies which have already dropped their hands so deeply into the taxpayer's pockets that the taxpayer has been made to feel it.

I ask that this memorandum be inserted in the RECORD.

The PRESIDING OFFICER. Is there objection?

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

The Pennsylvania Railroad has followed the development of commercial aviation since 1925, at which time the first private enterprise, namely, the National Air Transport, Inc., was organized for the carrying of United States mail between New York and Dallas via Chicago. In May 1928 Pennsylvania was instrumental in organizing the first transcontinental passenger service (in the form of rail-air), starting operation July 1929. It required over 1 year to construct the airway, airports, development of two-way radio and passenger-transport planes.

The company formed for the purpose—Transcontinental Air Transport, Inc.—issued 500,000 shares of stock, capital $5,000,000, of which $2,000,000 was set up as a corporate surplus for development and pioneering purposes, realizing that the first few years the operations would be carried on at a loss.

Pennsylvania's investment, 50,000 shares ($500,000), represented at that time a 10-percent interest, and from the beginning it has contributed substantially in the way of organization, operating help, advertising, and goodwill. The line is looked upon as a Pennsylvania enterprise, although our present interest equals but 6.7 percent.

During the past 5 years the development of commercial aviation in this country has consistently and rapidly progressed; for example:

(a) Air mail, 1926, 8,000 pounds; 1930, 8,000,000 pounds.
(b) Air passengers, 1926, 6,000; 1930, 400,000.
(c) Air express, 1926, 3,500 pounds; 1930, 718,000 pounds.
(d) Airports, present, 550 municipal and 564 commercial; total, 1,114.
(e) Airways, equipped for day flying, 30,000 miles; equipped for night flying, 16,000 miles.
(f) Scheduled daily flying, 75,857 miles.

The protecting franchises of air lines rests largely with the Federal Government through the mail contracts and the licensing of air lines by the Department of Commerce. Following shortly will come the certificates of public convenience by the States. Many States already have formed aeronautical commissions, and eventually such certificates will be granted the pioneering lines.

While airports and airways cannot at this time be preempted, being similar to the highways and waterways, they do afford certain potential franchises to the pioneering air lines through such ground facilities as are provided directly by the transportation companies, these being the emergency landing fields, radio communication, radio direction, airport contracts, and participation in or direct ownership of airports.

The manufacture of airplanes is experiencing some difficulty in that the potential supply is greater than the demand. This will always be more or less true, as it is with railroad equipment. Notwithstanding the design of air transport is improving, the efficiency is increasing, and the cruising speed advancing rather sharply in the larger planes. Metal transport planes will be available within the year cruising at 140 to 150 miles per hour. Of course, there is much to be looked for in the way of increasing the efficiency.

The cost of airplanes at the present time is greater than it will be at some time in the future, because there is no stabilization of design and planes go out more from obsolescence than they do from wear and tear, which naturally increases the depreciation rates and costs.

Considering the present competitive situation—air transport is related to rail transportation about 8 to 1 on cost of operation, while the ratio of speed approximates 3 to 1.

During the past 3 years the air lines have been solidifying their service by consolidation, and today four major operations exist: The Eastern Air Transport (North American Aviation, shown on map in green), the northern route (the United Aircraft & Transport Corporation, shown on map in yellow), the southern route (Aviation Corporation, shown on map in black), and the central route (Transcontinental & Western Air, Inc., shown on the map in red).

The Transcontinental & Western Air, Inc., is the operating company formed by Transcontinental Air Transport, Inc., and the Western Air Express, Inc. The route is the one originally surveyed and laid out by T.A.T. and traverses the best airway in the country, and serves the most potential traffic territory.

From the point of view of the Pennsylvania, considering the large contribution which it has made in the pioneering effort, the situation that must now be met is the question of further participation in order to hold and protect its position and its relation to air transportation. To go forward means the control or a participation in control of T.A.T.; the latter at this time will require about $1,500,000, and looking to the future may require a much greater financial interest.

The Transcontinental & Western Air, Inc., is now operating in black for the first time, and its successful operation—like rail transportation—depends on management and a diversified volume of traffic.

At the present time it is flying 9,000 miles a day, and without increasing the plant facility can readily fly 30,000 miles daily.

The operating company—

TRANSCONTINENTAL & WESTERN AIR, INC.

(Red line on map)

Started October 1, 1930, taking over the operating properties of Transcontinental Air Transport, Inc., and Western Air Express, Inc., on their lines between Columbus and San Francisco, via Kansas City and Los Angeles. T.A.T. and W.A.E. inaugurated a competitive service July 1, 1929, carrying passengers only between these points, and both lines were losing considerable money.

Certain physical properties, together with cash, $682,500, have been turned in to the operating company, approximating $5,000,000. There will be 500,000 shares of stock issued, no par value, of which 47½ percent will be owned by each of the companies and 5 percent by Pittsburgh Aviation Industries Corporation.

The operating company now performs a mail, passenger, and express service between New York and San Francisco, via Philadelphia, Pittsburgh, Columbus, St. Louis, Tulsa, Kansas City, Albequerque, and Los Angeles, and Columbus to Chicago.

Estimated gross business per annum—	
Mail	$3,500,000
Passenger	1,400,000
Express	100,000
Total	5,000,000
Estimated earnings over and above operating expenses and fixed charges	500,000

Transcontinental Air Transport, Inc.

Common stock (no par value):		
746,893 shares, net worth	$5,905,847.47	
Or per share approximately	8.00	
Today's market price	7.25	
Principal stockholders:	*Shares*	*Percent*
North American Aviation	103,400	13.9
Pennsylvania RR	50,000	6.7
Total	153,400	20.6

There are about 17,000 stockholders, of which 47 have holdings of 1,000 shares or more—a total of 290,232 shares, 38.86 percent.

Trancontinental Air Transport is now a holding company, its operations and line property having been turned over to Transcontinental & Western Air, Inc., for a 47½-percent stock interest. Transcontinental Air Transport owns 10,000 shares of stock of Western Air, Inc.—a 4.8-percent interest.

WESTERN AIR EXPRESS, INC.

(Purple line on map)

Now operates between San Diego and Salt Lake City, carrying mail, passengers, and express, and owns 47½ percent stock interest in Transcontinental & Western Air, Inc.

Stock issued, 210,698 shares. Present market price, $15 per share.

Principal stockholders:	*Shares*	*Percent*
General Aviation (subsidiary of General Motors)	60,000	28.6
Aviation Corporation	26,000	12.4
National Aviation	16,000	7.6
T.A.T.	10,000	4.8
Control	112,000	53.4

This company, on its Salt Lake route, has been making money.

General Motors, through its subsidiary, General Aviation, owns working control of Western Air Express, Inc.

GENERAL AVIATION CORPORATION

A subsidiary of General Motors. Has approximately 1,000,000 shares of stock issued, no par value, representing $10,000,000 capital, of which General Motors owns 40 percent. Anthony Fokker owns and controls about 225,000 shares. These two holdings, approximately 625,000 shares, control. The company owns outright the Fokker Airplane Manufacturing Co. and 60,000 shares, or 28.6 percent, stock interest in Western Air Express. The business activity is manufacturing airplanes.

PITTSBURGH AVIATION INDUSTRIES CORPORATION

(Blue line on map)

Shares issued (no par), 45,683, representing a capital of $1,146,575. There are 204 stockholders. Working control rests with about 10 stockholders. Has 5-percent interest in Transcontinental & Western Air; also operates passenger, mail, and express line Cleveland-Pittsburgh-Washington. Active leaders include Messrs. Humphrey, Hann, Hillman, R. K. Mellon, Monro, and Smith.

NORTH AMERICAN AVIATION

Stock issued, 2,100,000 shares (no par value), representing capital of $26,250,000. This stock is well distributed, there being 23,000 stockholders.

Working control appears to rest with Bancamerica interests, including Messrs. J. Cheever Cowdin and C. M. Keys.

This company owns 103,400 shares of T.A.T. stock—13.9 percent. In addition it has $15,000,000 invested in various aviation companies. It owns outright the Eastern Air Transport, operating a mail, passenger, and express service between New York, Atlanta, Jacksonville, and Miami. It also owns Sperry Corporation and Ford Instrument Co.

AVIATION CORPORATION

(Black line on map)

A $25,000,000 corporation. Working control rests with Lehman Bros. & Harriman. This company owns a number of air lines operating passenger, mail, and express service, including the southern transcontinental. It also owns 26,000 shares of Western Air Express—12.4 percent.

NATIONAL AVIATION

Investment trust; $3,250,000 capital. Working control rests with Grayson Murphy and American Founders.

This company owns 16,000 shares Western Air Express—7.6 percent. In addition it has a diversified holding of aviation stock, both manufacturing and transportation, but controls no particular company.

BENDIX AVIATION CORPORATION

General Motors has about $15,000,000 invested in this company. Its business is manufacturing instruments and parts, such as brakes, carburetors, etc.—about 75 percent automobile, 25 percent aviation.

UNITED AIRCRAFT & TRANSPORT CORPORATION

(Yellow line on map)

Preferred and common stock, $26,000,000; assets, $41,000,000. Working control rests with National City Bank group.

This company owns several air lines operating passenger, mail, and express service, which includes the northern transcontinental (Boeing Airplane & Transport Corporation and the National Air Transport) and a substantial interest in Pan American Airways, South America; also manufactures aircraft, engines, and propellers. Has no interest in competing air lines.

DANIEL M. SHEAFFER.

Mr. BLACK. Mr. President, I shall now conclude my remarks simply by stating that I have presented here for the RECORD only a small part of the evidence. I have not attempted to present it all. To do so would require entirely too long a time.

I would not present it all for another reason. It is my judgment that this evidence should be presented, just as was the evidence in 1882, to a coordinate branch of the Government, if it desires it. If the criminal laws of our country have been violated, there should be trials and there should be punishment. There is no excuse and no reason why we should continue to talk about enforcing the law against the small law violator, and refrain from enforcing it against those who sit in the places of might and of power and of influence.

The time has come for a square deal to the people of this country with reference to their rights, and the only way it can be granted is to take away every special privilege that has been awarded to those who did not need it, and to let equal and exact justice reign in the United States of America.

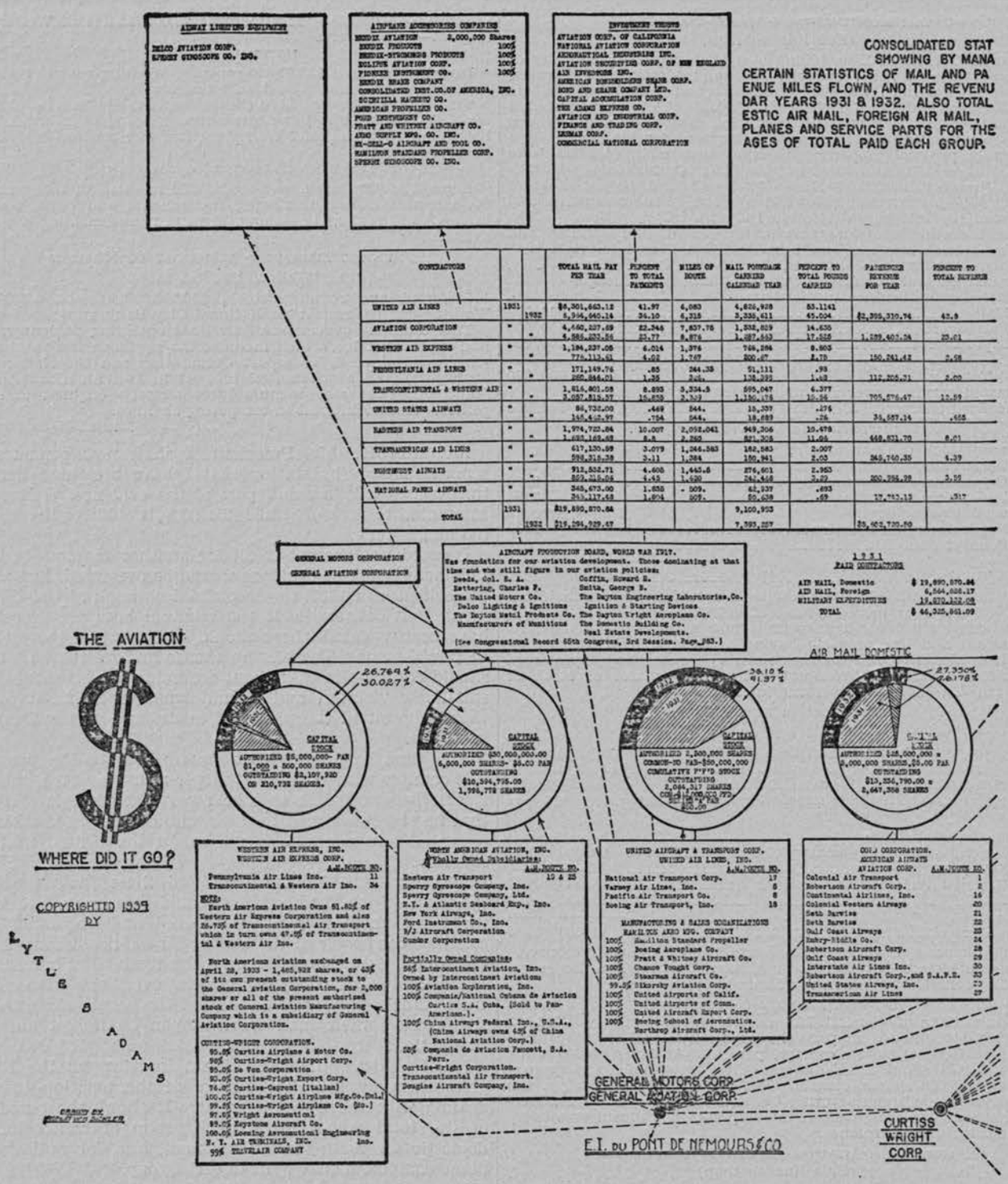
Mr. President, I have submitted these facts simply as they came from the record. I could give more, but, in my judgment, these facts, if considered and understood, will convince the people of the United States, not because I have said them, but because they are the truth, that honesty and justice and fair dealing require that every one of these contracts should be canceled, and that the people of this Nation should have their mail carried upon an honest and solid foundation.

Mr. President, the chart I am inserting in the RECORD gives rather a complete picture of the aviation industry, dealing with the aviation dollar. It shows the percentage of the total amount paid each group of contractors for domestic air mail, foreign air mail, and for military airplane equipment that went to each group.

It is difficult to consider the air-mail aspects of aviation without also considering the military operations, because they are so closely identified and deal with our national defense, and the companies that have provided the air-mail service are also furnishing the military equipment. The interlocking of the directors and organizers of the companies forming the Aviation Trust would in case of an emergency place our national defense in the hands of a few masters of big business who have exploited air-mail and military contracts for their own selfish interests and have built up a monopoly within a monopoly, as shown by the chart.

This chart indicates our aviation industry is definitely headed for General Motors or E. I. du Pont de Nemours & Co. control. The chart indicates the process of gaining this control started during the World War in 1917, when the Aircraft Production Board was controlled by men closely identified with General Motors Corporation. These men are still directing our aviation policy.

(The charts and tables are on pp. 7436–7439.)



CONTRACTORS			TOTAL MAIL PAY PER YEAR	PERCENT TO TOTAL PAYMENTS	MILES OF ROUTE	MAIL POUNDAGE CARRIED CALENDAR YEAR	PERCENT TO TOTAL POUNDS CARRIED	PASSENGER REVENUE FOR YEAR	PERCENT TO TOTAL REVENUE
UNITED AIR LINES	1931		$6,301,663.12	41.97	4,083	4,626,928	53.1141		
		1932	5,944,640.14	34.10	4,315	3,335,611	45.004	$2,305,310.74	42.9
AVIATION CORPORATION	"		4,460,237.69	22.346	7,837.75	1,332,829	14.635		
		"	4,585,232.86	23.77	8,876	1,287,543	17.826	1,329,401.24	23.01
WESTERN AIR EXPRESS	"		1,184,237.05	6.014	1,376	744,284	8.803		
		"	775,113.41	4.02	1,767	800.67	8.78	150,241.42	2.58
PENNSYLVANIA AIR LINES	"		171,149.74	.85	244.38	91,111	.98		
		"	250,846.01	1.35	241.	138,223	1.42	112,205.31	2.00
TRANSCONTINENTAL & WESTERN AIR	"		1,814,801.08	8.893	9,334.5	695,047	4.377		
		"	3,087,312.57	16.239	3,323	1,150,178	10.26	705,576.47	12.59
UNITED STATES AIRWAYS	"		86,732.00	.449	544.	18,337	.274		
		"	145,412.97	.754	544.	18,289	.26	34,557.14	.615
EASTERN AIR TRANSPORT	"		1,974,722.84	10.007	2,092.041	949,306	10.478		
		"	1,623,163.62	8.8	2,262	821,305	11.06	448,831.70	8.01
TRANSAMERICAN AIR LINES	"		617,130.89	3.079	1,246.583	182,583	2.007		
		"	598,318.39	3.11	1,284	180,941	2.03	243,740.35	4.39
NORTHWEST AIRWAYS	"		913,532.71	4.606	1,445.6	276,601	2.963		
		"	523,315.06	4.43	1,520	241,468	3.27	200,356.29	3.57
NATIONAL PARKS AIRWAYS	"		343,673.00	1.850	- 509.	42,337	.693		
		"	243,117.42	1.804	507.	20,628	.69	17,757.15	.317
TOTAL	1931		$19,890,870.84			9,100,933			
		1932	$19,294,929.47			7,395,257		$5,603,720.90	

EMENT AND CHART
GEMENT GROUPS
SSENGER CARRYING OPERATIONS REV-
E PER MILE FLOWN, FOR THE CALEN-
EXPENDITURES FOR CARRYING DOM-
MILITARY EXPENDATURES FOR AIR-
SAME YEARS, INCLUDING PERCENT-

AIRPLANE & LIABILITY INSURANCE

AERO UNDERWRITERS CO.
FREDERICK B. RENTSCHLER, Dir.
MAJ. GEN. MASON M. PATRICK, Dir.
AERO INSURANCE CORP.
AVIATION PROTECTION INC.
AERO INDEMNITY CORP.
BARBER AND BALDWIN
U. S. AVIATION- INSURANCE UNDERWRITERS
GEORGE MIXTER, Dir.

AERONAUTICAL COMMERCIAL ORGANIZATIONS

AERONAUTICAL CHAMBER OF COMMERCE
* THOMAS A. MORGAN — Pres.
FRED B. RENTSCHLER
* COL. PAUL HENDERSON
P. G. JOHNSON — V.P.
* HARRIS M. HANSHUE — V.P.
* J. A. B. SMITH — Treas.
* THOMAS B. DOE — Gov.
* RICHARD ROBBINS — "
* J. M. SCHOONMAKER, JR. — "
* JUAN T. TRIPPE — "
* CHARLES MARCUS — "
* CHARLES L. LAWRENCE — "

DIRIGIBLE OPERATORS & MANUFACTURERS

INTERNATIONAL ZEPPELIN TRANSPORT CORP.
PACIFIC ZEPPELIN TRANSPORT CORP. LTD.
AIRCRAFT DEVELOPMENT CORPORATION.

AMONG THE ORGANIZERS ARE -
* CHARLES F. KETTERING
* CHARLES S. MOTT
* JUAN T. TRIPPE
EDW. P. FARLEY
* C. M. KEYS
* R. G. McCONNELL
R. H. BENDS
J. P. RIPLEY
F. B. RENTSCHLER
KENNETH B. KINGSBURY
HERBERT FLEISHHACKER
ROLAND PALMEDO
STANLEY DOLLAR
* HARRY CHANDLER
* PAUL W. LITCHFIELD
WM. B. MAYO
ROY D. CHAPIN
JOHN B. ELLIOTT
* WM. P. MACCRACKEN.

EXCLUSIVE MAIL	MAIL PASSENGER	EXCLUSIVE PASSENGER	TOTAL	PER CENT TOTAL MILES	MAIL (CENTS)	PASSENGER (CENTS)	TOTAL (CENTS)	MAIL REVENUE PER MILE TO TOTAL REVENUE PER CENT	REVENUE FROM EXPRESS & OTHER
1,857,122	8,344,881	373,865	10,575,868	34.32	80.152	16.869	96.018	83.48	2.977
944,747	10,535,896	683,330	12,163,283	33.43	56.6719	19.7795	77.6822	72.72	1.902
2,484,156	4,029,282	892,867	7,306,305	23.97	60.922	11.169	75.419	80.78	3.358
2,614,984	6,821,372	1,841,766	9,978,222	26.98	46.450	12.550	60.279	77.05	1.279
	1,433,402	1,244	1,434,646	4.64	84.556	5.289	92.645	91.31	2.760
	1,454,876	3,859	1,458,435	4.68	51.430	5.969	61.269	82.58	.860
57,387	331,163	11,588	400,138	1.30	47.824	15.186	63.123	75.76	.113
136,877	514,813	6,660	658,350	1.77	38.894	16.826	57.461	69.43	.762
934,226	2,154,638	402,875	3,694,085	11.99	48.007	26.887	77.913	61.62	3.019
1,889,934	2,457,176	183,433	4,530,543	12.25	57.684	18.546	84.685	79.98	1.662
	216,800	8,492	225,322	.73	30.970	11.037	45.839	77.39	.232
	447,395	2,176	449,571	1.22	34.688	8.132	42.977	80.71	.157
1,774,009	1,474,704	357,790	3,606,503	11.70	56.482	11.319	69.135	81.45	1.334
1,618,477	1,871,018	216,238	3,705,716	10.03	45.960	12.065	58.763	77.39	.850
269,449	863,782	240,243	1,393,474	4.52	48.107	12.396	60.850	79.06	.347
268,212	1,127,268	120,687	1,507,147	4.08	60.420	15.587	86.460	71.21	.470
287,843	1,134,148	43,209	1,460,200	4.75	62.790	13.519	76.503	79.59	2.194
294,361	1,255,775	13,233	1,563,389	4.23	54.949	12.721	70.104	78.38	2.434
	635,258	200	635,458	2.06	58.440	3.395	65.537	89.17	3.702
	728,270		728,230	1.97	47.409	2.403	52.507	90.98	2.264
7,664,192	20,650,168	2,502,343	30,816,971		65.479	13.379	82.886	79.56	
4,764,642	24,863,483	3,072,232	36,300,355		52.424	14.815	63.847	74.11	

1932
PAID CONTRACTORS

AIR MAIL, Domestic	$19,294,929.47
AIR MAIL, Foreign	6,962,984.28
MILITARY EXPENDITURES	14,571,915.73
TOTAL	$40,829,829.48

EFFECT OF AVIATION MONOPOLY ON THE INDUSTRY

YEAR	OPERATORS REPORTING	PLANES IN SERVICE	MILES FLOWN	HOURS FLOWN	PASSENGERS CARRIED	EMPLOYEES
1928	168	489	8,411,889		526,000	1938
1929*	800	7,495	104,214,850	1,304,207	2,995,530	20844
1930*	600	5,534	95,917,445	1,128,957	2,821,749	12290
1931*	383	2,818	71,982,750	852,180	1,875,982	9141
1932*	280	1,979	50,291,680	601,120	1,118,987	6000

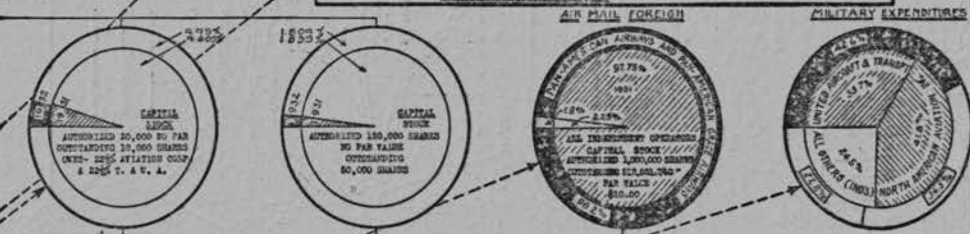
* STATISTICAL ESTIMATES BASED ON A LARGE NUMBER OF TYPICAL REPORTS AERONAUTICAL CHAMBER OF COMMERCE

E. I. DU PONT DE NEMOURS & COMPANY
SUBSIDIARIES AND PRODUCTS MANUFACTURED
OWNS 10,000,000 SHARES 22.9% of GENERAL MOTORS CORP.

SUBSIDIARIES WHOLLY OWNED:
AMERICAN GLYCERIN COMPANY
ASSOCIATED SECURITIES OF CANADA, LTD.
DU PONT BUILDING CORPORATION
DU PONT CELLOPHANE COMPANY, INC.
DU PONT, S. A.
DU PONT RAYON COMPANY
DU PONT SECURITIES COMPANY
DU PONT VISCOLOID COMPANY
THE PACIFIC R. & H. CHEMICALS CORP.
THE GRASSELLI CHEMICAL COMPANY
HOTEL DU PONT COMPANY
INTERNATIONAL FREIGHTING CORP., INC.
NATIONAL AMMONIA COMPANY, INC.
NORIENT REALTY COMPANY

COMPANIES NOT WHOLLY OWNED: PERCENTAGES

ACETOL PRODUCTS, INC.	72.22
BAYER-SEMESAN COMPANY, INC.	50.00
CANADIAN INDUSTRIES, LIMITED	46.85
CELASTIC CORPORATION	50.00
COMPANIA MEXICANA DE EXPLOSIVOS	50.00
COMPANIA SUD-AMERICANA DE EXPLOSIVOS.	42.41
DU PONT FILM MFG. CORP.	51.00
GARDINOL CORP.	55.00
GENERAL MOTORS SECURITIES CO.	
KINETIC CHEMICALS, INC.	51.00
KREBS PIGMENT & COLOR CORP.	70.00
C. G. BARTLETT & CIA. LTDA.	60.00
LEATHERCLOTH PROPRIETARY, LTD.	49.00
NOVEL CHEMICAL FINISHES, LTD.	49.00
OLD HICKORY CHEMICAL COMPANY	50.00
SOCIETE FRANCAISE DUCO, S.A.	35.00
SOCIETE FRANCAISE FABRIKOID, S.A.	25.00
REMINGTON ARMS COMPANY	CONTROL



NORTHWEST AIRWAYS	A.M. ROUTE NO. 9

NATIONAL PARKS AIRWAYS	A.M. ROUTE NO. 26

AVIATION CORPORATION OF THE AMERICAS
PAN AMERICAN AIRWAYS INC.
ROUTES NO. 4,5,6,7,8,10, and 12.
PAN AMERICAN-GRACE AIRWAYS
ROUTE NO. 9.

OWNS:
45% CHINESE NATIONAL AVIATION
100% PACIFIC AIRWAYS INC. (ALASKA)

Edward R. Stettinius, Vice President of General Motors Corporation is a brother-in-law of J. T. Trippe, President of Pan American Airways.

OTHER FOREIGN CONTRACTORS;

	ROUTE NO.
CANADIAN COLONIAL AIRWAYS, INC.	1
SEATTLE-VICTORIA AIRWAYS, INC.	2
ARTHUR E. GARNAS	5

PRODUCTS MANUFACTURED:

EXPLOSIVES	16 Plants		EXPERIMENTAL LABORATORY	1	Plant
EXPLOSIVES LABORATORY	1	"	MACHINE PLANT	1	"
CAPS AND FUSES	1	"	PYRALIN PRODUCTS	2	"
WOOD PULP	1	"	CHEMICAL SPECIALTIES	6	"
SHOOKS	1	"	CELLOPHANE	3	"
SMOKELESS POWDER & GUNCOTTON	1	"	RAYON	5	"
DYE WORKS	3	"	MOTION PICTURE FILM	1	"
PAINTS AND VARNISH	4	"	ALCOHOL	1	"
CHEMICALS AND LACQUERS	1	"	ACIDS, HEAVY CHEMICALS, PIGMENTS AND COLORS	21	"
FABRIKOID	1	"	TERRA NIVEL LEAD	1	"
RUBBER GOODS*	1	"	SYNTHETIC AMMONIA	2	"
"DU PRENE" OR SYNTHETIC RUBBER-	1	"	AMMONIA AND AMMONIA PRODUCTS	3	"

SOME INTERLOCKING OF ORGANIZERS AND DIRECTORS

Columns: CUR.AV. — T.& W.A. — N.AV. — UNITED — AV.CORP. — PAN AM. — CUR.-WRIGHT

* FISHER, FRED J.
* HANSHUE, HARRIS M.
* SCHOONMAKER, JAMES M.
* TALBOTT, HAROLD E.
* KEYS, C. M.
* CONDIN, J. CHESTER
* WILLOCK, JAMES C.
* CUTHELL, CHESTER W.
* COOPER, MERIAN C.
* BRUCE, D. K. E.
* HOYT, RICHARD F.
* KENNEDY, LEONARD
* SHEAFFER, DANIEL M.
* REYNOLDS, EARLE H.
* VANDERBILT, WM. H.
MELLON, RICHARD K.
LOWRY, ALLAN J.
COMBES, F. G.
MANN, GEORGE R.
HUMPHREY, A. L.
* HENDERSON, PAUL
MAYO, WM. B.
* MC DONNELL, E. O.
HARRIMAN, W. A.
LEHMAN, ROBERT
FAIRCHILD, S. M.
* DEEDS, EDWARD A.
RENTSCHLER, F. B.
* LAWRENCE, C. L.
* GROSVENOR, G. B.
* COFFIN, HOWARD
* LUDINGTON, C. T.
* MORGAN, T. A.
* DOE, THOMAS B.
* BETTERING, C. F.
* WILSON, C. E.
* STETTINIUS, E. R.

NOTE.- * UNLESS OTHERWISE NOTED DESIGNATES MEN WHO ARE CONNECTED WITH GENERAL MOTORS DIRECTLY OR INDIRECTLY.

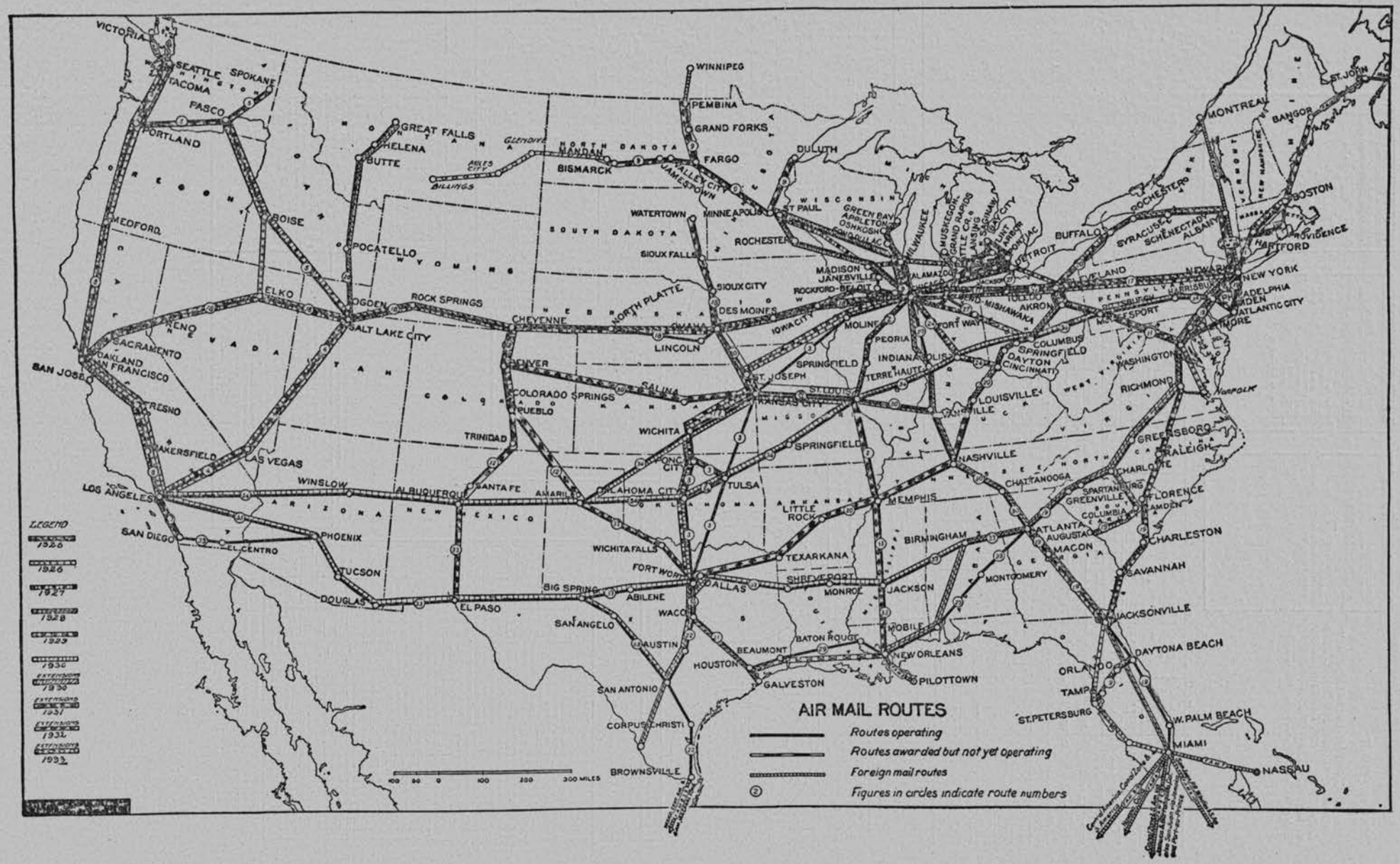
STEAMSHIP OFFICIALS
IDENTIFIED WITH AVIATION CORPORATIONS

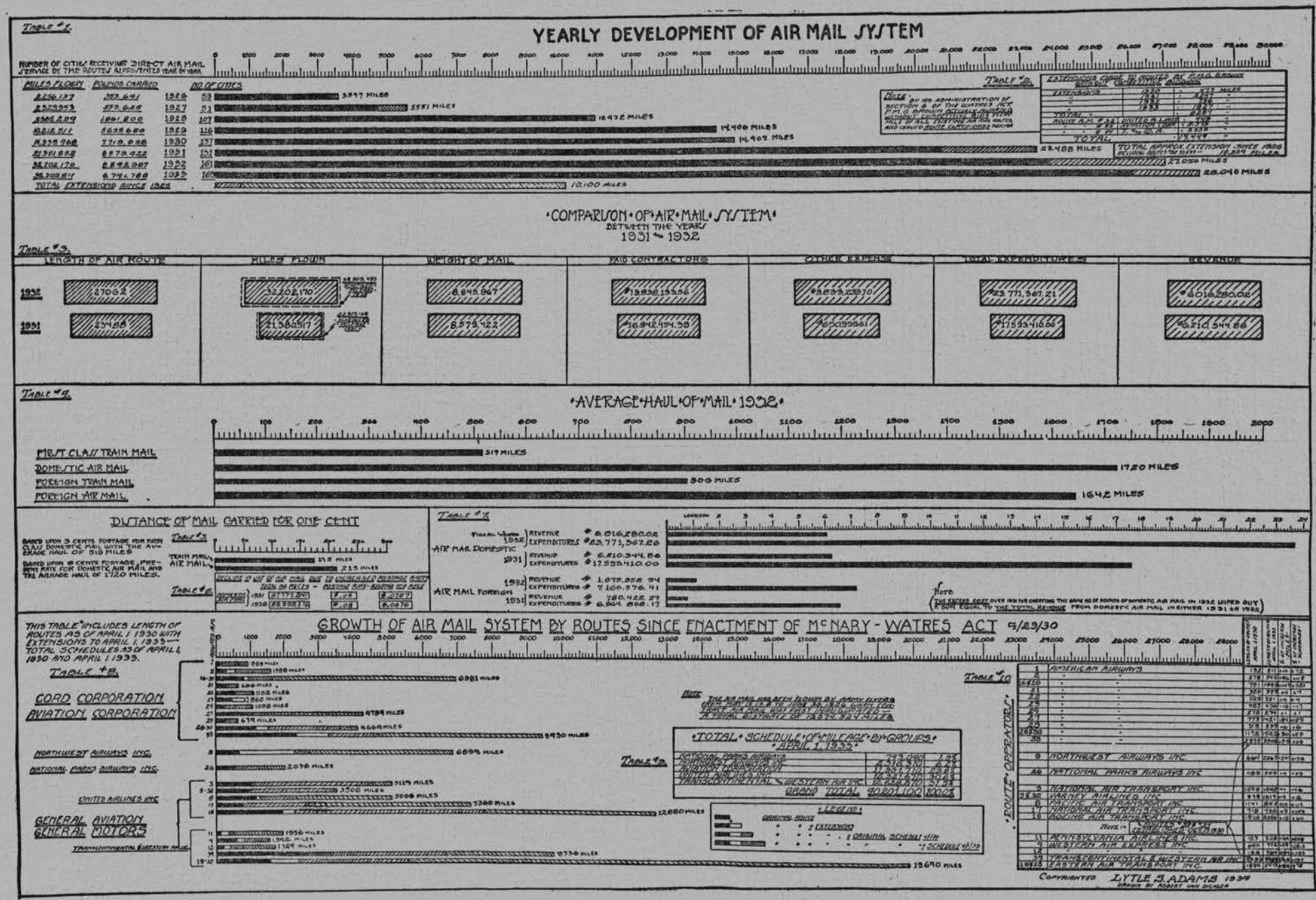
DOLLAR, R. STANLEY, of the Dollar Steamship Lines.
FARLEY, EDW. P.- Chm. Executive Comm. Amer. Hawaiian St. Co.
FRANKLIN, JOHN.- Vice Pres. Roosevelt Steamship Co.
FLEISHHACKER, HERBERT.
ROTH, Wm. P.- Dir. Matson Navigation Co.
* CHANDLER, HARRY - Dir. Los Angeles S.S. Co.
BURNS, MATSON C.- Dir. American Hawaiian S.S. Co.
HOOVER, LORING R.- Dir. American Hawaiian S.S. Co.
WILLIAMSON, FREDERICK W.- Dir. Los Angeles S.S. Co.
DURANT, CECIL P.- Dir. Several S.S. Lines.
ROSS, HAROLD J.- Dir. Grace S.S. Co.
ROBINSON, RICHARD H. M.- Pres. & Dir. American Hawaiian S.S. Co.

BANKERS AND BROKERS
IDENTIFIED WITH AVIATION CORPORATIONS

HARRIMAN, W. A.- W. A. Harriman & Co.
WALKER, G. H.- Pres. W. A. Harriman & Co.
LEHMAN, ROBERT- Partner, Lehman Bros.
MAZER, PAUL M. " " "
PALMEDO, ROLAND " " "
* MIXTER, GEO.- Vice Pres. Stone & Webster Inc.
* PRATT, FREDERICK B.- " " "
* HOYT, RICHARD- Partner, Hayden Stone & Co.
WARREN, LESTER- " " "
HUBBARD, C.N.Jr. Director " "
WILLIAMS, HARVEY L.- Pres. Air Investors Inc.
CROCKER, W.H.- Vice Pres. Crocker 1st Nat'l Bk. San Francisco.
MELLON, RICHARD K.- Vice Pres. Union Trust Co., Pittsburgh.
MELLON, W. L.- Director, Mellon Nat'l Bank, Pittsburgh.
* COBB, LAMOTTE T.- Partner, Myron S. Hall & Co.
* COBB, HENRY F.- " " "
HUTTON, JAMES M. JR.- W. E. Hutton & Co.
* WILLOCK, JAMES C.- Pres. James C. Willock & Co.
MURPHY, G. M. P.- G. M. P. Murphy & Co.
GORDON, FREDERICK D.- Sanderson & Porter.
MANGE, JOHN W.- C. D. Barney & Co.
STETSON, EUGENE W.- Vice Pres. Guaranty Trust Co.
PYNCHON, GEO. M.- Pynchon & Co.
SCHENK, STANLEY W.- V.-Pres. Canal Bk. & Trust Co., New Orleans.

CHART NO. 1


AIR MAIL ROUTES
Routes operating
Routes awarded but not yet operating
Foreign mail routes
Figures in circles indicate route numbers
LEGEND
1926
1926
1927
1928
1929
1930
EXTENSIONS 1930
EXTENSIONS 1931
EXTENSIONS 1932
EXTENSIONS 1933
100 50 0 100 200 300 MILES
VICTORIA
SEATTLE
SPOKANE
TACOMA
PASCO
PORTLAND
MEDFORD
BOISE
GREAT FALLS
HELENA
BUTTE
POCATELLO
ELKO
OGDEN
ROCK SPRINGS
SALT LAKE CITY
RENO
SACRAMENTO
OAKLAND
SAN FRANCISCO
SAN JOSE
FRESNO
BAKERSFIELD
LAS VEGAS
LOS ANGELES
SAN DIEGO
EL CENTRO
PHOENIX
TUCSON
DOUGLAS
EL PASO
WINSLOW
ALBUQUERQUE
SANTA FE
TRINIDAD
COLORADO SPRINGS
PUEBLO
DENVER
CHEYENNE
NORTH PLATTE
OMAHA
LINCOLN
SALINA
WICHITA
AMARILLO
OKLAHOMA CITY
PONCA CITY
TULSA
WICHITA FALLS
FORT WORTH
DALLAS
BIG SPRING
ABILENE
SAN ANGELO
WACO
AUSTIN
SAN ANTONIO
CORPUS CHRISTI
BROWNSVILLE
HOUSTON
BEAUMONT
GALVESTON
BATON ROUGE
NEW ORLEANS
PILOTTOWN
MOBILE
JACKSON
MONROE
SHREVEPORT
TEXARKANA
LITTLE ROCK
MEMPHIS
BIRMINGHAM
MONTGOMERY
ATLANTA
AUGUSTA
MACON
CHATTANOOGA
NASHVILLE
LOUISVILLE
VANSVILLE
SPRINGFIELD
ST. LOUIS
KANSAS CITY
ST. JOSEPH
SPRINGFIELD
TERRE HAUTE
INDIANAPOLIS
PEORIA
MOLINE
IOWA CITY
DES MOINES
SIOUX CITY
SIOUX FALLS
WATERTOWN
MINNEAPOLIS
ROCHESTER
ST. PAUL
DULUTH
FARGO
GRAND FORKS
PEMBINA
WINNIPEG
BISMARCK
MANDAN
JAMESTOWN
VALLEY CITY
GLENDIVE
MILES CITY
BILLINGS
MADISON
JANESVILLE
ROCKFORD-BELOIT
MILWAUKEE
GREEN BAY
APPLETON
OSHKOSH
MUSKEGON
GRAND RAPIDS
LANSING
SAGINAW
BAY CITY
FLINT
ARBOR
PONTIAC
DETROIT
TOLEDO
AKRON
MISHAWAKA
FORT WAYNE
COLUMBUS
SPRINGFIELD
DAYTON
CINCINNATI
CLEVELAND
BUFFALO
ROCHESTER
SYRACUSE
SCHENECTADY
ALBANY
MONTREAL
BANGOR
ST. JOHN
BOSTON
PROVIDENCE
HARTFORD
NEW YORK
NEWARK
PHILADELPHIA
CAMDEN
ATLANTIC CITY
BALTIMORE
WASHINGTON
RICHMOND
NORFOLK
GREENSBORO
RALEIGH
CHARLOTTE
FLORENCE
CHARLESTON
SAVANNAH
JACKSONVILLE
DAYTONA BEACH
ORLANDO
TAMPA
ST. PETERSBURG
W. PALM BEACH
MIAMI
NASSAU


YEARLY DEVELOPMENT OF AIR MAIL SYSTEM
TABLE #1.
NUMBER OF CITIES RECEIVING DIRECT AIR MAIL SERVICE BY THE ROUTES REPRESENTED YEAR BY YEAR
MILES FLOWN
POUNDS CARRIED
NO. OF CITIES
TOTAL EXTENSIONS SINCE 1926
TABLE #2.
TOTAL APPROX. EXTENSION SINCE 1926
COMPARISON OF AIR MAIL SYSTEM
BETWEEN THE YEARS
1931 — 1932
TABLE #3.
LENGTH OF AIR ROUTE
MILES FLOWN
WEIGHT OF MAIL
PAID CONTRACTORS
OTHER EXPENSE
TOTAL EXPENDITURES
REVENUE
TABLE #4.
AVERAGE HAUL OF MAIL 1932
FIRST CLASS TRAIN MAIL
DOMESTIC AIR MAIL
FOREIGN TRAIN MAIL
FOREIGN AIR MAIL
DISTANCE OF MAIL CARRIED FOR ONE CENT
TABLE #5.
TABLE #6.
TABLE #7.
AIR MAIL DOMESTIC
AIR MAIL FOREIGN
GROWTH OF AIR MAIL SYSTEM BY ROUTES SINCE ENACTMENT OF McNARY - WATRES ACT 4/29/30
THIS TABLE INCLUDES LENGTH OF ROUTES AS OF APRIL 1 1930 WITH EXTENSIONS TO APRIL 1, 1933 — TOTAL SCHEDULES AS OF APRIL 1, 1930 AND APRIL 1, 1933.
TABLE #8.
CORD CORPORATION
AVIATION CORPORATION
NORTHWEST AIRWAYS INC.
NATIONAL PARKS AIRWAYS INC.
UNITED AIRLINES INC.
GENERAL AVIATION
GENERAL MOTORS
TABLE #9.
TOTAL SCHEDULE OF MILEAGE BY GROUPS
APRIL 1, 1933
TABLE #10
ROUTE OPERATORS
AMERICAN AIRWAYS
NORTHWEST AIRWAYS INC.
NATIONAL PARKS AIRWAYS INC.
NATIONAL AIR TRANSPORT INC.
VARNEY AIRLINES INC.
PACIFIC AIR TRANSPORT INC.
NATIONAL AIR TRANSPORT INC.
BOEING AIR TRANSPORT INC.
PENNSYLVANIA AIRLINES INC.
WESTERN AIR EXPRESS INC.
TRANSCONTINENTAL & WESTERN AIR INC.
EASTERN AIR TRANSPORT INC.
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This chart shows the trust is not satisfied with 93 percent of the money paid by the taxpayers of this country for domestic air-mail transportation, 98 percent of the amount paid for foreign air-mail transportation, and 87 percent of the money paid for military equipment, but they also control a large percentage of the airways lighting equipment, airplane accessory companies, investment trusts—dealing with aviation securities, airplane and liability insurance, dirigible operations, Aeronautical Chamber of Commerce, and the National Aeronautic Association.

The record shows that the aviation monopoly, with its railroad and bank connections, has not been for a healthy growth of the industry. In 1929 there were 7,695 airplanes operating in this country and during that year they flew 104,336,560 miles and carried 2,995,530 passengers and there were 20,944 people employed in the transportation and flying operations. In 1932 the number of miles flown had been gradually reduced more than one half, the number of planes was only 1,979, and less than half the number of passengers were carried in all commercial services, and they were employing only one fifth the number of people.

The data upon which this chart is based is taken from information published in Poor's and Moody's reports, commencing with 1927, where some of the companies were first organized, up to and including the year 1933, from records of the Post Office Department, the Aviation Chamber of Commerce, the Department of Commerce, and from the military branches of the Government.

The complete control by a single financial group of the various elements available for national defense purposes, explosives, airplanes, and so forth, can readily be seen from a study of this chart.

The map on chart no. 1 is a consolidation of the maps published during each year from 1926 to 1933 inclusive, showing by various forms of hatching the growth of the service each year by awarded contracts and by extensions.

Table no. 1 is the annual growth of the Air Mail Service in graph form, showing the miles flown, pounds carried, and the number of cities served and the length of the route at the end of each year from 1926 to 1933, inclusive, and the amount of the extensions without bids shown in the hatched portion with total extensions and adjustments. This information was taken from the annual reports of the Postmaster General.

Table no. 2 shows the extensions made by Postmaster General Brown, without competitive bidding, each year from 1930 to 1933, inclusive.

The information on table no. 3 is taken from the annual reports of the Postmaster General and from chart no. 2 of the cost-ascertainment report of the Post Office Department for fiscal year 1932.

Table no. 4, showing the average haul of air mail, is taken from chart no. 3, cost-ascertainment report of Post Office Department, fiscal year 1932.

Table no. 5 is based on chart no. 3, cost-ascertainment report, Post Office Department, fiscal year 1932.

Table no. 6 is taken from table no. 2, cost-ascertainment report, Post Office Department, fiscal year 1932.

Table no. 7 is taken from chart no. 2, cost-ascertainment report, Post Office Department, fiscal year 1932.

Table no. 8 is a consolidation of table no. 1 of this chart and the addition of schedules taken from the schedules as in operation as of April 1, 1933.

Table no. 9 is a division of the total schedules among the five groups controlling the air-mail system, showing the amount of scheduled miles allotted each and the percentage of the total miles. Based on the authorized scheduled service when Mr. Brown retired as Postmaster General.

Table no. 10, showing the length of routes as of April 1, 1930, and the length of routes as of April 1, 1933, percentage of increase by the addition of miles and the percentage of increase by the addition of schedules. This information was taken from the Post Office Department Air Mail Service schedules of the two dates.

It will be noted from this chart that the number of cities served has not grown in proportion with either the miles of routes added to the Service or with the growth of the system by added schedules.

It will also be noted that notwithstanding the fact that the number of miles flown increased by one third from 1931 to 1932, the number of pounds of mail carried remained practically the same. The amount paid the contractors increased by $3,000,000, and the amount of cost other than that paid the contractors increased by over $3,000,000, and the revenue in 1931 was greater than in 1932.

It will also be noted that the schedules were greatly increased and that this could not have been justified because of a growth in the business, as it can readily be seen that the same number of pounds of mail carried in 1931 was carried in 1932 over a very much greater length of air-mail routes, showing a decrease in poundage when compared to the length of the routes.

Mr. McCARRAN. Mr. President, since Monday last this body has had an opportunity of listening to honest men, honestly bent, with a knowledge of the facts gained by months of diligence and months of studiousness.

On Monday last the learned senior Senator from Ohio [Mr. FESS], in his vehement way, opened the subject.

Then followed that studious man who has been sitting with the special committee for months, the learned Senator from Vermont [Mr. AUSTIN].

I have tried for the past several months to sit between the learned Senator from Vermont, fortified by the learned Senator from Maine [Mr. WHITE], and that everlasting student, that man who never knows what it is to quit, even when the night hours go into dawn, sitting on my right [Mr. BLACK]; and all day yesterday and today I have had the privilege of listening to him in one of the most finished arguments, in one of the most convincing speeches based upon records made under oath, to which it has ever been my privilege to listen.

On the one hand, there is a human conception of right as the Senators see it, based on a record as it was made. On the other hand, there is another angle of right, based on a record as the Senator saw it made. I hope and pray that in my humble way I may have been able to take from both these Senators something from which those who have lent their ears to this controversy may find a solution for it all.

I hold no brief for anyone connected with a fraud. For a solid week I listened to one of the most adroit men, the most careful, the best-memoried man that it has ever been my privilege to listen to under oath; and I have listened to a number under oath. He was careful—I would not use the word "cunning", because I do not think it should apply—but he had a memory that without notes and without preparation, so far as I know, placed him in a position where he could defend himself, and when called upon for a record he asked no one to furnish the record. He seemed to have it. Now and then it became my privilege to put in a question where I thought he might be weak. For a solid week I listened to the former Postmaster General of this country, and I am not going to hold a brief for him. Neither am I going to condemn any man in this body.

We were not appointed on that committee, which has now expended nearly $50,000, to convict any man; and I am not going to convict save and except as the evidence and the record may bring a conviction into the minds of the American people. I do not believe I was appointed on that committee to convict. I think I was appointed on that committee only to bring out a record, so that the Department of Justice and Federal agencies to whom trial might be accorded would take upon themselves the burden of conviction, or trial looking to conviction.

If Mr. Brown is guilty of a fraud, it is not for the Senate of the United States to render the verdict. I hope the Senate will never put itself in the position of being a trial jury, because if it does it will have lost the grandest thing that belongs to it, and that is the high and lofty position of an inquisitor looking to the development and promulgation and enactment of legislation that will overcome the frailties of mankind and will close the gaps, if gaps there be.

I hold no brief for the cancelation of the contracts unless those cancelations were warranted. As to whether or not they were warranted, some court having jurisdiction will determine, because those who hold contracts undoubtedly have ample means to go into a court of competent jurisdiction and have determined the question whether or not they were unlawfully deprived of the benefits of those contracts. But, Mr. President, the situation is that we are, and have been for months, working, investigating, trying to find the facts so that we might enact legislation, not that we might condemn. If condemnation there be, there are avenues and agencies for that purpose.

Now we are about to step out of one role into another.

The McNary-Watres Act came into effect, and under the McNary-Watres Act all these conditions arose. We now propose to enact new legislation that will take the place of at least part of the McNary-Watres Act; and we propose to do something more. Mr. President, we are only on the threshold of a science the limits of which only God Almighty can determine. The man who loses sight of our position today as a Nation, confronted with a developing science, loses sight of the biggest thing America ever knew.

Imagination belongs to youth. Imagination lingers and dwindles after the meridian of life. To youth belongs the development of this great science that must build us from a commercial standpoint and from a military standpoint as well.

I listened with interest to the learned Senator from Vermont, and I listened with rapt interest to the man by whose side I have worked for months, and with whose conclusions I have no argument, with many of whose conclusions I stand foursquare. But are we building, or are we merely tearing down? Was it the province of the special committee to tear down and leave the wrecks, or was it the province of the special committee to ascertain the facts and leave the conclusions for those agencies of government that had the right to execute, and then for us to build by legislation so that conditions which have developed may never again arise?

I want to pay a tribute now. Those conditions were developed by the zeal, by the midnight toil, by the everlasting toil and labor of the Senator from Alabama. There is no other member on the committee who deserves the credit he deserves. My opportunities did not give me the vantage ground. It was only a frail, meager support that I could give him as we went along. But until the Senate shall cease to exist, which I hope will never be, there will never come to it a man who will give so much of his energy, so much of his zeal, so much of his thought, or at least none will come who will give more of those qualities.

But, Mr. President, there must come something out of this that will be forgetful of the past and only used as a framework by which we will build the future. That legislation must come calmly, judiciously, and must be carefully prepared.

We are about to suspend for the day, I hope, and I want to say, as a closing thought which I may leave with this body tonight, that the future is before us with all the development it promises for the great science of aviation which is now in the making. Legislation should be enacted now. Have we the courage to do it now, or must we wait for some more investigation out of which there will come condemnations hand over hand? Have we not the courage now, delegated by the sovereign States, to say that we can legislate and use the past as the foundation on which to build for the future? The future must depend upon the legislation we shall enact, I hope at this session.

The future must depend upon the lines we shall write, I hope at this session, and not experimentally. We have now spent $50,000 experimenting. We have had a committee in session for months and months and months, and it is not now a question of experimenting. We have found where the law had its loopholes, and we have found where those who want to declare fraud and collusion might have opportunity to do so. Let us close them judiciously and carefully. Let us build something that will be worth while.

Mr. President, I listened to one ex-Postmaster General for a week and then I listened to the present Postmaster General. I shall not say a word save and except that I wished and I shall always wish that both those men might have been out of the dilemma and out of the conditions which were imposed upon them by a law enacted by the Congress. I think the present Postmaster General would use and has used the best judgment he could use with the advice he had. He said so under oath. "I relied upon the advice of counsel," he said repeatedly. Undoubtedly the other Postmaster General relied upon the advice of counsel. But why does the Postmaster General of the great Nation to which we belong, with all the political power conferred on him beforehand, have the power to throttle the commerce of America through the air?

By what right does the Postmaster General come into power and put his thumb on the throttle of the commerce of this country? The commerce of the country will go through the air in the years yet to come.

Mr. ROBINSON of Arkansas. Mr. President, I understand the Senator from Nevada would like to suspend at this time?

Mr. McCARRAN. That would be agreeable to me.

THE PATH TO RECOVERY—ADDRESS BY SECRETARY OF STATE HULL

Mr. ROBINSON of Arkansas. Mr. President, on the 23d of April the Secretary of State, Hon. Cordell Hull, a former member of this body, delivered an address which is both interesting and informative. I ask that the address may be printed in the RECORD and lie on the table.

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

THE PATH TO RECOVERY

ADDRESS OF THE HONORABLE CORDELL HULL, SECRETARY OF STATE, TO THE MEMBERS OF THE ASSOCIATED PRESS, AT LUNCHEON, AT THE WALDORF-ASTORIA HOTEL, NEW YORK CITY, MONDAY, APRIL 23, 1934

Mr. President, gentlemen of the Associated Press, ladies and gentlemen, I know how seriously disappointed you are at the inability of the President of the United States to be present in person and greet you on this notable occasion. In conveying to you the President's sincere thanks for your cordial invitation and his keen regrets, I can assure you that his disappointment is at least equal to yours.

I naturally do not come here in any special substitute capacity for our honored President, and I shall, therefore, speak only my individual views. It gives me unusual pleasure to have this chance to pay the tribute of my admiration to an internationally known news-collecting agency. It has been my good fortune to know personally and well many of your members, and I am also happy to meet so many of the others present here. As an individual some of the time, and as an official most of the time, over a long period of years, I have had every opportunity to observe the operation and the activities of your organization, and frankly, in whatsoever part of the world I have come in contact with them, I have never hesitated to trust implicitly representatives of a well-established news agency. For collecting and disseminating accurate news, information of news value, and carefully selected news not calculated unnecessarily to create misunderstanding or discord between peoples or governments, your organization has built up a splendid reputation. All honor and all success to yours as to every other impartial news agency.

Freedom of the press is abridged almost universally today. In a number of important countries the press is controlled by the governments; in others by military or political censors; in still others by manufacturers of war materials, or by foreign subsidies. It is represented that the more serious threats against peace today are in those parts of the world where the press is controlled by government officials who have the power either to declare or to force war.

It is a matter of congratulation that this country has a free press. Its service to our people and our free institutions is of incalculable value. This very freedom of the press, however, imposes the duty and responsibility of avoiding or refraining from excesses, undue license, or abuses; for instance, the hasty transmission of unconfirmed news reports for publication and their verification later, often leads to unjust and disastrous results. Another instance of abuse is the publication of matter not in the interest of the general public but positively detrimental to it. It may be read not on account of any news value, but by reason of its sensational or scandalous or hurtful nature. This class of publicity always raises the difficult question of when is news not news.

The gathering and dissemination of news conducted on right lines is a powerful influence for international understanding, friendship, and peace.

Those associated with the press today have rarely had such an opportunity to develop an alert and informed public opinion, and

never has there been a more crying need for this than today. Similarly they may be of inestimable service by aiding in disseminating such information as will enable the people in every country thoroughly to understand each other's viewpoints, conditions, aims, and aspirations. Because of the very important part the gentlemen of the press play in the conduct of our foreign relations, I am profoundly glad that they are as a class intelligent, thoughtful, hard working, and devoted to the best interests of the country as a whole.

Potent remedies have been applied to stay panic conditions, and the more acute ravages of the depression have thereby been checked. But although substantial improvement has definitely been noted, all nations are still passing through troublous times.

Some of our own citizens have become bewildered. "Where is the Government going?" they ask, and others more personal in their queries face their own future with grave forebodings and much uncertainty. The distressing and sobering effects of the depression have finally impelled some measure of stock taking. For until the present depression became serious in its destructive effects, people here and everywhere were on a joy ride. There was little thought during that period about such vital subjects as government, morals, and civilization. Standards of human conduct had reached the low ebb of modern civilization.

The trite saying that, after all, people get as good government as they are entitled to, is especially true where they have as direct a voice in governmental affairs as in the United States. I personally feel that most phases of human affairs have been on the decline. This deplorable trend challenges the attention of parents, churches, schools, newspapers, and governments. Our own country urgently needs a moral and spiritual awakening. I sometimes wonder whether the trumpet call of the ancient prophets will not be necessary to revive and restore moral and spiritual ideals. Any permanent governmental structure erected by a free people must rest upon solid moral and spiritual foundations. Sound liberal doctrines, humanitarianism, social justice, and social welfare can live and thrive only in a moral and spiritual atmosphere.

If the people of this country will indicate that these high ideals are their first objective, one could with all the more definiteness point to a sound economic philosophy and a wise political system which would constitute the most desirable agencies for the promotion of human rights and human welfare. The individual citizen, therefore, would logically inquire first where he himself is going. The second question of where the Government is going would then practically be answered in like terms and like spirit. No despotism, no autocracy, no arbitrary power of any kind can offer a substitute for sympathy, for distress, for the spirit of the good neighbor, and for the humanitarian desire to see that every individual has a full and fair opportunity in life. The latter feelings and convictions, too, can only find lodgment in the minds and hearts of those who are free.

Despite the unlimited number of those who profess to have an accurate comprehension of existing difficulties, we know that few really have a full grasp of them and that the ablest experts differ widely on many points. We, therefore, understand the necessity of proceeding with a mind open to all reasonable proposals, but with cautious concern in adopting them and studying their effects.

It was unavoidably necessary that our Government should formulate a program, not one, but really two programs, one set of measures designed to meet urgent crisis difficulties, the other generally helpful to the acute panic relief situation, but designed primarily to meet the ultimate objectives and the long-time economic requirements of the country. This latter program alone will assure a course of business recovery which will be full, stable, and durable.

The tendency of the average person is to confine his attention to the immediate policies and methods, to press for his idea of immediate relief without taking into due account the necessity of following broader lines permanently beneficial. Naturally, any portion of the temporary or emergency measures undertaken which is found to be good and wholesome, will be permanently retained, while other portions made necessary for the time being by acute depression conditions would naturally be modified or abandoned as the Nation emerges from these panic difficulties. Short-time and long-time programs in their operation involve no important conflict with each other. No one wishes a mere temporary or short-lived recovery by emergency methods; and no one wishes to pursue some distant ideal that would be inconsistent with the vital necessity of immediate recovery. The present administration has moved in as practical a manner as possible to correct chaotic conditions, calling for both emergency and permanent treatment.

We want business recovery, but we naturally want it based on sound policies and honest methods and practices. We would not gain permanently, for example, by restoring business to the level of 1926, if it should carry the seeds of its own destruction, such as the inevitable disaster of 1929. We should not forget the years of depression. We should remember them—and learn by them.

Would not the Government have been justly pilloried if it had not exposed and called for reforms of the outrageous financial manipulations of stock markets and security flotations, which stripped millions of individuals of their life savings and left a finance not worthy of public confidence? When aid for the unemployed, social justice, and social welfare constitute a first lien on our civilization, how could deliberate neglect to direct attention to these unequal and distressful conditions of those who toil, be justified? Was it not the plain duty of the Government forcibly to bring attention to these colossal abuses and unfortunate conditions, to suggest remedies, and to call upon those individuals and groups responsible to clean house?

Our social and political fabric might not be able to stand another such catastrophe within a few years. Unfortunately, many are clamoring for any brand of business recovery, regardless of whether it might be temporary or unsound or partial in its application. It behooves every citizen of business integrity, who has a respect for his government and a regard for the well-being of his fellow men, to lend all possible aid to a policy of business recovery as broad as the material, social, moral, and political welfare of humanity.

This sort of business and general economic recovery should, of course, contemplate the retention unimpaired and the possible extension of our structure of free government. There is no higher, finer objective than the "preservation and promotion of the inalienable rights of life, liberty, and the pursuit of happiness" to every individual.

The people cannot give consideration too careful and intelligent to existing problems. The world today is filled with careless utterances and muddled thinking. There is also to an astonishing extent a narrowness of vision and a lack of practical grasp on the part of the individual. It is imperative in time of grave crisis that heed should be given both to new methods of treatment required by new conditions and to the unassailable teachings of past experience.

Let us neither minimize nor magnify the extent and nature of the political and economic transition during the war period, and the amazingly difficult problems resulting. Many countries have proven incapable of meeting the challenge thus presented. It would be inconceivable for a great young country like ours to falter. It is marvelously equipped with ability, with resources, and with the highest civilization of all time to meet this challenge, and in meeting it to render humanity here and everywhere incomparable service.

Nations should not blink the ugly facts still facing them, despite the degree of recovery thus far experienced. The unemployed in the important countries exceed 25,000,000; international indebtedness amounts to $50,000,000,000 or more, of which a large part is in default. Disordered currencies competing in the movement toward depreciation; changing monetary standards; vast armament rivalries, necessitating huge expenditures with resulting abandonment of external debts, both public and private, are notorious world conditions. Abnormal shrinkage of production and trade, and of prices and values, both domestic and international, still handicaps desirable business recovery everywhere.

Vicious methods and practices, evils and abuses, wild extravagances, far-reaching scandals, crimes, and many other outrageous violations of all ethics and honesty have crept into the financial and economic affairs of the Nation. Both the purpose and the result have been to enable the authors to rob, plunder, and impoverish, not only the masses but each other as well. Humanitarian considerations and principles of equality and fair dealing have been flouted. The social and general economic distress which has followed cannot be exaggerated. In their suffering and despair peoples in some countries have rushed to the extreme of destroying liberal political institutions and have set up dictatorships and despotisms instead.

It is my unalterable opinion, I repeat, that in our own country we can and should effect economic and social rehabilitation to the extent dictated by policies of sound liberalism, and at the same time preserve all the fundamentals of popular government. This is the very essence of the new deal. It is true we are living in a new age with new conditions, calling for new remedial methods, especially when compared with the early period of our history. I am confidently assuming that while conditions and remedies are different, we still have the same kind of men as Jefferson and Madison and Jackson—men deeply imbued with the principles of free government, of honor, and of love for humanity—to make wise and careful application of all remedial policies and programs. I know the best traditions of this Republic will thus be preserved; that liberty, justice, equality, and the progressive well-being of the masses will be thoroughly safeguarded and fully promoted.

Our forefathers, guided by thousands of years of experience, were of the profound belief that continued human betterment largely depends upon the extension of free government, based on popular representation and constitutional safeguards. We of the present age are not unmindful of the fact that our democratic Republic, which extends popular government further than any other government in the past, is still on trial.

Our present efforts may yet prove to be the final test of that momentous question, whether or not man is capable of self-government. I have confidence that an aroused, intelligent, and patriotic people will measure up to this great task. Failure is unthinkable.

I am an optimist. I have faith in the wisdom, the vision, the patience, and the enterprise of the American people. I believe that this Nation of high civilization will, in the providence of God, advance to still greater heights, with a more permanent system of free government, and to a condition of more comfort, benefit, and security to the common man. In pursuing these objectives, the gains in democracy and liberalism secured at such an awful cost during recent centuries, need not and must not be jeopardized. My optimistic views that this can and will be done are greatly strengthened by the progress in the work of economic and business restoration as carried on in this country during the past 12 months.

I make this statement because of my profound conviction that the administration of President Roosevelt is conscientiously, ably, and patriotically grappling with the terrific problems of recovery,

and that its fairness and its friendly interest can be absolutely depended upon by industry, by agriculture, by mining, and by labor. This administration has to its credit a brilliant record of practical accomplishment in the face of difficulties and complications without a parallel in peace time. It is entitled to the confidence and cooperation of the country. The vast work of restoration will be long, tedious, and technical. It will tax the patience of the most patient person. It requires a degree of energy, ingenuity, and constructive capacity far beyond the demands of war time. The incalculable extent to which most phases of human affairs have been set back must be realized by the people.

Many of the chaotic conditions through which we have been passing are unprecedented in their nature and extent. The Federal administration, in my judgment, has pursued the wisest possible course in attempting their solution. The Government instead of proceeding rashly or hastily from one proposed remedy to another has on the contrary, carefully measured each step. It has felt its way with the utmost caution, in the light of experience either past or present.

While some countries elsewhere sought to deal with the existing crisis by indefinitely discarding individual freedom, we here have in no sense undertaken or planned to do so. Naturally, even more so than in war time, it was necessary to centralize power; but that power was asked as a free and revocable grant, from the representatives of a free people, exercising a free choice. It was necessary to bring unity of effort out of many conflicting interests. Unity was secured by common consent through constitutional means and under constitutional safeguards. It was necessary to employ new methods; but those methods were forged from the common desires of communities the continent over. We enthroned no dictators; we made no secret trades with private, self-interest groups; we merely drew together the different and scattered forces of democracy into a common effort, openly conceived, openly discussed, openly chosen.

The primary objective is recovery on a sound and permanent basis. We propose to care for the unemployed and the unfortunate; but we should find a system not merely of relief but under which relief shall be, insofar as humanly achievable, unnecessary. That system, the fundamentals of which I have already outlined, should comprise, in brief, every element and factor in a program calculated to work fairness, equity, and every reasonable benefit, comfort, and security to employees.

The purpose also is to eliminate and destroy the major evils, abuses, manipulations, and other unfair practices in finance and commerce and industry to the detriment of legitimate business, of labor, and of the general public. This objective contemplates reasonable hours, reasonable wages, and the maximum of employment for labor under the wholesome and favorable conditions to which the partnership of labor with capital fairly entitles it. It contemplates entirely reasonable profits to industry—not excessive, or sweated, or oppressive. People should not get rich by exploiting each other. The exploitation of one person by another spells economic and social disaster.

I cannot here discuss the functioning of each organization created for the purpose of developing fair and friendly relationship between employer and employee—industry and labor. The primary purpose of these new agencies is to develop mutually acceptable codes of fair dealing and of satisfactory conditions governing the relationship between different industries, units of the same industry, and labor.

We do not desire public regimentation; but we should not permit irresponsible regimentation by small private groups in their own selfish interests. Self-regulation should be the true policy. Its success, of course, would rest with those individuals, groups, and industries affected. Their responsibility would increase as the Nation emerges from the operation of those methods and agencies for panic recovery which are temporary. Most discerning persons will readily recognize, at least for the present, the necessity for more substantial governmental supervision here, restraint there, and control or other form of cooperation at some other point in the general industrial and economic situation than before the war. But in any event, over small business the sole objective should be complete freedom, subject only to essential limitations such as minimum wages and decent hours and conditions of work. The small business man, unlike the great corporation, is an individual; and his individuality is too great an asset to be endangered. In no circumstances should the Nation adopt either autocracy or autarchy as an ultimate or long-time objective. The evils of paternalism will not be permanently tolerated by a free and self-reliant people.

Another objective is the preservation of the national credit, the balancing of the Budget as early as practicable, provision for adequate credit, and the avoidance of schemes of uncontrolled or uncontrollable inflation. We should favor a policy that will result as early as may be practicable in permanent exchange stabilization and permanent monetary arrangements. But the topsy-turvy financial and commercial conditions everywhere compel the approach of the final stages of such problems carefully and gradually. A wide distribution of goods affords the most healthful and satisfactory prosperity to the masses. Undue or abnormal raising of prices conflicts with this objective. A moderate level of prices that is stable, and preferably fixed by fair competition, meets this condition. It is frequently alleged that certain clauses in the Security Act are too drastic. Whatever may be the truth of such statements, I do know that during the mushroom prosperity period leading up to the 1929 collapse, many billions of dollars of securities without one dollar of physical properties behind them were poured out upon the innocent and confiding public, which later has taken this huge loss. It is imperative, therefore, that necessary prohibitions be thrown around the business of the security distributor, and he should be the last to complain. If, upon fair and searching examination, some liberalization of one or more of the alleged drastic clauses in the Security Act seems advisable, in my view affirmative action should be taken without delay.

Still another objective is the restoration of normal commercial intercourse with our foreign neighbors, on terms of friendship, equality, and mutual profit. World standards of living are bound further to decline rather than rise, without the restoration and expansion of international trade. Industry and business throughout the world could scarcely be more hopelessly fettered. So many restrictions and impediments hinder production and distribution that many millions throughout the world are obliged to live upon charity or government relief.

The problems of international commerce are at the very core of this country's economic dilemma. The situations to be met in all fields of American life and the policies that will be required will depend vitally on whether our trade relationships with the rest of the world can be sustained and revived, or whether they will be left further to deteriorate. If American foreign commerce dies, if the trade of the world is left to other countries which are willing to recognize its importance, this country will have to grapple with the problem of surplus production of many of our main agricultural products. It will have to absorb the people engaged in producing and to take care of the communities dependent upon them. Obviously there is a vital connection between international commerce and our whole agricultural program. This connection equally applies to our surplus-producing industry.

No less vital is the connection between international commerce and our national finances. The state of our international trade will be an important factor in determining the ultimate value of our currency. The fate of our ports and of our merchant marine, the welfare of many of our railways and domestic lines of transportation, the employment of millions of people, will directly or indirectly depend inevitably upon our international commerce, upon the recovery of the trade of the world. This also will affect, in large measure, the amount of relief funds which our Government must provide and the undertaking of public works which the Government must finance. In short, if international trade is not restored, the domestic burdens of increased financial relief, increased unemployment, and increased restrictions on American agriculture and industry are inevitable.

The present movement in the direction of extreme economic nationalism is choking the trade of the world. If long continued it spells disaster. Many important countries cannot sustain themselves without the importation of vitally needed raw materials or foods or manufactured goods and the corresponding sale abroad of their manufactures or raw materials. The strangling of foreign trade means for them economic ruin. The financial and economic collapse of these nations in turn must react disastrously upon the home production and home prices and home markets of every other nation, including our own.

The approaching break-down is intensified and embittered by arbitrary and changing trade restrictions leading to further uncertainty, fear, and retaliation. Economic strife, because of the bitterness engendered, leads directly to competitive armaments, and once the race in armaments has begun the road lies open to bankruptcy and to war.

It becomes all important, as this Nation emerges from panic conditions, to combine with the permanent parts of the present domestic economic program a program of international economic cooperation, based on a more liberal commercial policy and steadily increasing mutually profitable trade with other nations. May I here remark that in July 1932 at the University of Virginia I undertook to interpret the economic provisions of the platform adopted at the time of President Roosevelt's nomination. After reciting the three methods proposed for attacking the problem of liberalizing trade obstructions and restoring international trade, I said: "That platform defines a program of policies as broad as our expanded domestic and international economic interests. It assumes that there is a practical middle course between extreme nationalism and extreme internationalism, and while disclaiming the latter, it challenges the former as practiced in this country since 1920."

It is gratifying to observe that this formula is being received more favorably from month to month. Human progress has been chiefly promoted by middle course policies and programs. It is never wise, especially in a time of crisis, to hearken too much to the extreme reactionary or the extreme radical, the extreme pessimist or the extreme optimist, the extreme deflationist or the extreme inflationist, the extreme pacifist or the extreme militarist.

I believe implicitly that the unquenchable spirit which inspired those who waged the 500-year contest for Anglo-Saxon liberty, still exists in the minds and hearts of our American people. I love to read the story of those irrepressible movements that brought on Magna Carta, habeas corpus, the petition of right, the settlement act, and the bill of rights in England, and our own Declaration of Independence and Constitution. I believe that the lessons of courage and patriotism, of love and loyalty to the principles of civil, religious, and political liberty, still animate and inspire my fellow citizens, and that their support can be counted on for any program of recovery, restoration, and rehabilitation which embraces the rights and the liberties of the individual and the progressive improvement of the social and material condition of the masses.

REGULATION OF FOOD AND DRUGS

Mr. GOLDSBOROUGH. Mr. President, many communications have reached me during the past few weeks from interested constituents and business organizations protesting against the passage in its present form of Senate bill 2800, "A bill to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes", now on the Senate Calendar."

Practically all of my correspondents are entirely in accord with the intent and purpose of the bill so far as it seeks to protect public health and public interest, and provide proper control of the distribution of drug and food products, but they all insist that certain of its provisions are impractical and unenforceable unless amended. It is further insisted that if legislation of this character is to be enacted, it should be so drawn as to not only protect the public but also to do no injustice to legitimate business.

At the request of one of the leading business houses of Baltimore I am sending to the desk, and would ask unanimous consent to have inserted in the RECORD, certain amendments to be proposed to the bill. They are 14 in number, suggested by the Associated Grocery Manufacturers of America, Inc., of 205 East Forty-second Street, New York City. This organization is a trade association of leading and representative manufacturers of food and other grocery products. The latter products include soap and other cleansers also subject to the provisions of Senate bill 2800, as well as cosmetics. The association approves a constructive revision of the Federal Food and Drugs Act, to strengthen its protection of the consuming public, and especially its extension to prohibit false advertising. It asks that these amendments be added to the bill and urges their acceptance.

My request to have them printed in the RECORD is for the purpose of bringing them to the attention of the Members of the Senate in printed form, with the hope that they will be found of sufficient merit to receive consideration when the proposed legislation is taken up for action.

To each amendment offered there is a supporting statement which I also desire to have printed in the RECORD, together with the names of the officers of the Associated Grocery Manufacturers of America, Inc., and a list of its membership in the various States, which will be found as an annex to the amendments I am submitting.

There being no objection, the proposed amendments were ordered to lie on the table, to be printed, and, with the accompanying statements, to be printed in the RECORD, as follows:

AMENDMENT NO. 1. OFFICIAL NAME OF ACT

Section 1, page 1, lines 3–4: revise this section to read (the amendment is italic)—

"That this act may be cited as the 'Federal Food, Drug, *and Cosmetic* Act'."

Supporting statement

1. Section 1 now reads—"That this act may be cited as the 'Federal Food and Drugs Act'."

2. This name is inaccurate and misleading. For the revised act has been extended also to include cosmetics. And its official name should indicate that fact.

AMENDMENT NO. 2. DEFINITION OF FOOD

Section 2 (a), page 2, lines 1–3: Revise this paragraph to read—

"The term 'food' includes (1) all articles used for food, drink, or condiment by man or animal; and (2) all articles used for confectionery and chewing gum by man; and (3) any substance or preparation intended for use as an ingredient in the composition of any such article."

Supporting statement

1. Section 2(a) now reads: "The term 'food' includes all substances and preparations used for, or entering into the composition of, food, drink, confectionery, or condiment for man or other animals."

2. This amendment is effective, first, to make the definition more accurate and exact. For example, confectionery is only used by man. It is effective, second, to exclude from this definition any substance or preparation used as an ingredient of food, if and to the extent it is sold for a nonfood use. Numerous substances and preparations in this category are used for both food and nonfood purposes. Clearly the act should not apply to such substances and preparations where they are intended—that is, sold—for a nonfood purpose exclusively. And as the definition now stands, the act does so. This "intended" limitation is sound and practically necessary in the circumstances and is parallel to the similar limitation in the definition of "drug" in section 2 (b).

3. As so amended the definition is comprehensive.

AMENDMENT NO. 3. DEFINITION OF ADVERTISING

Section 2 (j), page 3, lines 16–18: Revise this paragraph to read (the amendment is in italics)—

"The term 'advertisement' includes *all advertisements and* all representations of fact or opinion *therein or commercially* disseminated in any manner or by any means other than by the labeling."

Supporting statement

1. Section 2 (j) now reads—"The term 'advertisement' includes all representations of fact or opinion disseminated in any manner or by any means other than by the labeling."

2. This amendment is effective to make the definition more accurate and exact. As it now stands, the definition is so broadly and loosely drawn as to include, for example, the correspondence between a manufacturer and his director of research with respect of the experimental development of a new product.

3. As so amended the definition is comprehensive and parallel to that of "labeling." And it preserves the inclusion of all representations of fact or opinion, which the committee emphasizes (Com. Repts. 3 and 16.)

4. Because this act will serve as a model for similar State legislation accurate and exact definitions in it are highly important.

AMENDMENT NO. 4. DEFINITION OF FALSE ADVERTISING

Section 9 (a), pages 15–16: Add at the end, in line 2 of page 16, the following new sentences—

"No representation concerning any value or effect of a food or cosmetic shall be deemed to be false under this paragraph if such representation is supported by substantial scientific opinion or by demonstrable scientific facts. This paragraph shall not be construed or applied to prohibit harmless trade puffing."

1. Section 9 (a) now reads: "An advertisement of a food, drug, or cosmetic shall be deemed to be false if it is false or misleading in any particular relevant to the purposes of this act regarding such food, drug, or cosmetic. Any representation concerning any effect of a drug shall be deemed to be false under this paragraph if that representation is not supported by substantial medical opinion or by demonstrable scientific facts."

2. This amendment is effective, first, to add an interpretative statement as to food and cosmetics, which is essentially the same as that now in the section with respect of drugs. The latter statement is properly affirmative and the former statement is necessarily negative in character. Clearly, if the one statement is justified in this section, then the other is also. For there is no basic difference between them in principle and they are each and equally sound in public policy. This last because if a representation is supported, as provided in either case, it is not false in fact. And both interpretative statements have a real practical value. The value of clarifying the practical meaning and application of a broad law against false advertising, necessarily couched in general terms, a clarification which promotes due compliance with this law and its due administration and enforcement.

3. This amendment is effective, next, to add a further interpretative statement exempting harmless trade puffing. It is a harmless trade exaggeration, in the nature of a prideful or fanciful or figurative statement. While technically untrue, it deceives and harms no one. In illustration: "There is nothing any man or woman likes better than pancakes"; "as marvelously light and delicate as a cloud"; "clothes that are as fresh as a breeze"; "good as gold"; "like velvet"; "light as air"; "stands alone"; "makes housework a joy." This amendment is justified for four reasons. The first reason is that without it this law literally prohibits harmless trade puffing. The second reason is that this law is intended only to prevent harmful trade deceit. The third reason is that harmless trade puffing is permitted by common law and judicially sanctioned under the Federal Trade Commission Act, which prohibits every unfair method of competition and therefore that of false advertising (*Ostermoore & Co.* v. *Federal Trade Commission*, 16 Fed. (2d) 962). Hence the amendment simply validates under this new false advertising law what is now valid under the existing false advertising law. The fourth reason is that the amendment does not lessen the protection of the new law. For (a) this law remains prohibitory of all harmful trade puffing; (b) its administrator is left free to say what trade puffing is harmful; and (c) in a proceeding under it against trade puffing, the burden is upon him who made it to prove that it is harmless. Harmless trade puffing is a common and valuable advertising practice, as old and as wide as advertising itself. And to ban it is to needlessly place advertising under an undue restriction of it.

4. These interpretative statements are an important part of section 9 (a). Not only because of their own practical value, but also because this act will serve as a model for similar State legislation. And the enactment of 49 false advertising laws, subject to 49 independent administrative constructions, will present a difficult practical problem to the national or interstate advertiser. And the more exact such laws are the less will be their problem.

AMENDMENT NO. 5. DEFINITION OF MISBRANDING

Section 6 (a), page 7, lines 20–26: Add at the end, in line 26, the following new sentence:

"No representation concerning any value or effect of a food or cosmetic shall be deemed to be false under this paragraph if such representation is supported by substantial scientific opinion or by demonstrable scientific facts."

Supporting statement

1. Section 6 (a) now reads: "A food, drug, or cosmetic shall be deemed to be misbranded, if its labeling is false or misleading in any particular. Any representation concerning any effect of a drug shall be deemed to be false under this paragraph if that representation is not supported by substantial medical opinion or by demonstrable scientific facts."

2. This amendment of the definition of misbranding is precisely the same as that suggested in amendment no. 4, as to the definition of false advertising. And the statement supporting that amendment likewise supports this amendment.

AMENDMENT NO. 6. FILL OF CONTAINER

Section 7 (a), page 9, lines 3–6: Substitute a colon for the period in line 6 and add the following proviso:

"*Provided*, That under subdivision (1) of this paragraph reasonable variations shall be permitted, as to the fill of a container, by regulations prescribed by the Secretary."

Supporting statement

1. Section 7 (a) (1) defines a food as misbranded "if its container is so made, formed, or filled as to mislead the purchaser", etc. It is directed to prevent the deceptive slack filling of a container. This amendment is effective simply to provide for the allowance of reasonable variations in fill. It is necessary because variations in fill occur by reason of discrepancies in the filling process and as a result of the subsequent expansion or shrinkage of food, which variations are due to a mechanical or natural or other cause beyond reasonable control by the manufacturer using the best factory practice. In illustration: Because baking powder is subject to subsequent expansion caused by moisture absorption its container must be filled accordingly. Whereas corn flakes are subject to subsequent volume shrinkage caused by their shaking down in commercial transit and handling. The manufacturer cannot control either consequence. There is no slack filling in either case. And the net weight is correctly stated in each instance.

2. It is no answer to say: "This provision is not intended to authorize action against packages of food which are filled as full as practicable under good manufacturing practice" (Com. Rep. 9), for without this amendment there is no assurance of a reasonable variation allowance. Moreover, if such an allowance will be made, there can be no objection to a provision for it.

3. This is essentially the same situation as that presented by the requirement in section 6 (b) that packaged food be labeled to declare its net weight, measure, or numerical count. To this requirement is added the provision that reasonable variations shall be permitted by regulations prescribed by the Secretary. The reason for that provision is precisely the reason for this provision. And they are each and equally necessary.

AMENDMENT NO. 7. DECLARATION OF NET WEIGHT, ETC.

Section 6 (b), page 8, lines 1–8: Revise the proviso in lines 5–8 to read as follows (the amendment is italic):

"*Provided*, That under subdivision (2) of this paragraph, reasonable variations shall be permitted, and exemptions as to small packages, *soap, and other cosmetics reasonably exempted*, shall be established, by regulations prescribed by the Secretary."

Supporting statement

1. Section 6 (b) (2) requires every cosmetic in package form to be labeled with an accurate statement of its net weight, measure, or numerical count, subject to the aforesaid proviso without the additions in italics.

2. This amendment is effective, first, to exempt all soap from that requirement. For the reason that soap is subject to great variation in weight caused by the subsequent evaporation of its moisture content, which the manufacturer cannot control. Wherefore the requirement is impracticable with respect of it. Soap is customarily sold on a unit basis, i.e., by the bar, cake, piece, or package. And such sale is not deceptive.

3. This amendment is effective, second, to authorize the Secretary of Agriculture to exempt other cosmetics from that requirement where such exemption is reasonably justified in the circumstances. As manifestly it is justified in some circumstances.

AMENDMENT NO. 8. COMPULSORY LABEL DISCLOSURE OF INGREDIENTS OF FOOD

Section 7 (f), page 10, lines 9–21, strike out subdivision (2) requiring such disclosure. That is, strike out "(1)" in line 8, insert a period after "b" in line 9, and strike out the remainder of this paragraph.

Therefore also strike out the provisions in section 25, page 41, lines 15–21, relating to and dependent upon the aforesaid subdivision (2). That is, strike out "(1)" in line 12, insert a colon after "direct", in line 15, and strike out all after "direct", in line 15 down to "*Provided further*", in line 21.

Supporting statement

I

1. Section 11 authorizes the Secretary of Agriculture to establish a definition and standard of identity for any food by regulation. Section 7 (f) applies to every food for which no definition and standard of identity have been so established or which does not purport to be or which is not represented as a food for which a definition and standard of identity have been so established. And subdivision (2) of section 7 (f) requires that each such food shall be labeled to disclose all its ingredients, described by their common or usual names, and stated in the order of their preponderance by weight, subject to the exceptions later noted. The amendment is to strike out this requirement entirely.

2. The exceptions to this requirement are four in number. The first exception is that in so declaring the ingredients, spices, flavors, and colorings, other than those sold as such, may be designated as spices, flavors, and colorings without naming each. The second exception is that to the extent compliance with this requirement is impracticable because of normal variations in ingredients or their quantities, usual in good manufacturing or packing practice, reasonable variations from the stated order (but not list) of such ingredients shall be permited by regulation. The third exception is that exemptions as to packages of assorted food shall be established by regulation. All the aforegoing exceptions are contained in subdivision (2) of section 7 (f). Their practical application is clear and the supporting reasons are stated in the committee report (p. 12). These exceptions need no comment. For however valuable they are, per se, they leave this requirement essentially unimpaired from the standpoint of its fundamental objections.

3. The fourth exception is contained in section 25, page 41, lines 15 to 21. It is that upon the approval of this revised act the Secretary is authorized to designate food having common or usual names and to exempt such food from this requirement for a reasonable time to permit the formulation, promulgation, and effective application of definitions and standards of identity therefor as provided by the act. This exception must be read in the light of these facts: (a) The revised act is effective 12 months after the date of its approval; and (b) this 12 months' period is undoubtedly an insufficient time within which to establish definitions and standards of identity for all food having a common or usual name. Therefore it is effective to authorize the Secretary to exempt such food from this requirement during the period intervening between the effective date of the act and the effective date of definitions and standards of identity for such food.

4. This exception invites comment directly pertinent to the amendment requested. The first comment is that it authorizes the Secretary of Agriculture to completely exempt from this requirement all food sold under a common or usual name. That name is not defined. But it plainly means any and every name under which a food is commonly or usually sold. For example, bread, butter, crackers, flour, soup, etc., or any class thereof, such as graham bread, renovated butter, whole-wheat crackers, gluten flour, pea soup, etc. It plainly does not mean an exclusive proprietary name. Consequently a food sold under such a name and not sold under a common or usual name is outside this exception and remains subject to this requirement. The second comment is ancillary to the first. It is that therefore the Secretary is authorized to exempt nearly all food from this requirement. For food is sold under a common or usual name, as a rule; and its sale under a proprietary name exclusively is an incidental exception to the general rule. The third comment is that this authority to exempt is, however, discretionary and not mandatory in character. Therefore there is no statutory assurance that it will be exercised or to what extent. The implication is that it will be exercised to an extent now unknown. The fourth comment is that in any event this requirement is undoubtedly temporary in duration with respect of food sold under a common or usual name. It is clear upon the face of section 11 that it will be ultimately used to establish definitions and standards of identity for all such food, because that is its manifest purpose. The exception in section 25 evidences this fact. And Mr. Campbell confirms it. For in his testimony before the reference committee he said (p. 571): "Now in the ordinary course of the work of the Department undoubtedly there will be standards for different types of foods now known commonly under a certain name", etc.

5. Consequently the food-manufacturing industry is confronted with the following situation: This requirement applies to all food sold under a common or usual name, for which no definitions and standards of identity have been established under section 11, and it may be temporarily enforced against such food to an extent now unknown; this requirement applies to all food sold under an exclusive proprietary name and not under a common or usual name and it will be enforced against such food, unless and until the latter is subject to a definition and standard of identity established under section 11. Therefore Congress and the industry must deal with the requirement accordingly. Wherefore the following argument against it.

II

1. This requirement is not necessary to effectuate the fundamental purposes of the revised act, with respect of food. They are: To safeguard the public health, by prohibiting product adulteration comprehensively defined; and to protect the purchasing public from injurious trade deceit, by prohibiting product misbranding and misadvertising comprehensively defined. This is patently and demonstrably so. For by its injunctions against adulteration the act outlaws every food which is dangerous or injurious to health. And by its injunctions against misbranding and misadvertising the act outlaws every food label or advertisement which is false or misleading in any particular. Therefore the circle of the public protection of the act, in its fundamental conception, is complete without this requirement. And any argument to the contrary is clearly fallacious.

2. This requirement is injurious and grossly unfair to the manufacturer of superior food made under a private formula. (As used herein, the term "private formula" also means a secret process.) For it is practically effective to deprive him of the trade value of that formula, to which he fairly has a proprietary right in the circumstances. For it is also practically effective to permit, create, and support unfair competition against him. Competition unfair because it involves the deceptive simulation of his product

and the successful palming off of competing products as identical to his own, which they are not. That this requirement is potential and effective for such a business and trade consequence is plain upon its face and demonstrably certain in practice. By reason of two compelling facts. The first fact is that competing food may be labeled with an identical ingredient statement, in exact and correct compliance with this requirement, and yet be wholly different in every essential attribute of identity, namely, composition, quality, and value. This because they may differ in the variety, quality, quantity, and proportion of their respective ingredients and in the definitive process of their manufacture. In which event, while labeled as identical products, they are actually nonidentical products in all basic food respects. And one may be a product of the lowest grade and the other a product of the highest standard in quality and value. The second fact is that the moment a superior food, made under a private formula and occupying the, or a, leading sales place in its class, is labeled with the comprehensive and rigidly ordered ingredient statement prescribed by this requirement, all the natural and unnatural forces of competition will immediately and irresistibly work for an identical statement upon the label of competing food, including, and especially, inferior food. This because such an identical label statement is an effective means to easily, cheaply, and successfully sell the inferior food as identical to the superior food and thus to exploit its reputation and to misappropriate its goodwill and market. In which event the consequence is the business injury and the unfair competition stated, and a situation that plays directly into the hands of unscrupulous manufacturers. Any denial of this consequence is at war with the facts and the experience of competition.

In illustration: A manufacturer develops an improved food, outstanding in quality and value, under a private formula. It is the product of his extraordinary knowledge of the science of its production, a knowledge gained by costly research, long experience, and specialized manufacture. Its superior quality is derived from a better formula and process, a discriminating selection of the best ingredients and their expert blending, and a perfection of the art of their preparation into the finished product. Its superior value consists of a higher dietary and biological value and resides in other characteristics of superior food, such as taste, flavor, palatability, etc. While an analysis will more or less disclose its composition, such analysis will not disclose its definitive formula and process, which are the key to its superior quality and value. And to such formula and process, originated by him, the manufacturer fairly has a proprietary right under the most elementary conception of equity. And he is fairly entitled to the full business and trade benefit of that right. For this food he creates and maintains a broad market, by merchandising action necessarily expensive. Because of its genuine merit it enjoys a wide, continuous, and increasing consumption. Because of its superior merit it comes to the, or a, leading sales place in its class. It is, of course, sold in a competitive market. Its success results in keen competition against it, sharply seeking in every available way to displace it. Such competition includes that of inferior products having the price advantage of their inferiority. They are inferior because they are not made by the improved formula and process of the superior product and also, perhaps, because they are deliberately cheapened for a price advantage. To all this competition the manufacturer of the superior food cannot object, no matter how severe it is, since it is simply the normal working of the competitive system ordained by public policy. He can only object to this competition, if and to the extent it is unfairly pursued. And against unfair competition he has a twofold protection. It is first the legal protection given by the common law, the Federal Trade Commission Act and the other applicable statutes. An essential protection of great value. It is second the practical protection given by the privacy of his formula and process and by the resulting fact that the label of his product contains no identifying composition statement which can be copied by a competitive product for its successful sale as an identical product, which is his greatest protection against unfair competition. For the absence of any composition statement upon the label of his product places the burden upon the manufacturer of a different and inferior product to otherwise prove its identity and to otherwise promote its sale. Which first stated proof is difficult, if not impossible, to establish.

This is the present state of competition by and against a superior food of private formula into which the compulsory ingredient-disclosure requirement in question enters. And that state it completely reverses. For it places the competing manufacturer of an inferior food in the position where he now, for the first time, can easily and successfully represent his product as identical to the superior one by the simple and inexpensive device of an identical label-ingredient statement and any readjustment of composition accordingly; a statement that is apparently conclusive of such identity to the dealer and consumer, and one that has the sanction of law; a position which the unscrupulous manufacturer can and will exploit to the limit. And the burden is now shifted back to the manufacturer of the superior food to prove its superiority in the face of a comparative label statement directly to the contrary, supported by a price advantage. Manifestly this situation is grossly unfair to him, because it exposes him to the misappropriation of his product and market. And in such a situation there can be no doubt that he has lost the trade value of his private formula, in its competitive conception; that he is made subject to the injuriously unfair competition of deceptive product simulation and the successful palming off of competitive products as identical to his own, which they are not. And it is because of these detrimental trade consequences that the manufacturers of superior food of private formula have not voluntarily disclosed its composition upon its label, as they are naturally disposed to do; that for 150 years and more the Federal law has not required them to make this disclosure; that for 25 years and more this act has expressly provided in section 8 that he is not required to do so. For that section provides that "nothing in this act shall be construed as requiring proprietors or manufacturers of proprietary foods which contain no unwholesome added ingredient to disclose their trade formulas, except insofar as the provisions of this act may require to secure freedom from adulteration or misbranding."

In short, whatever may be said for this requirement the fact remains that it is practically potential and effective for injurious consumer deception and injurious unfair competition; that it works against the rightful interest of the best manufacturers of the finest food, to their detriment, and plays into the hands of unscrupulous manufacturers, to their benefit; that it is fundamentally an influence against food improvement by private formula and an incentive for food manipulation and debasement under a deceptive label; and that it is not necessary to effectuate the basic purposes of this act. It is too plain for argument that such a requirement has no proper place in an act designed to prevent consumer deception and unfair competition. Only an imperative public health reason, outweighing the consequences stated, could justify this requirement. And that reason does not exist. For this requirement does not present the question of injurious ingredients which the act elsewhere condemns.

It is no answer to say that this act is directed to primarily protect the consumer, rather than the manufacturer. For this requirement actually operates to deceive the consumer and this act was never intended to injure honest and better food manufacturers because they produce superior food. It is no answer to say that this requirement does not compel the disclosure of ingredient percentages or the specific names of spices, flavors and colorings. For its stated injurious consequences remain.

3. This requirement is also injuriously and grossly unfair to the manufacturer of a new food originated by him and made under a private formula, a food valuable to the public and successful accordingly, for the reasons stated in the preceding paragraphs. The situation described there, as to a superior food, is essentially that presented here, as to an original food. A successful original food invariably provokes imitative reproduction. And the greater its success the more its imitation. Against this imitative competition the manufacturer has two protections. One is legal and the other is practical. The legal protection is the law against unfair competition. The practical protection is the privacy of his formula and the resulting fact that the label of his product contains no identifying ingredient statement. This fact is his greatest protection against such competition. And that protection this requirement is practically effective to destroy. For once an original food bears a label ingredient statement identifying it, its exclusive product identity is gone. Because an imitation product can immediately copy that statement and thereby successfully represent itself as an identical product. In which event the original product has practically lost the trade value of its private formula, from a competitive standpoint, and it is left exposed to the injuriously unfair competition hereinbefore described.

4. This requirement is also injuriously and grossly unfair to the manufacturer of food sold under a standard name known to every housewife, which substantially identifies such food to her. For as to such food it is unnecessary, and therefore it needlessly exposes the manufacturer to the injurious consequences hereinbefore described.

5. This requirement is also injuriously and grossly unfair to the manufacturer of food only temporarily subject to it. Such food is that sold under a common or usual name and therefore includes nearly all food. For definitions and standards of identity will be established with respect of all food sold under such a name and they will exempt it from this requirement. To compel manufacturers to temporarily comply with a requirement which seriously injures them is neither sound public policy nor fair play. To impose upon the food-manufacturing industry the expense of a purely temporary label revision is likewise neither sound public policy nor fair play. That expense will amount to $150,000 for one manufacturer alone as to each revision, or $300,000 for the original and return revision. Its aggregate amount will run into millions. This expense will increase the necessitous cost of living accordingly. And because it is unnecessary such increase is unjustified.

III

1. This requirement is potential and effective for serious injury to the consuming public—an injury inherent in it and certain by reason of its described trade abuse, for it permits, encourages, supports, and validates a food-label statement which, while technically true, is actually false and deceptive in its practical operation—a statement which is a half truth amounting to a lie, that is, an identical label-composition statement for nonidentical food. It has been shown that such a statement for such food is practicable with respect of competing food, and easily accomplished; that all the natural and unnatural forces of competition irresistibly work for such a statement with respect of inferior and imitative food; and that such a statement can and will be abused by an unscrupulous manufacturer. It is indisputable that an identical label-composition statement for competing food represents their product identity to the consumer and is prima facie evidence thereof; that the average consumer will be inclined to

accept such an identical statement as sufficient evidence of product identity, especially when backed by a lower price permitted by a cheaper composition; that such a statement is deceptive to the consumer who is thereby induced to purchase one food as identical to another, which it is not. And this deception results in an economic injury, if and to the extent the food purchased by reason of it is inferior; and in such a case it may also result in serious injury to health. Clearly a requirement having these consequences has no proper place in an act designed to safeguard health and to prevent trade deceit. And it is no answer to say that the act elsewhere prohibits a label representation which, while literally true, is actually deceptive, for compliance with this requirement is compulsory under the act.

2. Moreover this requirement will unnecessarily increase the cost of food to the consuming public, if and to the extent it compels the expense of a temporary label revision. This situation has been explained; and the large amount of such expense has been indicated. Whatever its amount the consumer is certain to pay it, since the price will include it.

3. Furthermore, this requirement will impose another large and unnecessary expense upon the consuming public by preventing the manufacturing practice now described. It is the practice of certain ingredient variation required by a fluctuating ingredient cost differential. It is a normal manufacturing practice customarily pursued with respect of particular food subject thereto. It is a legitimate practice, because it involves no change in the identity or character of the food affected. It is a necessary practice, because it is required to maintain the lowest manufacturing cost and the lowest price accordingly. An example of this practice is the substitution of one shortening material, such as lard, for another in a bakery product, caused by the fluctuating market price of the available shortening material and the resulting variable price differential. By this substitution one manufacturer alone saves $150,000 a year in production cost. The total saving from this practice runs into millions. And such practice this requirement is effective to prevent. For it compels the label disclosure of each ingredient, except as to spices, flavors, and colorings, described by its common or usual name. Therefore, lard would have to be described by that name. And since the manufacturer must practically use a standard label and since he cannot practically change the label of his product, every time he makes such a change in its composition he will be compelled to desist from this practice. Section 7 (f) recognizes this practice and undertakes to provide a remedy. But it fails to do so. For it provides that to the extent compliance with this requirement is impracticable because of normal variations in ingredients or their quantities, used in good manufacturing or packing practice, reasonable variations from the stated order of such ingredients shall be permitted by regulation. Therefore, reasonable variations from the stated list of ingredients is not permitted.

IV

1. The argument for this requirement is fallacious. The first argument is that the requirement is essential to inform the consumer of commercial food composition (Com. Rep. 11). In the first place this argument implies that the requirement will have a general application to food. Whereas it will not. For ultimately it will not apply to food sold under a common or usual name, and nearly all food is in that category. Therefore at most the requirement will then apply only to relatively few foods. In the second place, this argument implies that the requirement will result in a composition disclosure enabling the consumer to intelligently determine the composition and character of food, actually and relatively. Whereas it will not, to a large extent. It will not do so with respect of ingredients which are spices, flavors, and colorings, because they may be generally described as such. It will not do so with respect of ingredient proportions, because they need not be disclosed. It will not do so with respect of food for which a composition statement is either meaningless or confusing. For example: In the case of a small food containing from 15 to 20 ingredients. Or in the case of a well-known food which may comply with this requirement by a declaration reading: "Water, sugar, spices, and flavors." A declaration that utterly fails to indicate its value and is derogatory to it. Moreover, as previously shown, compliance with this requirement may not disclose the identity, character, or value of food; and, on the contrary, it may be used to misrepresent food. Consequently, whatever informative value the requirement may have it will be relatively small. And that value is offset by the injurious consequences stated.

2. The second argument is that this requirement is necessary to discourage the use of a proprietary name for cheap food in order to sell it at an exorbitant price (Com. Rep. 12). In the first place, this argument assumes that all food sold under a proprietary name has a cheap composition and is sold at an exorbitant price. Whereas that is not so. In the second place it also assumes that this requirement will actually discourage the use of a proprietary name for food. Whereas the pertinent facts indicate to the contrary. In the third place, the committee report contains no statement of established facts upon which to base this argument. In the fourth place, it is a wholly price argument in a purely economic conception; whereas the act has nothing to do with price in that conception. If it did, this requirement would have long since been in it; and this requirement would also apply to drugs and cosmetics, which it does not. What and all the act is purposed to do is to prevent product adulteration and misstatement in sale. And if a food is not objectionable in either of these respects it fully satisfies that purpose. Moreover, this argument is met by the fact that the requirement is potential for injurious consequences which condemn it.

3. The third argument is that this requirement is necessary to safeguard public health with respect of allergy. (Com. Rep. 12.) That is, to protect persons who are hypersensitive to a certain substance, which is injurious to them notwithstanding it is normally harmless, by informing them of its presence in food. This is a novel argument in food law annals. And it is open to several answers. In the first place, this protection will be extremely limited, because the requirement will ultimately apply only to a relatively few proprietary foods. To what extent these foods are open to allergic objection is unknown. An inquiry to some prominent proprietary food manufacturers discloses no allergic experience. In the second place, this protection will not extend to ingredients which are spices, flavors, and colorings, because they may be generally named. In the third place, this argument is met by the fact that the requirement is potential for injurious economic and health consequences which condemn it. Finally, if this argument is sound, why is it that drugs and cosmetics are not made subject to a similar requirement? For it would be equally justified as to them.

4. The last argument is that proprietary foods of valuable composition will be benefited by this requirement (Com. Rep. 12), whereas the fact is that it will result in their injury, for the reasons previously explained.

AMENDMENT NO. 9. DEFINITIONS AND STANDARDS FOR FOOD

Section 11, page 18, lines 8–15: Revise this section to read (the amendment is in italic):

"SEC. 11. For the effectuation of the purposes of this act, the Secretary is hereby authorized to promulgate regulations, as provided by section 22, fixing and establishing for any food *having a common name*, a *reasonable* definition and standard of identity, and a reasonable standard of quality and fill of container: *Provided*, That no standards of quality shall be established for fresh foods and fresh vegetables."

Supporting statement

1. As now drawn section 11 authorizes the Secretary of Agriculture to establish a definition and standards of identity, quality, and fill of container for any food. This amendment is effective, first, to confine that authority to food having a common name, which is a name of common use. And therefore to confine it to common food as distinguished from proprietary food. For without this amendment that authority may be used to unjustly deprive the manufacturer of his valuable business asset of a private formula, to which he fairly has a proprietary right, as previously shown. Moreover, the amendment is not derogatory to the consuming public, because (a) proprietary food is otherwise required by the act to be pure and truthfully sold; (b) no food having a common name can escape section 11 by assuming a proprietary name; (c) section 7 (c) requires any food which purports to be or which is represented as a food for which a definition and standard of identity have been established under section 11 to conform thereto and to be labeled with the name prescribed therein; and (d) section 7 (a) prohibits any misleading fill of container. In short, proprietary food necessarily establishes its own definition and standards; to subject it to this authority is unjustly injurious to the manufacturer; and that is unnecessary, because the act otherwise thoroughly protects the consuming public with respect of such food. The definitions and standards for food heretofore established to enforce this act and all pure-food laws have always been confined to food having a common name. And there is no sound reason for departing from that policy.

2. As now drawn section 11 provides that the authorized standards of quality and fill of container shall be reasonable. This amendment is effective, next and simply, to insert the same provision as to the authorized definitions and standards of identity. They, of course, must also be reasonable. And therefore the section should likewise so provide.

AMENDMENT NO. 10. ADMINISTRATIVE BOARD OF REVIEW

Section 15, pages 22–24: Add at the end, after line 3, on page 24, the following new paragraph:

"(d) If an administrative hearing, prescribed by paragraph (c) of this section, results in a finding that the respondent thereto has violated this act, then said respondent shall have the right of a review of such finding by the board created by this paragraph, as and to the extent herein provided. An administrative board of review is hereby created and vested with the necessary jurisdiction, for the purposes of this paragraph. The board shall be composed of five members, who shall be appointed by the President. Not more than three members of the board shall be members of the same political party. The terms of office of members of the board shall be 5 years: *Provided*, That the terms of office of the members first appointed shall expire at the end of 1, 2, 3, 4, and 5 years, respectively, as the President shall designate. The President shall prescribe the extent of the board's power of review, under this paragraph, and any necessary limitations upon such power and the procedure of its exercise, by regulations promulgated by him. The decision of the board that a respondent has not violated this act shall be binding upon the Secretary under this act: *Provided*, That the several district courts of the United States shall have jurisdiction to review such decision and to modify or reverse it, upon application by the Secretary. The board shall annually choose a chairman from its own membership. A majority vote shall prevail upon any motion before or upon any decision by the board."

Supporting statement

1. Section 15 (c) requires an administrative hearing upon an apparent violation of the act, before the Secretary of Agriculture reports it for a criminal prosecution. If the hearing results in a finding adverse to the respondent, he is subject to immediate prosecution upon the basis of that finding; and this amendment is effective to provide for an administrative review of a finding open to fair question as to its validity.

2. The amendment is designed to establish a plan whereby a manufacturer or advertiser may secure an impartial administrative review of an administrative finding that he has violated this act, which he believes to be erroneous and which, in fact, is of doubtful legal sanction, before he is compelled to face a criminal prosecution (with all that it implies) upon the basis of that finding. The amendment is a reasonable, just, and necessary part of the revised act, because of its extension into the broad field of advertising. Advertising goes far beyond a label, to which alone the act now applies. For it involves a boundless and continuously changing sales appeal, largely opinion in character; whereas a label is static as a rule and contains a strictly limited product declaration; and the administration of a broad advertising law, such as this, presents an infinite number of difficult and close questions of construction, which are puzzling to the best experts and which are open to honest difference of opinion and subject to honest opposite answer. It is certain that the administrative answer will be sometimes wrong; and in plain justice the advertiser should have a reasonable opportunity to correct an administrative answer, which may be fairly said to be wrong, before he is dragged into a criminal prosecution and publicly branded as a false advertiser upon the basis of that answer.

3. This amendment must be appraised in the light of the facts pertinent to it. The first fact is that the administrative hearing presents the first and only opportunity which the respondent now has to establish his innocence of the charge of violation against him in avoidance of a criminal prosecution. If the hearing results in a finding adverse to him, then he is subject to immediate prosecution, notwithstanding that finding may be wrong. The second fact is that upon the hearing the finding is ultimately made by a single administrative officer, who acts as prosecuting attorney, judge, and jury combined in one in an administrative sense. And his finding is practically conclusive. Nominally that officer is the Secretary of Agriculture. Actually it is the Chief of the Food and Drug Administration. The third fact is that however able that officer may be, his finding is certain to be erroneous on numerous occasions, especially in the broad and doubtful field of advertising. He is bound to be a strict constructionist; his point of view is necessarily academic; and his judgment is not infallible. Moreover, he must largely rely upon the judgment of subordinates. The fourth fact is that this amendment is carefully drawn to prevent its abuse. In the first place, the President is explicitly directed to prescribe the board's power of review, to place any necessary restrictions upon it, and to define the procedure of its exercise. In that situation no review will be permitted unless it is justified in the circumstances. And if it is justified in the circumstances, it ought to be allowed. In the second place, an erroneous decision by the board in favor of the respondent is subject to immediate review and reversal by any district court of the United States upon application by the Secretary. In short, this amendment is effective to reasonably protect the Secretary and the food, drug, and cosmetic industries from an injurious misadministration of the act by a plan duly safeguarded against its misuse.

4. The arguments against this amendment are fallacious. The first argument is that because the present act contains no provision for an administrative board of review, the revised act should not. The answer is that the present act should contain such a provision; that, in any event and because it includes advertising, the revised act should equitably contain such a provision. The second argument is that the amendment will operate to interfere with and delay the administration of the act. The answer is that it cannot do so, because the President is directed to duly restrict its application. Hence, there will be no review that ought not to be made and only a review that ought to be made. Moreover, this review has no application whatever to the Secretary's action for a seizure or injunction proceeding, for he may institute such a proceeding without an administrative hearing. The third argument is that the advisory committee plan of section 15 (a) precludes the need of this amendment. The answer is that such plan does not provide the administrative review which this amendment is purposed and effective to secure.

AMENDMENT NO. 11. PERMIT FACTORIES

Section 12 (a), pages 18–19: Amend this paragraph in the following respects:

First. Strike out the word "adequately" in line 21 of page 18.

Second. Insert between "merce" and the following comma, in line 23 of page 18, the words "and the act cannot be otherwise enforced with respect of such articles."

Third. Add, in line 3 of page 19, the following new sentence: "The several district courts of the United States are hereby vested with jurisdiction to determine whether any administrative use of this paragraph is authorized by it, upon application by any person affected thereby."

Supporting statement

1. Section 12 (a) empowers the Secretary of Agriculture to place the manufacture of any class of food, drugs, or cosmetics under complete Government permit control, whenever he finds that, by reason of conditions surrounding their manufacture, interstate commerce in such articles may be injurious to health and their injurious nature cannot be adequately determined after they enter such commerce. The drastic and discretionary character of this power requires no explanatory comment.

2. The amendment is effective, first, to modify this power by providing that it may be exercised only (a) if the injurious nature of such articles cannot be determined after they enter interstate commerce; and (b) if the act cannot be otherwise enforced with respect of such articles. These are reasonable conditions. For if the injurious nature of such articles can be determined after they enter interstate commerce and the act can be otherwise enforced with respect of such articles, then this power should not be exercised. Moreover, unless this amendment is made the Secretary may exercise this power to place any and all food, drug, or cosmetic manufacture under his complete control. For there is nothing in section 12 (a), as now drawn, which prevents him from finding that any class of such manufacture may be injurious to health by reason of manufacturing conditions and that its injurious nature cannot be adequately determined after entry into interstate commerce. As to drugs, he may make this finding upon the basis of uncertainty of necessary scientific control. As to food and cosmetics, upon the basis of uncertainty of sanitary control.

3. The amendment is effective, next, to provide the right of a court review of an administrative use of section 12 (a), which is deemed unwarranted and prejudicial. The right conferred by section 23 does not extend to the heart of section 12 (a).

AMENDMENT NO. 12. FACTORY INSPECTION

Section 13 (b), pages 20–21, add at the end of line 6, on page 21, the following new sentence:

"No injunction shall be issued pursuant to this paragraph unless (1) the denied inspection is shown to be necessary for the administration of this act, and (2) such injunction provides against an unwarranted inspection or disclosure of a private formula or a secret process."

Supporting statement

1. Section 13 (b) empowers any district court of the United States to enjoin, temporarily or permanently, all interstate commerce in any food, drug, or cosmetic with respect of which an official factory inspection is denied, "after reasonable request" therefor. The breadth and drastic character of this power requires no explanatory comment. It suffices to note that the term "reasonable request" remains undefined.

2. This amendment is effective to prescribe two conditions of such an injunction: The first condition is that it shall not be issued unless the denied inspection is shown to be necessary for the administration of the act. This is a reasonable condition necessary to prevent an inspection abuse. The second condition is that the injunction shall provide against an unwarranted inspection or disclosure of a private formula or a secret process. This is also a reasonable condition necessary to protect the manufacturer accordingly, which protection section 17 (g) supplements.

AMENDMENT NO. 13. SEIZURE PROCEEDING

Section 16, pages 24–26, amend this section in the following respects:

First. Strike out the words "or at any time thereafter" in line 12 of page 24.

Second. Strike out "(1)" in line 15 of page 24; substitute a period for the comma after "libel" in line 16 of page 24 and strike out the remainder of this paragraph; strike out paragraph (b) in lines 4–11 of page 25; substitute "(b)" for "(c)" in line 12 of page 25; substitute "(c)" for "(d)" in line 15 of page 25; substitute "(d)" for "(e)" in line 13 of page 26; substitute "(e)" for "(f)" in line 17 of page 26.

Supporting statement

1. Section 16 provides that a food, drug, or cosmetic in interstate commerce that is adulterated or misbranded, etc., shall be liable to be proceeded against "while in interstate commerce or at any time thereafter", by process pursuant to libel. This amendment is, first, to strike out the words "or at any time thereafter." Unless this amendment is made section 16 expressly authorizes the seizure of a food, drug, or cosmetic after it has passed from interstate into intrastate commerce. And because and to the extent it does so this section plainly violates the Constitution of the United States and is void.

2. This amendment is effective, next, to strike out the provisions of section 16 authorizing the seizure of an apparently adulterated or misbranded food, drug, or cosmetic, upon the basis of a purely administrative order issued without court sanction. Upon this amendment the section will authorize such a seizure only when approved by the court in pursuance of a libel proceeding. This the present and indicated state of the act.

AMENDMENT NO. 14. LIABILITY OF CORPORATION AGENT

Section 18 (b), page 31, lines 17–22: Revise this paragraph to read (the amendment is italic)—

"Whenever a corporation or association violates any of the provisions of this act, such violation shall also be deemed to be a violation of the individual directors, officers, or agents of such corporation or association who personally ordered, or *knowingly* did any of the acts constituting, in whole or in part, such violation."

Supporting statement

1. This amendment is required to protect an employee of a corporation from liability for its violation of this act, with respect of action he was ordered and therefore was required to take and

the illegality of which he does not and cannot know. To hold him liable under such circumstances is grossly unjust.

2. In illustration: The foreman of a factory printing department orders an employee therein to print a new label according to the copy given to him. Such employee did not prepare the label; he knows nothing about its legality; and he is not positioned to secure that knowledge. His job is simply to operate the printing press and if he declines to do so he is subject to discharge. It subsequently develops that the label violates the act and the corporation is successfully prosecuted accordingly. Under section 18 (b), as now drawn, this employee would be equally liable for such violation. And that is plainly a wrong state of the law.

ANNEX

1. The officers of the Associated Grocery Manufacturers of America, Inc., are Paul S. Willis, New York, N.Y., president; B. E. Snyder, R. B. Davis Co., Hoboken, N.J., first vice president; R. L. James, Libby, McNeill & Libby, Chicago, Ill., second vice president; R. W. Snow, Canada Dry Ginger Ale, Inc., New York, N.Y., third vice president; H. D. Crippen, Bon Ami Co., New York, N.Y., treasurer; Charles Wesley Dunn, New York, N.Y., general counsel.

2. The directors of the Associated Grocery Manufacturers of America, Inc., are W. C. Arkell, Beech-Nut Packing Co., Canajoharie, N.Y.; W. R. Barry, Gold Medal Foods, Inc., of General Mills, Inc., Minneapolis, Minn.; C. F. Baumgart, Kellogg Co., Battle Creek, Mich.; J. F. Brownlee, General Foods Corporation, New York, N.Y.; D. F. Bull, Cream of Wheat Co., Minneapolis, Minn.; C. L. Connor, Wheatena Corporation, Rahway, N.J.; H. R. Drackett, the Drackett Co., Cincinnati, Ohio; L. J. Gumpert, B. T. Babbitt, Inc., New York, N.Y.; F. A. Harding, Wm. Underwood Co., Watertown, Mass.; P. G. Kinzer, Carnation Co., Milwaukee, Wis.; James Knox, Chas. B. Knox Gelatine Co., Johnstown, N.Y.; John H. Kraft, Kraft-Phenix Cheese Corporation, Chicago, Ill.; W. F. Mohan, Scott Paper Co., Chester, Pa.; H. J. Mountrey, Borden Co., New York, N.Y.; Henry Mueller, C. F. Mueller Co., Jersey City, N.J.; W. T. Nardin, Pet Milk Co., St. Louis, Mo.; D. F. Norton, Nestle's Milk Products, Inc., New York, N.Y.; T. J. Reynolds, the Diamond Match Co., New York, N.Y.; J. P. Spang, Jr., Swift & Co., Chicago, Ill.; R. Douglas Stuart, the Quaker Oats Co., Chicago, Ill.; Ralph S. Stubbs, American Sugar Refining Co., New York, N.Y.

3. The membership of the Associated Grocery Manufacturers of America, Inc., includes:

California: California Animal Products Co., Oakland; California Packing Corporation, San Francisco; Jell Well Dessert Co., Ltd., Los Angeles; Los Angeles Soap Co., Los Angeles.

Connecticut: C. B. Dolge Co., Westport; G. F. Heublein & Bro., Hartford.

Delaware: Richardson & Robbins, Dover.

Illinois: Angelus-Campfire Co., Chicago; the John B. Canepa Co., Chicago; Champion Chemical Works, Chicago; Colgate-Palmolive-Peet Co., Chicago; College Inn Food Products Co., Chicago; Fitzpatrick Bros., Inc., Chicago; Fortune-Zerega Co., Chicago; Kitchen Art Foods, Inc., Chicago; Kraft-Phenix Cheese Corporation, Chicago; Libby, McNeill & Libby, Chicago; Northwestern Yeast Co., Chicago; Pennsylvania Salt Manufacturing Co., Chicago; Price Flavoring Extract Co., Chicago; the John Puhl Products Co., Chicago; the Quaker Oats Co., Chicago; the Shotwell Manufacturing Co., Chicago; the S.O.S. Co., Chicago; Staley Sales Corporation, Decatur; Stein Hall Manufacturing Co., Chicago; Swift & Co., Chicago; Tenderoni, Inc., Joliet.

Indiana: The Indiana Condensed Milk Co., Indianapolis; Little Crow Milling Co., Inc., Warsaw.

Iowa: American Pop Corn Co., Sioux City; Robb-Ross Co., Sioux City.

Maine: Burnham & Morrill Co., Portland.

Maryland: Cloverdale Spring Co., Baltimore; Crosse & Blackwell, Inc., Baltimore; Fruit Puddine Co., Baltimore; McCormick & Co., Inc., Baltimore; Sea Gull Specialty Co., Baltimore.

Massachusetts: Bakers Extract Co., Springfield; Boston Food Products Co., Boston; Joseph Burnett Co., Boston; Dwinell-Wright Co., Boston; Gorton-Pew Fisheries Co., Gloucester; C. M. Kimball Co., Everett; Lever Bros. Co., Cambridge; Sawyer Crystal Blue Co., Boston; D. & L. Slade Co., Boston; Wm. Underwood Co., Watertown.

Michigan: The J. B. Ford Co., Wyandotte; Gerber Products Division, Fremont Canning Co., Fremont; Kellogg Co., Battle Creek; LaChoy Food Products, Inc., Detroit; McKenzie Milling Co., Quincy.

Minnesota: Airy Fairy Foods, Inc., Minneapolis; The Cream of Wheat Corporation, Minneapolis; The Creamette Co., Minneapolis; Luther Ford & Co., Minneapolis; General Mills, Inc., Minneapolis; The Hilex Co., Inc., St. Paul; Geo. A. Hormel & Co., Austin; Pillsbury Flour Mills Co., Minneapolis; Sanitary Food Manufacturing Co., St. Paul.

Missouri: F. B. Chamberlain Co., St. Louis; Faultless Starch Co., Kansas City; Loose-Wiles Biscuit Co., Kansas City; Pet Milk Co., St. Louis; Ralston Purina Co., St. Louis.

Nebraska: Skinner Manufacturing Co., Omaha.

New Jersey: J. W. Beardsley's Sons, Newark; Edgar Brick & Son, Crosswicks; H. C. Brill Co., Inc., Newark; Campbell Sales Co., Camden; R. B. Davis Co., Hoboken; Dif Corporation, Garwood; Flako Products Corporation, New Brunswick; Thomas J. Lipton, Inc., Hoboken; Mechling Bros. Chemical Co., Camden; Metal Textile Corporation, Orange; C. F. Mueller Co., Jersey City; Paas Dye Co., Newark; G. Washington Coffee Refining Co., Morris Plains; The Wheatena Corporation, Rahway.

New York: American Kitchen Products Co., New York; American Maize Products Co., New York; the American Sugar Refining Co., New York; B. T. Babbitt, Inc., New York; Beech-Nut Packing Co., Canajoharie; Bon Ami Co., New York; the Borden Co., New York; Brillo Manufacturing Co., Inc., Brooklyn; Edward & John Burke, Ltd., Long Island City; Canada Dry Ginger Ale, Inc., New York; Church & Dwight Co., Inc., New York; Comet Rice Co., New York; Corn Products Refining Co., New York; Dannemiller Coffee Co., New York; the Diamond Match Co., New York; Duffy-Mott Co., Inc., New York; Durkee Famous Foods, Inc., Elmhurst; estate of Edward Pritchard, New York; Far Eastern Manufacturing Co., Inc., Brooklyn; Fred Fear & Co., Brooklyn; General Foods Corporation, New York; Good Luck Food Co., Inc., Rochester; Christian Hansen's Laboratory, Inc., Little Falls; Hecker H-O Co., Inc., Buffalo; the Hills Bros. Co., New York; Chas. B. Knox Gelatine Co., Johnstown; Lea & Perrins, New York; Liebig Products Co., Inc., New York; Enoch Morgan's Sons Co., New York; My-T-Fine Corporation, Brooklyn; National Biscuit Co., New York; the National Sugar Refining Co. of New Jersey, New York; Nestle's Milk Products, Inc., New York; Oakite Products, Inc., New York; Pal Products Co., Brooklyn; Park Tissue Mills, New York; Parsons Ammonia Co., Inc., New York; Penick & Ford Sales Co., New York; Pure Food Factory "Hansa", Mamaroneck; Runkel Bros., Inc., New York; J. Hungerford Smith Co., Rochester; Southern Rice Sales Co., Inc., New York; Standard Brands, Inc., New York; Teco Foods, Inc., Cortland; Joseph Talley & Co., Inc., New York; C. J. Van Houten & Zoon, Inc., New York; the Wayne County Produce Co., Brooklyn; the Welch Grape Juice Co., Westfield; Wilbert Products Co., Inc., New York; Wood & Selick, Inc., New York; Worcester Salt Co., New York; Yeasties Products Corporation, New York; A. Zerega's Sons, Inc., Brooklyn; Virginia Dare Extract Co., Inc., Brooklyn.

Ohio: The Climaline Co., Canton; The Colonial Salt Co., Akron; The Drackett Products Co., Cincinnati; The Frank Tea & Spice Co., Cincinnati; The Harbauer Co., Toledo; The Heekin Co., Cincinnati; The Hygienic Products Co., Canton; The Ohio Match Co., Wadsworth; The Palmer Match Co., Akron; The Procter & Gamble Co., Cincinnati; Snow King Baking Powder Co., Cincinnati; The Union Salt Co., Cleveland; The Zanol Products Co., Cincinnati.

Pennsylvania: P. Duff & Sons, Inc., Pittsburgh; The Franklin Sugar Refining Co., Philadelphia; Jersey Cereal Co., Cereal; Keystone Macaroni Manufacturing Co., Lebanon; The W. J. McCahan Sugar Refining & Molasses Co., Philadelphia; Scott Paper Co., Chester; F. G. Vogt & Sons, Inc., Philadelphia; Stephen Whitman & Son, Inc., Philadelphia.

Rhode Island: Rumford Chemical Works, East Providence.

Texas: Gebhardt Chili Powder Co., San Antonio; Walker's Austex Chili Co., Austin.

Vermont: Malted Cereals Co., Burlington.

Virginia: The Cobb Manufacturing Co., Inc., Richmond; Larus & Bro. Co., Inc., Richmond; Rich Maid Manufacturing Co., Inc., Richmond.

Washington: Roman Meal Co., Tacoma.

West Virginia: The Bloch Bros. Tobacco Co., Wheeling.

Wisconsin: Carnation Co., Milwaukee.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 12 minutes p.m.) the Senate took a recess until tomorrow, Friday, April 27, 1934, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 26, 1934

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. PARSONS.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

O Thou, who coverest Thyself with light as with a garment, so fill us with Thy radiant Spirit that we may see and magnify the good in the lives of others. May we honor it; may we rejoice in it and try to imitate it. Teach us, Heavenly Father, however turbulent outward conditions may be, to maintain inward calm. O ever keep us conscious of our birthright as Thy children, that our actions and purposes may be filial, fraternal, and loyal to Thee. This day may we so put our trust in Thy fatherhood that old hurts will be relieved, anxious forebodings will be dispelled, self-assurance will be merged into the Divine will, and self-direction will yield to Thy leadership, and Thine shall be the praise forever. In the name of Jesus, our Savior, we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 191. An act for the relief of William K. Lovett;

H.R. 210. An act for the relief of Anne B. Slocum;

H.R. 232. An act for the relief of Anna Marie Sanford;

H.R. 233. An act for the relief of Florence Hudgins Lindsay and Elizabeth Lindsay;

H.R. 264. An act for the relief of Marguerite Ciscoe;

H.R. 323. An act for the relief of Harvey M. Hunter;

H.R. 408. An act for the relief of William J. Nowinski;

H.R. 470. An act for the relief of the city of Glendale, Calif.;

H.R. 507. An act for the relief of John Thomas Simpkin;

H.R. 520. An act for the relief of Ward A. Jefferson;

H.R. 526. An act for the relief of Arthur K. Finney;

H.R. 666. An act for the relief of Charles W. Dworack;

H.R. 719. An act for the relief of Willard B. Hall;

H.R. 768. An act for the relief of William E. Bosworth;

H.R. 879. An act for the relief of John H. Mehrle;

H.R. 880. An act for the relief of Daisy M. Avery;

H.R. 909. An act for the relief of Elbert L. Grove;

H.R. 1301. An act for the relief of M. Aileen Offerman;

H.R. 1362. An act for the relief of Edna B. Wylie;

H.R. 1398. An act for the relief of Lewis E. Green;

H.R. 1404. An act for the relief of John C. McCann;

H.R. 1418. An act for the relief of W. C. Garber;

H.R. 2040. An act for the relief of P. Jean des Garennes;

H.R. 2041. An act for the relief of Irwin D. Coyle;

H.R. 2074. An act for the relief of Harvey Collins;

H.R. 2169. An act for the relief of Edward V. Bryant;

H.R. 2337. An act for the relief of Harry L. Haberkorn;

H.R. 2512. An act for the relief of John Moore;

H.R. 2818. An act for the relief of Katherine G. Taylor;

H.R. 3542. An act to authorize the Secretary of the Navy to dedicate to the city of Philadelphia, for street purposes, a tract of land situate in the city of Philadelphia and State of Pennsylvania;

H.R. 4423. An act for the relief of Wilbur Rogers;

H.R. 4542. An act for the relief of Frank Wilkins;

H.R. 4609. An act for the relief of Augustus Thompson;

H.R. 4784. An act to reimburse Gottleib Stock for losses of real and personal property by fire caused by the negligence of two prohibition agents;

H.R. 4792. An act to authorize and direct the Comptroller General to settle and allow the claim of Harden F. Taylor for services rendered to the Bureau of Fisheries;

H.R. 4959. An act for the relief of Mary Josephine Lobert;

H.R. 5397. An act to authorize the exchange of the use of certain Government land within the Carlsbad Caverns National Park for certain privately owned land therein;

H.R. 5936. An act for the relief of Gale A. Lee;

H.R. 6166. An act providing for payment of $25 to each enrolled Chippewa Indian of Minnesota from the funds standing to their credit in the Treasury of the United States;

H.R. 6638. An act for the relief of the Monumental Stevedore Co.;

H.R. 6676. An act to require postmasters to account for money collected on mail delivered at their respective offices;

H.R. 6690. An act for the relief of certain officers of the Dental Corps of the United States Navy;

H.R. 6862. An act for the relief of Martha Edwards;

H.R. 7060. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River near The Dalles, Oreg.;

H.R. 7200. An act to provide for the addition of certain lands to the Chickamauga and Chattanooga National Military Park in the States of Tennessee and Georgia;

H.R. 7425. An act for the inclusion of certain lands in the national forests in the State of Idaho, and for other purposes;

H.R. 7488. An act authorizing the Secretary of Commerce to acquire a site for a lighthouse depot at New Orleans, La., and for other purposes;

H.R. 7748. An act regulating procedure in criminal cases in the courts of the United States;

H.R. 7801. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at or near The Dalles, Oreg.;

H.R. 7803. An act authorizing the city of East St. Louis, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.;

H.R. 8040. An act granting the consent of Congress to the Iowa State Highway Commission and the Missouri Highway Department to maintain a free bridge already constructed across the Des Moines River near the city of Keokuk, Iowa;

H.R. 8237. An act to legalize a bridge across Black River at or near Pocahontas, Ark.;

H.R. 8429. An act to revive and reenact the act entitled "An act authorizing D. S. Prentiss, R. A. Salladay, Syl F. Histed, William M. Turner, and John H. Rahilly, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near the town of New Boston, Ill.", approved March 3, 1931;

H.R. 8438. An act to legalize a bridge across St. Francis River at or near Lake City, Ark.;

H.R. 8477. An act authorizing the State Road Commission of West Virginia to construct, maintain, and operate a toll bridge across the Potomac River at or near Shepherdstown, Jefferson County, W.Va.;

H.R. 8516. An act granting the consent of Congress to the Mississippi Highway Commission to construct, maintain, and operate a free highway bridge across the Pearl River in the State of Mississippi;

H.R. 8834. An act authorizing the owners of Cut-Off Island, Posey County, Ind., to construct, maintain, and operate a free highway bridge or causeway across the old channel of the Wabash River;

H.R. 8853. An act to extend the time for the construction of a bridge across the Wabash River at a point in Sullivan County, Ind., to a point opposite on the Illinois shore; 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 also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 211. An act for the relief of John A. Rapelye;

H.R. 276. An act to authorize the placing of a bronze tablet bearing a replica of the Congressional Medal of Honor upon the grave of the late Brig. Gen. Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, Va.;

H.R. 328. An act for the relief of E. W. Gillespie;

H.R. 473. An act for the relief of Irene Brand Alper;

H.R. 916. An act for the relief of C. A. Dickson;

H.R. 1197. An act for the relief of Glenna F. Kelley;

H.R. 1211. An act for the relief of R. Gilbertsen;

H.R. 1212. An act for the relief of Marie Toenberg;

H.R. 2439. An act for the relief of William G. Burress, deceased;

H.R. 3845. An act to amend section 198 of the act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916;

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

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

H.R. 7356. An act to provide, in case of the disability of senior circuit judges, for the exercise of their powers and the performance of their duties by the other circuit judges.

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

S. 99. An act for the relief of Francis Gerrity;

S. 113. An act for the relief of Hans Dahl;

S. 164. An act for the relief of Joseph Gould;

S. 236. An act to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash.;

S. 250. An act for the relief of Fred Herrick;

S. 309. An act for the relief of Willard Heath Mitchell;

S. 333. An act for the relief of Clarence Leroy Witham;

S. 367. An act for the relief of Hugh Flaherty;

S. 379. An act for the relief of Frederick G. Barker;

S. 380. An act 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;

S. 417. An act for the relief of Marino Ambrogi;

S. 426. An act for the relief of Robert H. Wilder;

S. 427. An act for the relief of Edgar Joseph Casey;

S. 618. An act to amend the act of May 25, 1926, entitled "An act to provide for the establishment of the Mammoth Cave National Park in the State of Kentucky, and for other purposes";

S. 790. An act for the relief of Charles B. Arrington;

S. 819. An act for the relief of S. N. Kempton;

S. 822. An act to amend the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, with respect to the use of the mails for the shipment of certain drugs and medicines to cosmetologists and barbers;

S. 865. An act for the relief of Michael J. Budzinski;

S. 887. An act for the relief of Lucy B. Hertz and J. W. Hertz;

S. 1198. An act for the relief of Louise Fox;

S. 1214. An act for the relief of Zinsser & Co.;

S. 1231. An act for the relief of A. H. Marshall;

S. 1338. An act for the relief of John F. Patterson;

S. 1358. An act to provide for the improvement of the approach to the Confederate Cemetery, Fayetteville, Ark.;

S. 1362. An act for the relief of Uldric Thompson, Jr.;

S. 1595. An act extending the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional officers of the Regular Establishment who served during the World War;

S. 1633. An act for the relief of Emma Fein;

S. 1690. An act for the relief of the Bowers Southern Dredging Co.;

S. 1725. An act for the relief of Robert Emil Taylor;

S. 1779. An act authorizing the issuance of a special postage stamp in commemoration of the three hundredth anniversary of the founding of the Colony of Connecticut;

S. 1794. An act to authorize Vernon C. DeVotie, captain, United States Army, to accept a certain decoration tendered to him by the Colombian Government;

S. 1797. An act authorizing the removal of rock from the submarine and destroyer base reservation at Astoria (Tongue Point), Oreg.;

S. 1826. An act for expenditure of funds for cooperation with the public school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

S. 1972. An act for the relief of James W. Walters;

S. 1992. An act for the relief of Arthur R. Lewis;

S. 1998. An act for the relief of the estate of Martin Flynn;

S. 2044. An act to amend the National Defense Act of June 3, 1916, as amended;

S. 2046. An act to provide relief for disbursing officers of the Army in certain cases;

S. 2112. An act for the relief of W. H. Key and the estate of James R. Wilson;

S. 2130. An act to authorize an appropriation for the purchase of land in Wyoming for use as rifle ranges for the Army of the United States;

S. 2204. An act for the relief of James Johnson;

S. 2207. An act for the relief of Sarah Lloyd;

S. 2227. An act for the relief of Harold S. Shepardson;

S. 2367. An act for the relief of Emilie C. Davis;

S. 2431. An act for the relief of the estate of Joseph Y. Underwood;

S. 2455. An act to increase the efficiency of the Medical Corps of the Regular Army;

S. 2553. An act for the relief of the Brewer Paint & Wall Paper Co., Inc.;

S. 2623. An act to amend the act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906, as amended;

S. 2671. An act repealing certain sections of the Revised Code of Laws of the United States relating to the Indians;

S. 2674. An act to amend an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933;

S. 2681. An act authorizing the Secretary of the Navy to make available to the municipality of Aberdeen, Wash., the U.S.S. *Newport;*

S. 2692. An act relating to the record of registry of certain aliens;

S. 2720. An act for the relief of George M. Wright;

S. 2748. An act to authorize an appropriation for the reimbursement of Stelio Vassiliadis;

S. 2752. An act for the relief of the legal beneficiaries and heirs of Mrs. C. A. Toline;

S. 2794. An act to amend the Longshoremen's and Harbor Workers' Compensation Act with respect to rates of compensation, and for other purposes;

S. 2817. An act to amend the act relating to contracts and agreements under the Agricultural Adjustment Act, approved January 25, 1934;

S. 2825. An act to provide for an appropriation of $50,000 with which to make a survey of the old Indian trail known as the "Natchez Trace", with a view of constructing a national road on this route to be known as the "Natchez Trace Parkway";

S. 2864. An act for the relief of Weymouth Kirkland and Robert N. Golding;

S. 2875. An act for the relief of Margoth Olsen von Struve;

S. 2883. An act for the relief of Mike L. Sweeney;

S. 2899. An act establishing certain commodity divisions in the Department of Agriculture;

S. 2909. An act for the relief of Augustus C. Hensley;

S. 2919. An act for the relief of Cornelia Claiborne;

S. 2922. An act to amend the act entitled "An act to promote the circulation of reading matter among the blind", approved April 27, 1904, and acts supplemental thereto;

S. 2969. An act for the relief of the Mary Black Memorial Hospital;

S. 2972. An act for the relief of John N. Knauff Co., Inc.;

S. 3007. An act to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest in the State of Oregon;

S. 3016. An act for the relief of the Dongji Investment Co., Ltd.;

S. 3023. An act to amend section 4878 of the United States Revised Statutes, as amended, relating to burials in national cemeteries;

S. 3026. An act for the relief of Lucy Cobb Stewart;

S. 3044. An act granting a pension to Eleanora Emma Bliss;

S. 3046. An act creating the Sistersville Bridge Commission and authorizing said commission and its successors and assigns to construct, maintain, hold, and operate a highway bridge across the Ohio River at or near Sistersville, W.Va.;

S. 3047. An act to carry out the findings of the Court of Claims in the case of George Lawley & Son Corporation, of Boston, Mass.;

S. 3085. An act relating to the operations of the Reconstruction Finance Corporation, and for other purposes;

S. 3099. An act authorizing the city of Wheeling, a municipal corporation, to construct, maintain, and operate a bridge across the Ohio River at Wheeling, W.Va.;

S. 3114. An act to extend the times for commencing the construction of certain bridges in the State of Oregon;

S. 3128. An act to pay certain fees to Maude G. Nicholson, widow of George A. Nicholson, late a United States commissioner;

S. 3211. An act to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.;

S. 3230. An act creating the Florence Bridge Commission and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River at or near Florence, Nebr.;

S. 3269. An act relating to the construction, maintenance, and operation by the city of Davenport, Iowa, of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, State of Iowa;

S. 3272. An act for the relief of the city of Baltimore;

S. 3275. An act for the allowance of certain claims for extra labor above the legal day of 8 hours at the several navy yards and shore stations certified by the Court of Claims;

S. 3287. An act to authorize national banks situated in a Territory or possession of the United States to establish branches;

S. 3290. An act to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932;

S. 3303. An act to provide for the expeditious condemnation and taking of possession of land by officers, agencies, or corporations of the United States authorized to acquire real estate by condemnation in the name of or for the use of the United States for the construction of public works now or hereafter authorized by Congress;

S. 3335. An act for the relief of Joanna A. Sheehan;

S. 3346. An act to amend the naturalization laws with respect to records of registry and residence abroad; and

S.J.Res. 36. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1934, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

The message also announced that the Senate agrees to the amendment of the House to the concurrent resolution (S.Con.Res. 13) to authorize the printing of additional copies of the hearings held before the special committee appointed to investigate air- and ocean-mail contracts.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2999) to guarantee the bonds of the Home Owners' Loan Corporation, to amend the Home Owners' Loan Act of 1933, and for other purposes.

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 pro tempore. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

REPUBLICAN POLICY

Mr. SNELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech I delivered last evening over the Columbia Broadcasting System.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SNELL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by myself over Columbia Broadcasting Co. network, Wednesday, April 25, 1934:

At the beginning of this session of Congress I made certain statements in behalf of the Republican minority in the House of Representatives. I invite attention to the policy of the minority as then outlined. It has been observed to the letter in the eventful session now approaching its end.

We declared that we would gladly cooperate with the administration in restoring prosperity and would support any policies that would contribute to the common welfare, without regard to the political fortunes of either party.

At the same time, we declared that we would oppose any policies which were destructive of our form of government, or alien to the basic ideals of the American people, or economically unsound, or as threatening the Nation with fiscal bankruptcy, and that we would hold the administration responsible at the bar of public opinion for promoting such policies.

The Republican minority has been faithful to that pledge. It has voted for sound legislation calculated to hasten recovery. It has stoutly opposed unsound, un-American legislation.

The record of this Congress will be submitted to the verdict of public opinion; I urge all citizens to study it. I court a rigid scrutiny of the position taken by representatives of the Republican Party on all the questions that have arisen.

It will be found that the Republican Party as represented in Congress, has sought to defend this Nation against the forces of disintegration. It has championed the personal liberties of the individual as guaranteed by the Constitution. It has defended the cause of honestly conducted business and has opposed unwarranted interference of government with such business. It has fought for the integrity of our currency and for national solvency through honest balancing of an honest budget. It has supported generous relief of destitution and full assistance to all agencies of recovery; but it has opposed extravagant appropriation of public money and reckless expenditure of appropriations which were made.

Notwithstanding the great confusion resulting from unprecedented conditions and the astounding assortment of contradictory legislation proposed by the administration, the Republican Party has kept to the clear path of constitutional government and sound economic policies. It has refused to plunge blindly ahead in search of imaginary short cuts to the millennium. It has preferred the wisdom and safety of experience to the hazards of experimentation.

We are opposed to any further tinkering with the currency. It must be stabilized on an honest basis for the protection of the individual and the honor of our Government. Those who go into the market places must know not only what our dollar is worth today but what it will be worth a month, a year, or 5 years from today. Ordinary business contracts cannot be made or long-time investments planned so long as there is continual experimentation with the circulating medium of exchange.

As a corollary to this, we must have a solvent Government. Promises upon the part of this administration to balance the Budget must begin to be fulfilled, instead of the time of their redemption being still further postponed. That cannot be if there is a continuation of public expenditures on the present vast scale. Such expenditures only create demand for still greater ones.

The present expenditures were authorized upon the plea of an emergency, to tide over public and private business until the backbone of the depression could be broken and business and industry had time to recuperate. The period of emergency is over. Private enterprise is now ready to go ahead. Nothing is retarding it except the harassing laws enacted by this administration and the even greater harassment incident to their administration by an army of bureaucrats.

A great contributing cause to the retardment of recovery is the growing competition by the Government with private industry. Officers of this administration have taken out articles of incorporation in several States authorizing them, in their capacity as representatives of the Federal Government and using Federal funds, to enter into practically every known field of private enterprise—manufacturing, fabricating, the real-estate business, the building trades, wholesaling, and retailing of merchandise of all kinds.

No real or prospective investor has any certainty that tomorrow he may not find himself engaged in a losing fight with some Federal bureau incorporated to invade his particular line of activity and operating with Federal funds. The business of the people of the United States belongs to them and not to the Government, except and unless we are ready to embark upon a career of state socialism. To transfer millions of men now idle to permanent pay rolls in productive industry and business it is essential the Government withdraw from private business. The Republican minority will stand against voting any further appropriations to finance this unwarranted intrusion into the field of private endeavor.

We also stand steadfast against any attempt to make the various emergency measures and set-ups permanent. The Republican

minority gave unanimous support to these extraordinary measures a year ago because they were designed to meet the extraordinary needs of the hour. Moreover, the administration in asking the passage of these measures pledged its honor they were only emergency measures. Since that time the public has been informed that it is the intent of this administration to make this emergency legislation permanent.

To do this would make permanent the vast system of bureaucracy which has been set up to administer these laws. It would make permanent increased expenditures of billions of dollars annually. To support such a program the Republican minority would not only be breaking faith with the people but it would be contributing to the overthrow, not only of our present economic system but our constitutional form of government. To that program we will not subscribe.

The Republican Party is not willing to assist in wrecking the economic system upon which our country is erected, by reason of which we have developed as a nation and prospered as a people to a degree not equaled by any other people of any other time or place. We do not admit that a Federal bureaucracy can excel the people in the wise direction of their own affairs. As between bureaucrats who never created an industry or developed one; met a pay roll or created productive employment for a single wage earner; built up a business in the face of competition in the marts of the world or risked a dollar of their own money in pioneering an idea; plowed a furrow, planted a crop, or reaped a harvest, and those of our private citizens who have done all this, and done it so successfully that they have made America the outstanding Nation of the world, the Republican minority takes its stand by the side of the private citizen.

Dangerous as is the threat of the new deal's philosophy and policies to America's economic structure and the material welfare of our people, the threat it carries to America's political institutions and the liberties of our citizens is even more dangerous. For the first time in our history an administration in power at Washington has challenged our form of government and those occupying high official and advisory positions in this administration are making a concerted and persistent attack upon American ideals and institutions.

When, in answer to an appeal of this administration, the American Congress vested extraordinary powers in the Chief Executive to meet an emergency, it expected and the American people expected there would be no transgression of the fundamental principles of our Government. The American people were faithful to the American Constitution and they expected the administration to be just as faithful.

No economic emergency could possibly equal the emergency created by an attempt to foist upon this country a system of government which will exercise the powers of life or death over not only all agricultural, industrial, and business operations, but over the liberties and fortunes of American citizens.

The political philosophy of this administration is that nothing must be left to the individual citizen. His freedom of action is to be denied. His individual judgment is to be suspended. He is to be brought under the dictatorship of a Federal bureau and regimented by Federal officers.

This constitutes not only a denial of the citizen's economic rights but a denial of those political liberties which are guaranteed him in our Constitution. The Republican Party stands where it has always stood, for a constitutional government. It holds the powers of our Government under our Constitution are sufficient to cope with any emergency. It holds that where these powers are usurped either by a dictator or by a bureaucracy, they thrust upon the American people an issue which must be met if the form of this Government is to continue as it has existed since its establishment.

This issue may be met squarely by applying the philosophy of one of our earliest Americans, Thomas Jefferson, who said: "I am not one of those who fear the people. I know of no safe depository of the ultimate powers of society but the people themselves. I would rather be exposed to the inconveniences attending too much liberty than those attending too small a degree of it."

DEVELOPMENT OF THE COLUMBIA RIVER BASIN

Mr. MARTIN of Oregon. Mr. Speaker, I ask unanimous consent to address the House and to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MARTIN of Oregon. Mr. Speaker, this administration is launching some of the most important development work and plans ever undertaken by our Nation.

There is a far-sighted intelligence manifest in the program; also there is a determination that some of these great basic resources shall remain wholly within the control of the people at large.

I am pleased with the opportunity of contributing to the movement and sharing the work that makes such a program possible. It is my conviction that the name of our President, Franklin D. Roosevelt, will go into history as a leader who has inaugurated principles which will stand high on all of the future records of our people. That I should have the opportunity of joining him in this work, that this Congress should be a part of the historic program, and that this period when there is so much distress and uneasiness at large, should have been marked by inauguration of this movement is most gratifying to me.

We are in the midst of a new conservation principle advocated by our President. It is the development and use and production of our matchless natural resources. There is a movement not to seal certain potential assets for an indefinite period in the future, but rather to get orderly, intelligent action in their uses, so that they may be made to serve the highest purpose and, at the same time, be replenished or conserved with the highest possible, modern intelligence.

In approaching the water resources of our Nation, which are conceded of enormous value, this administration is taking positive, forward steps which are blazing a trail for a new field in national development. These resources are both wasteful and destructive when not controlled. Our President's program is planned to control the flood waters in order to check their present destructive influences and also to harness this energy to the Nation's industrial and domestic use. Instead of proceeding in the haphazard program of the past, the order of the day is for a great systematic program balanced with care in respect to location and time.

When the Tennessee Valley Authority was before this Congress we voted it with enthusiasm, I deeming it an honor and an opportunity to join. This Authority has the statutory right to undertake the most far-reaching and scientific work that has ever been laid down in respect to the treatment of any American watershed. The more effective application of agriculture, the industrialization of a rural people, the reforesting of the mountains, the impounding of flood waters, navigation of streams, and the development of power is all within the range of this effort.

WILL ADD TO HOME COMFORTS

In the Tennessee Valley power has been and will be for long years the outstanding feature of the development program. Waters of this stream and its tributaries that formerly ran to the sea in idleness are now to be put to the effective use of man. All of the more modern conveniences and comforts of home are to be offered to the people of this region at living prices, and the rates of the power are to be such as to encourage the maximum use of electricity. Industrial uses of this power are to be directed and encouraged by this Federal Authority, in order to give the people opportunities for employment and a means of establishing themselves on a more profitable, comfortable basis of life. This experiment is to be a gigantic commercial laboratory in social economic plans. It will undoubtedly reflect its influence throughout the Nation.

On the St. Lawrence River the administration also stands for the harnessing of that mighty stream with Canadian cooperation. In this work navigation developments for the great producing and industrial elements tributary to the Lakes territory is to be accompanied by a power development under the control of the New York State Authority. Here we have two cardinal principles bearing on the life of the northern region of our country presented by our President with the insistence that they shall be recognized through treaty, and later appropriation by Congress.

Mr. Speaker, in the Columbia River Watershed of the Pacific Northwest, we have another mighty program inaugurated through the forceful action of President Roosevelt. He has designated sites and allocated funds for the inauguration of work at both Bonneville and Grand Coulee projects. The Grand Coulee is planned as the beginning of the greatest irrigation development the Nation has ever undertaken in any one project, and, in fact, almost equals the total of Federal reclamation work since another President Roosevelt started this program. It will prove a monument going down through history, affecting a large number of people and making possible the development of productive farms by the thousands for that time when American agriculture is called upon to feed our growing population, and also in that program wherein the farmer is to be put on a profitable basis of operation. With the Grand Coulee

will be a large offering of power, which may, as in the Tennessee Valley, be used for domestic consumption in cities and the country tributary there for industrial operations.

I am more directly connected with the Bonneville development on the Columbia. This is in my immediate territory. It is laid out for the inauguration of a program embracing the most perfect navigation conditions and the generation of power in heavy blocks at very low cost, beginning with a tidewater dam.

BONNEVILLE DAM OUTSTANDING UNIT

I hope this House and the country at large will better understand the Bonneville project. To me it is the outstanding, single unit in our President's mighty national program. It is the beginning of work to harness the great resources of the Columbia River on a plan which the engineers themselves regard the most effective that could be adopted.

Will you indulge me for a moment to study the Bonneville layout? Picture the country as a whole. Observe the Columbia River as the second greatest stream on the North American continent and third in the Western Hemisphere. Note that its discharge into the sea is nearly as large as that of the Mississippi into the Gulf of Mexico; that is, about 200,000,000 acre-feet of water annually.

Mr. Speaker and my colleagues, make further note of the fact that this stream has a watershed only one fifth the size of the watershed of the Mississippi. The effect of this inevitably must be accepted as an ideal condition for the generation of power; that is, tremendous volume of water flowing from the highest levels of the continent a very short distance to the sea, swift waters, cascades, many gorges hewn through the rocks, limited development and population down next to the stream, proximity of the first developments to the sea, an easy deep-sea channel to the first and second dams, ideal climatic conditions for industrial operations and human comfort, and on top of it all, the background of the beautiful, outstanding, scenic Pacific Northwest.

More than 150,000,000 acre-feet of the Columbia's flow comes from east of the Cascade Mountain Range. This rugged and picturesque uplift has an average elevation of 6,000 feet and parallels the Pacific Ocean shoreline from British Columbia to Mexico, only about 150 miles away. But one cut has been made through this great mountain range by waters of the interior, and that is the gorge of the Columbia.

At the point where tidal influence ceases is located the Bonneville Dam. Barge navigation requiring drafts from 9 to 15 feet is now available, and with the expenditure of but $5,000,000 more, a deep-sea channel may be cut to the dam. With another two and a half or three million dollars, deep-sea locks may be put through the dam enabling deep-sea ships to operate up to The Dalles, Oreg., better than 200 miles from the Pacific Ocean.

HAS NO PARALLEL IN THE WORLD

There is no other parallel to this project anywhere in the world. Volume of flow, economy of development, tidewater location, perfect transportation conditions, and the combined influence of economic opportunities make this the gem of the power projects which either private capital or the Federal Government has yet undertaken to develop.

About 600,000 horsepower of energy may be generated at this dam, more than 50 percent of the same prime power under the present flow conditions of the river. With further reservoiring in future developments upstream the prime power will steadily increase until practically the total energy now discussed will be of that type.

Mr. Speaker, this dam is but 40 miles today from a 35-foot channel to the sea. It is within 40 miles of a great population center in and around Portland, Oreg., and Vancouver, Wash. In transmitting the energy for use of the people the shortest line yet proposed for any major project will be found sufficient. For those industries that desire to locate at the dam site our country can easily make it possible for the deep-sea ships to reach that point without breaking cargo of raw materials brought in until unloaded at the factory warehouse, and taking the finished products out to all parts of the world. There are two railways and two highways serving the site where transportation advantages are more perfect than may be found elsewhere.

This great storehouse of energy is being opened to the people of Oregon and Washington. Control of the power is solely and wholly with the Federal Government, which agency is putting up all of the funds for development. As the people of the two States approach the Federal authorities with plans for the use of this energy, the same as is being done in the Tennessee Valley, they will be met in a responsive, cooperative way, and every possible encouragement will be given to the extension of the use of this power throughout the region where there may be a market.

The two other great Federal developments on the Pacific seaboard now under way are the Boulder Canyon Dam and the Grand Coulee. Each of these are much further from tidewater than Bonneville. Boulder Canyon energy will be transmitted from 200 to 300 miles to reach its major market. Grand Coulee can find an industrial market of any magnitude only over lines of from 200 to 250 miles length. Bonneville is on tidewater, on perfect navigation channels, and in a large population center. These relative locations will indicate to us the enormous value of Bonneville in comparison with any other Federal or private project of size that has been undertaken on the American Continent.

RECAPTURE OF INDUSTRY TO RESULT

In addition to serving the people adjacent to such developments as that at Bonneville for their greater human comfort and advancement with the lowest possible cost of electric energy, Bonneville is the tangible, living bid of these United States to recapture industry which has been driven to foreign lands. It is the logical economic procedure in laying foundations for revival within the United States of the pulp-paper, chemical, and metallurgical lines of industry. It is the nearest bid this country has yet made in meeting the great competitive program which the Soviet Republic is inaugurating for industrial supremacy. It is the lowest bid so far made within the United States to meet the low cost of power in Canada. It will, Mr. Speaker and my fellow colleagues in the House, be accepted by the experts of this and coming generations as the beginning of a real, virile industrial period for the Pacific coast wherein our country will start the building on our western seaboard of a vastly greater industrial empire for our safety and prosperity in war and peace.

In the Canadian hydroelectric program a marvelous combination of conditions was presented by nature. You have the great glacial lake regions north of the St. Lawrence and Lakes Ontario and Erie. Here we see vast natural reservoirs provided at no cost to man. We also find a rough terrain between the northern lakes and the St. Lawrence drainage system which enables the power plant to secure an advantageous head at a low cost of construction. These power sites are near the marvelous transportation system of the Great Lakes and that which will be provided on the St. Lawrence. With nature offering the reservoirs and very satisfactory dam sites, Canada has forged ahead in her power development in a remarkable manner.

Mr. Speaker, with the development of hydroenergy in Canada has gone marvelous increase in her industrial expansion. I note from recent reports that $276,000,000 of American capital has been invested there to produce pulp-paper products. I also observe that more than $400,000,000 of our capital has been used in the development of public utility enterprises for Canada, much of this being water power. I further observe that the pulp-paper industry of the North American Continent has rapidly shifted to our neighbor on the north until we pay her approximately $150,000,000 a year for products of this character which we import and use within the United States. It is also to be noted that the great Aluminum Company has built at Arvida a superb, modern plant for the reduction of bauxite ore into this newest and most useful metal. Other chemical and metallurgical operations have been attracted to Canada.

CANADA'S HEADWAY REMARKABLE

While Canadian industrial progress was being recorded in an amazing manner, we also were making headway, but not in the same proportion. We did not have the low rates for electric energy which Canada possessed. We had not approached our greatest unit developments of hydropower because of their magnitude and the difficulties of private capital in financing such projects and carrying them until there was a market for the energy created there.

Due to this combination, the most rapidly expanding line of American industry, termed electrochemical and electrometallurgical, which is commanding the greatest attention of any single field in world effort, was not holding its proper place within the United States. We were falling behind in the race, and were due, under that program, to become a relatively light industrial factor.

Our people were prone to hold that fuel-generated power, conveniently located for industrial purposes would protect our position. I recognize that amazing progress has been made in the efficiency of fuel uses for power production. However, every expert who has ever testified before congressional committees admits that there is a basic, enduring advantage to the industry using hydroenergy. When the great dam is written off as a capital charge and when only the parts of a hydroelectric plant which deteriorate through use and age are calculated for stated renewals, the hydroplant has an advantage which can never be attained through fuel-generated power.

I have another observation to make in this respect. Coal, the chief source of fuel energy for all time is becoming every year more and more an essential raw material in industrial operations. Science is using coal with a diversity and a completeness for manufacturing a great variety of products that is amazing to all of us. Coal within another generation or two has in prospect a greater value as a raw material than for fuel. Coal cannot be reproduced within any historic period. When it is exhausted another crop will not be available for millions of years.

ARTIFICIAL RESERVOIRS COST MONEY

Mr. Speaker, water power is perpetual, at least, so long as the present climatic conditions prevail. Water running to the sea unused is a waste. Unused water power throwing the burden of industrial energy upon coal violates a fundamental principle of the present conservation program. Although in the use of coal the fuel requirement has been cut 50 percent within quite recent years for the same unit of energy, still this fuel is being exhausted. Prices will inevitably become higher. Mining conditions in the coal mine are unwholesome. Increased depths involve greater costs, and in every respect I say that substitution of fuel-generated energy by water power is one of the most farsighted and fundamental conservation efforts that the Nation can indulge today.

Except for the Great Lakes, which constitute probably the world's most perfect reservoiring system for equalizing the flow of Niagara and the St. Lawrence, there is no great natural reservoir condition found within the United States. Where the stream's flow is not naturally equalized artificial reservoirs must be created. These cost money. The flood-control program being urged by our President and accepted by the Congress as fair and proper is a step in the great national work of restraining our flood waters at proper intervals, preventing destructive erosion, safeguarding against channel silting, and equalizing the flow so that these waters will serve navigation, irrigation, and power.

Three great projects now under construction in Montana, Oregon and Washington, Nevada and Arizona are the initial steps for the control of flood waters, harnessing the vast latent energy previously wasted there and making the channels carry an additional flow during the usual low season to accommodate navigation. As these initial steps are expanded, as each additional reservoir is built, and as each new project is brought in, man's hand will by slow and inevitable degrees provide the storage capacity which nature has failed to leave in the major watersheds of the United States and which have been so admirably furnished in Canada in the Great Lakes system.

I mention general physical conditions in order to point the argument in support of the President's splendid program of development. I hope that every Member of Congress, from whatever part of the country he may come, will recognize that each of these developments has a national significance and cannot be termed local in any sense of the word. I further hope that the wisdom of our great leader, who is writing economic history in flaming letters, will never be the target for the charge of "pork barrel", provincialism, or localized vision. If there ever was a time when the Congress should get the inspiration of his view it is now. If there ever was a period when coordination of the forces in different parts of the country should govern our work it is now.

At a cost of something like $50,000,000 a 35-foot deep-sea channel has been provided between the Pacific Ocean and Portland, Oreg., and Vancouver, Wash. About half this total outlay has been paid out of local taxes, the other half being a Federal charge.

SAVING TO MANKIND COMPENSATES COST

Bringing deep-sea ships 100 miles interior from the Pacific has given low rates of transportation for producers of the soil and industry that no other human efforts could have provided. It has been a heavy outlay, but the saving to mankind is so great that the annual net returns compensate many times over the cost involved.

In our program on the Columbia for further improvement, which is marked by the first big navigation power unit at Bonneville, we shall take when the work is finished, deep-sea ships another 100 miles into the interior beyond Portland. This will give to the upper reaches as far as The Dalles deep-sea terminal rates. Ships going on this route will be able to reach Bonneville first, where 600,000 horsepower of energy may be generated. By providing deep-sea locks through the dam constructed and provision for which is made in the plans now being executed, deep-sea ships may proceed another 47 miles to the foot of the greatest potential power development in any one unit of the American continent.

Mr. Speaker and my colleagues, engineers could not create a more perfect setting for tremendous industrial operations than may be provided at a very low cost on the Columbia. Not to exceed $5,000,000 will be needed to dig the deep-sea channel as far as the Bonneville Dam. About $2,500,000 more than is needed for a barge canal will be necessary to convert these locks into a deep-sea type. After passing through the Bonneville locks, the ships then have a pooled area 47 miles in length, with a minimum depth of 35 feet or better, in reaching The Dalles. At The Dalles a high-dam type of construction could be made to generate from four to six million horsepower of energy, perhaps even more as the flow of the Columbia is regulated above.

After The Dalles project is developed, again there is pooled water provided to the next site which may be selected by the engineers. Thus, starting downstream and working up, the Columbia offers the ideal opportunity for carrying cheap transportation to the power sites of the greatest energy stream on the North American Continent and perhaps even greater than will be found in South America. It has been estimated that the trunk and tributaries of the Columbia have a potential of approximately 22,000,000 horsepower. With deep-sea ships and barges penetrating through the very heart of this, and with all climatic and other conditions favorable, industry is bound to hail this storehouse of energy and this marvelous transportation system as one of the greatest industrial centers the Nation has known.

WASTED ENERGY TO BE CONSERVED

With coal at $3 a ton and with the most modern practices known to the largest fuel-generated plants, the wasted energy of the Columbia River watershed is today practically equivalent to 100,000,000 tons of our precious fuel supply. If you saw 100,000,000 tons of coal being burned each year, would you not feel it your duty as a patriot and a true conservationist to stop the appalling waste? Why not, then,

with equal effectiveness, save the equivalent of 100,000,000 tons of coal per year in water power and put it to the use of man in this most modern and progressive age?

The Columbia Basin, so far as existing records prove, is without any appreciable supply of commercial coal or petroleum. Deprived of these important factors, we must turn to our "white coal", that is, water power. Using this water power with the most advanced methods of science, our industries will thrive. Nature has given us compensations, but they are valueless until developed. Our President has started the development program. Our Nation in due course will write this plan down as the beginning of a most important era. All people in different parts of the country will hail this as one of our greatest forward steps. The man who today shouts "pork barrel" and "provincialism" at the expense of the whole people will be ashamed that he ever uttered such words.

Mr. Speaker, we of Washington, Oregon, and California are on the Pacific seaboard. That is your western front. We look out upon about half the population of the world. Trade is steadily growing there and is intensely competitive. The United States cannot take its proper share without our natural facilities on the Pacific coast being used. Distance is in our favor in seeking Pacific-country trade. We can reach those consumers in a shorter mileage than Europe. If you undertake to haul through the Panama Canal American products intended for that market, distances are against you. From an American viewpoint, whether indulged in the North, East, South, or West, this program is national in scope and purport. We want to establish all of our people on the firmest possible footing. We want our seaboard strong and invulnerable, either from an economic or an invasion viewpoint. We want American population in industry balanced. A top-heavy, centralized industry is not healthy. Trade within our own country is soundest when markets for our products may be widely distributed. You of the East and the South will find the West a superb market for your products when you encourage our development. You of this region should and will be happy to know that your western front is strong and impregnable in any event.

LOW COST OF POWER MAKES MARKET

We hear much of rates in connection with the Presidential power-development program. Taking the same basis of computation for all projects, Bonneville offers the lowest cost of energy yet determined by the engineers in their preliminary estimates. It is this low cost that will make the market. It is this advantageous situation, combined with the low cost found at Bonneville and plants upstream as navigation is taken to each, which will give us the competitive strength to meet Canadian and other foreign operations.

Mr. Speaker, America will in due course be proud of this work, and a careful study of the situation will command general admiration. I ask you, my colleagues in this House, to become more intimately acquainted with this program and believe with the fervor of patriotism that it is of benefit to every American.

CONTESTED-ELECTION CASE—M'ANDREWS *v.* BRITTEN

Mr. PARKER. Mr. Speaker, I call up the privileged resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 362

Resolved, That James McAndrews was not elected a Representative to the Seventy-third Congress from the Ninth District of the State of Illinois and is not entitled to a seat therein.

Resolved, That Fred A. Britten was duly elected a Representative to the Seventy-third Congress from the Ninth Congressional District of the State of Illinois and is entitled to retain his seat.

Mr. SABATH. Mr. Speaker, I offer the following substitute for the resolution which the gentleman from Georgia has just sent to the desk.

The SPEAKER pro tempore. Does the gentleman from Georgia yield for that purpose?

Mr. PARKER. I do not. I understand that I am to be recognized for 1 hour. If any gentleman in the House wants time on this resolution, I shall be glad to yield him time; but I do not yield the floor, and I do not yield to anyone to offer any amendment or substitute for the resolution.

The SPEAKER pro tempore. The gentleman from Georgia refuses to yield and is recognized for 1 hour.

Mr. SABATH. Mr. Speaker, I rise to a point of order. The gentleman refuses to yield to me to offer a substitute. I know many instances where recognition has been accorded Members to offer a substitute in similar matters and, therefore, I feel that the precedents permit the offering of a substitute, regardless of whether the Chairman of the Committee on Elections yields or not. That is a right which every Member has, and of which he cannot be deprived. For that reason I feel that my substitute for the resolution is in order.

Mr. PARKER. Mr. Speaker, the gentleman from Illinois has not conferred with the chairman of this committee, nor with any member of the committee, with reference to this proposed amendment. We do not know what it provides, and I think the gentleman is entirely out of order. He has shown the committee no courtesy whatsoever in coming here and offering a substitute without letting us know he had it in mind.

Mr. DIRKSEN. Why not have the substitute read and let the gentleman from Georgia reserve his objection?

Mr. SABATH. That is satisfactory. I ask unanimous consent that my substitute be read for the information of the House.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent that the substitute be read. Is there objection?

Mr. ELTSE of California. Mr. Speaker, I object.

The SPEAKER pro tempore. The gentleman from Georgia is recognized for 1 hour.

Mr. SABATH. Mr. Speaker, will the gentleman yield for a question?

Mr. PARKER. How much time does the gentleman from Illinois desire?

Mr. SABATH. Usually the time is divided equally.

Mr. PARKER. I shall be glad to yield the gentleman from Illinois 10 minutes if he wants it.

Mr. SABATH. If the gentleman cannot divide the time equally, or yield me 30 minutes, I will content myself with 20 minutes.

Mr. PARKER. Mr. Speaker, I shall be glad to yield time to any Member who wants to speak on this resolution. I do not want to yield time to any Member to speak out of order.

Mr. SABATH. I assure the gentleman my remarks will not be out of order.

Mr. PARKER. I shall be glad to yield half the time to Members opposing the resolution.

Mr. SABATH. Mr. Speaker, I am opposed to the resolution.

Mr. PARKER. How much time do gentlemen on the minority side desire?

Mr. HOLLISTER. Fifteen minutes.

Mr. SNELL. We would like to reserve 15 minutes. As I understand, the whole hour is under the control of the gentleman from Georgia, and that he may yield to anyone he sees fit a certain length of time without yielding the floor.

Mr. PARKER. I want to take into consideration the time the minority members of the committee may need. I wish to yield such time as may be needed on the minority side.

Mr. HOLLISTER. Under the circumstances it would be best for the minority to reserve half the time.

Mr. PARKER. Mr. Speaker, I yield 30 minutes of the time to the gentleman from Ohio [Mr. HOLLISTER].

I am glad to yield 15 minutes, half of my time, to the gentleman from Illinois [Mr. SABATH], which he may use himself or apportion to other members of his delegation as he sees fit.

Mr. SABATH. Mr. Speaker, I greatly regret that it is my unpleasant duty today to oppose the resolution before this House, namely, the resolution that would seat my colleague, Mr. Britten. I wish to sincerely assure the gentleman from Illinois [Mr. Britten], and the Membership of this House, that there is absolutely nothing personal in this matter; but, as the ranking Democratic Member from the State of Illinois, and chairman of the Illinois Democratic delegation, I have a plain duty to perform, and I shall try to perform it to the best of my meager ability, notwithstanding I have had no time to properly prepare to present matters with which I feel the House should be acquainted.

James McAndrews, the contestant, was the Democratic nominee from the Ninth Congressional District in the election of November 8, 1932, and he claims he received the majority of the votes cast in that election and he has filed a contest charging irregularities and that he was deprived of the certificate of election due to fraud and other reasons he has assigned. Obviously 15 minutes is not sufficient time within which to properly present the contestant's side of the case.

Shortly after the contest was filed testimony was taken in the city of Chicago. Approximately nine witnesses were heard and a transcript of the testimony was submitted to the Clerk of the House in accordance with the law. Later, oral arguments were made before the Elections Committee by attorneys for the contestant and the contestee. On March 15, the Committee on Elections No. 1, which had jurisdiction of this case, voted to recount the ballots cast in that election. The former Chairman of the Committee on Elections No. 1, the gentleman from North Carolina [Mr. CLARK], having been assigned to the Rules Committee, the gentleman from Georgia [Mr. PARKER] became Chairman of the Committee on Elections No. 1, and a day or two later he introduced House Resolution 335 asking that $2,500 be appropriated for the purpose of defraying the expense of recounting the ballots in the city of Chicago. Although Mr. PARKER appeared before the Committee on Accounts a day or two later, for some unknown reason the Committee on Accounts did not act upon the resolution; and, if I am correctly advised, the resolution has been withdrawn.

The contestee, my colleague, Mr. Britten, appeared with Republican Members, as I am informed, although I had no notice, nor did the other Democratic Members from the State of Illinois have notice, that the request would be made that morning for this authorization by the Committee on Accounts.

The resolution asking for this authorization was introduced upon the vote of the Elections Committee ordering the recount, and the Committee on Accounts met the following day. Being informed that the Committee on Elections No. 1 would have a meeting—not knowing the reasons for the meeting, but believing they might desire some information—I, with five or six other Democratic Members, appeared before it. To my great surprise, my colleague, Mr. Britten, was present. After about 45 minutes the Democratic Members from Illinois were permitted to appear before the committee. We were obliged to listen to unjustifiable and inappropriate attacks made by the gentleman from Illinois [Mr. Britten]. The gentleman attacked the Democratic National Committeeman from Illinois, attacked me, and attacked the contestant [Mr. McAndrews]. Later I, too, was given the privilege of addressing the committee; and I stated that these charges were unjustifiable, unfair, unfounded.

The gentleman from Illinois tried to convince the committee that these ballots had been tampered with, stating that he had received a telephonic communication from a friend of his, whose name I shall not mention because the name was given in confidence, to the effect that this friend was informed by some other friend that if the ballot boxes were opened and the ballots recounted, beyond any doubt Mr. Britten would be unseated.

I stated to the committee in behalf of the Democratic Members from Illinois who were present that notwithstanding there was a Democratic board and the county judge having jurisdiction in the matter was a Democrat, they were honorable, trustworthy men, who would not tolerate, permit, sanction, or be a party to the perpetration of any fraud. Not only did I assure the committee that I felt but I assured the committee that I was satisfied—and I am still satisfied—that the ballot boxes had not been tampered with. Whereupon my colleague the gentleman from Illinois [Mr. O'BRIEN] telegraphed to Judge Jarecki and received an answer, which was handed to me this very minute.

The telegram reads as follows:

Hon. JAMES J. O'BRIEN,
House of Representatives.

Charges that ballots in Ninth Congressional District have been tampered with are absolutely baseless. On the contrary, they have been since election, and are today, in sealed vaults. Access to them in local contests has even been denied by the courts.

EDMUND K. JARECKI,
County Judge.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Missouri.

Mr. COCHRAN of Missouri. As I understand the parliamentary situation, the gentleman from Illinois has been denied the right to offer a substitute resolution.

Mr. SABATH. Yes.

Mr. COCHRAN of Missouri. We are, therefore, going to be asked to vote on a resolution presented by the committee seating Mr. Britten.

I think it would be to the gentleman's advantage if he would tell us just what evidence of fraud has been presented in this case and why he thinks we should vote against the resolution that has been offered by the Chairman of the Elections Committee. I am a member of the Committee on Accounts and we received absolutely no information of fraud when money was asked to count the ballots. Therefore, I should like to hear what evidence of fraud has been presented, if the gentleman has the information.

Mr. SABATH. The gentleman will get it.

The mere fact that the Elections Committee, originally, after long deliberation, ordered the opening of the ballots should satisfy any Member of this House that there must have been justification and evidence on which to base its action. That was the vote of that committee on March 15. Why, after two of the Members have gone to other committees from that committee, the new chairman and the members of the committee have rescinded the action without giving the contestant or any of his representatives a chance or opportunity to be heard, I cannot understand; but the mere fact that the ballot boxes have been ordered opened and the ballots recounted should suffice to show that the report before the House today should be voted down and the Elections Committee instructed to proceed with its original action to recount the ballots. The ballots have been protected and are protected.

The statement of my colleague before the Committee on Elections No. 1 that some of the election judges in Chicago have been convicted of fraud might have influenced some of the members of the Elections Committee, but may I say right here that it is the practice and the things that my colleague did during the election that bring about and are responsible for the frauds committed by the election judges and the clerks of election. The evidence discloses that my colleague [Mr. Britten] offered prizes of $250 in each ward to the captain and the workers of the precinct that would give Mr. Britten the largest vote in the precinct. It is because of that fact and because of the desire on the part of these election judges and some of the political workers to obtain this large sum of money, namely, $250, that Mr. McAndrews believes that frauds were committed. The tally sheets have been changed and the votes have not been properly counted.

May I say to the Democrats as well as to the Republicans that I would not vote against this resolution or against my colleague [Mr. Britten] if I thought for one single minute that justice would not prevail. I harbor no ill will against my colleague [Mr. Britten], with whom I have served long, despite the fact that he has, for a reason I do not know, charged me with pressing this contest. I have made a few inquiries of two members of Elections Committee No. 1 and urged that some action be taken, as there was a continuous demand from the Democratic leaders and the Democrats in general that a Democratic House give Mr. McAndrews an opportunity to prove that he and not Mr. Britten was elected.

Therefore, I repeat that I have no personal interest, that there is no animosity, and that all I desire, even now, is that Mr. McAndrews be given the merited opportunity of a recount.

In view of that fact and the manly position assumed by contestant, Mr. McAndrews, the recklessness and unworthiness displayed by my colleague, Mr. Britten, and his lawyers in attacking the character of the contestant is deplorable. Mr. McAndrews for six terms served honorably and ably in this House, and who, contrary to the charges, has resided for many years in that district and, in fact, has spent more time therein than has my colleague, the contestee. Mr. McAndrews was born and reared in the city of Chicago, and has held many important positions of trust, is honored and respected by all who know him; no one is held in higher esteem than he, and long before my colleague, Mr. Britten, or I reached the city of Chicago, Mr. McAndrews was favorably known to a majority of the people of that district.

The charge made by the contestee against the county judge and the election board, before the Elections Committee, was willful and malicious. The same can be said as to the attacks Mr. Britten has made against the Illinois Democratic leader, Mr. Nash, and, surely, the wise-cracking remark as to myself, though undeserving of attention, caused me to remark, or counter, that I may not have such a luxurious residence in my district, nor such a mansion in Washington as he has.

The gentleman from Missouri [Mr. COCHRAN] suggested what evidence there was to justify the opening of the ballot boxes or for a recount. In answer to his query, I wish to say that, in addition to the witnesses who testified as to the $250 prizes or rewards offered to precinct captains and workers for the highest votes for Mr. Britten, Mr. Arthur G. Murray, who has served in many election contests, and who is considered an expert, testified that the split vote given was so unreasonably high in favor of the contestee that they were three to five times greater than the usual split vote. This is shown by the vote in the precincts in every one of the wards. The following table shows the disproportionate vote in many of the precincts:

In the forty-second ward:

Precinct	Straight vote	Split vote	Vote credited to Britten
5	69	207	276
7	87	280	367
19	75	202	277
23	55	244	299
25	53	260	313
26	48	234	282
31	56	139	195
49	88	181	269

And in the forty-third ward:

Precinct	Straight vote	Split vote	Vote credited to Britten
21	75	247	322
36	50	229	279
38	58	241	299
41	55	210	265
42	44	222	266

Likewise, in the forty-fourth ward:

Precinct	Straight vote	Split vote	Vote credited to Britten
1	49	168	217
3	57	259	316
4	49	215	264
5	71	227	298
11	41	209	250
12	61	196	257
14	80	265	345
15	61	149	210
16	104	244	348
29	57	203	260
31	90	230	320
36	80	274	354
38	21	219	240
41	83	219	302
43	51	151	202
44	43	167	210

Also, in the forty-sixth ward:

Precinct	Straight vote	Split vote	Vote credited to Britten
18	79	213	290
31	60	255	315
32	84	276	360
33	63	227	200
43	61	139	200
44	90	189	279
45	32	127	159
46	72	254	326

It is upon this evidence that the contestant, a gentleman of splendid reputation, who served in this House five or six terms with marked fidelity and ability, believes that if the ballots are recounted it will clearly show that the judges and the clerks of elections, due to the temptation and in the desire of winning the rewards offered, changed the tallies and credited Mr. Britten with many votes that were not cast for him.

In view of this disproportionate vote and the testimony given, and in view of the fact that the ballot boxes are certified as intact, I feel that there should be a recount, and, if I were in my colleague's position, I would not oppose that motion. I repeat, that is all I ask in the resolution which I have offered as a substitute for the committee's resolution, and which I feel, in justice to the contestant, the sanctity of the ballot, and the House, should have prevailed. The resolution reads as follows:

Whereas Committee on Elections No. 1, on March 15, 1934, ordered a recount of the votes cast in the election held November 8, 1932, in the Ninth Congressional District in the State of Illinois; and

Whereas a subcommittee was authorized to recount the ballots and to obtain a determination of the actual votes cast for contestant and contestee; and

Whereas notwithstanding said action of said committee, and without said recount having been made, the committee reported on April 23 to the House recommending the adoption of a resolution entitling contestee to retain his seat; and

Whereas the action of the committee was taken without notice to the contestant, and thereby nullified its own previous action without due procedure or formality of notice to contestant: Therefore be it

Resolved, That the Committee on Elections No. 1, or a subcommittee thereof, is hereby authorized to recount the ballots cast in said election and to report to the House the number of votes received by the contestant and the number of votes received by the contestee.

The Chairman of the Elections Committee, who acted in a most unfriendly manner, and who under the rules of the House refused to yield to me, precludes the obtaining of a vote on my substitute resolution.

In conclusion, I cannot refrain from stating that this arbitrary action, as well as the action of the gentleman of the Elections Committee who first moved that the ballots be recounted and who some weeks later moved to rescind the action of the committee, is difficult for me to comprehend. There is a great deal more that I could say which I shall refrain from saying at this time; but when the opportunity presents itself I will name the Members and some nonmembers of this House who may be responsible for the re-

consideration of the first action of the committee and for its refusal of the recount.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. DIRKSEN. Mr. Speaker, reserving the right to object, I have never, since I have been a Member of the House, objected to a request of this kind; however, I can see in a delicate matter such as an election contest the opportunity to lodge in the hands of the gentleman from Illinois a weapon that might do irreparable damage to my colleague, Mr. BRITTEN. I do not believe it is fair under the fiction of revision and extension of remarks to permit 35,000 copies of the CONGRESSIONAL RECORD to go out setting forth a statement of the case by the gentleman from Illinois [Mr. SABATH], which my colleague, Mr. BRITTEN, has not the opportunity to properly answer. Therefore I am constrained to object, as much as I am reluctant to do so.

Mr. SABATH. Would the gentleman object to the real honest facts and truths going before the people?

Mr. DIRKSEN. I have no objection to the gentleman making his presentation on the floor of this House where there is adequate opportunity to answer him, but I do not believe it is fair to grant the gentleman's request under the circumstances to extend all this information and material in the RECORD, which cannot be answered, and therefore I object.

The SPEAKER pro tempore. Objection is heard.

Mr. PARKER. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. TERRY].

Mr. TERRY of Arkansas. Mr. Speaker, I am in the embarrassing position of coming before this honorable body defending the Republican side rather than the Democratic side. I am one of the Democratic members of Election Committee No. 1, to which committee was assigned this case of McAndrews against Britten.

The charges involved in this case were, first, that Mr. Britten, the Republican candidate, offered prizes to the various precinct captains whose precincts voted the largest votes in proportion to the Republican votes that were given in these precincts. The evidence is that he offered $150—some say $200—to the precinct captain in whose precinct the largest proportionate vote was turned in. To the second precinct captain he offered $100, and to the third precinct captain receiving the highest proportionate vote he offered $50. There is some dispute as to the exact amount that was offered. Some of the testimony is that he offered $250 to the precinct captain in whose precinct the highest vote was recorded. It is immaterial whether it was $250 to the first man or $150. The principle is the same. It is a question as to whether or not his conduct in offering these prizes was a violation of the Corrupt Practices Act. If it was a violation of the Corrupt Practices Act, it is immaterial as to the amount offered.

The evidence in the case is undisputed that Mr. Britten offered these prizes to the precinct captains. There is no dispute as to that fact, and, in fact, the gentleman from Illinois [Mr. Britten] admits it himself. The record in the case so indicates. What the committee had to decide was whether or not the offering of these prizes was in fact a violation of the Corrupt Practices Act.

Section 150 of title 2 of the United States Code, Annotated, reads as follows:

> It is unlawful for any person to make or offer to make an expenditure or to cause an expenditure to be made or offered to any person either to vote or withhold his vote or to vote for or against any candidate, and it is unlawful for any person to solicit, accept, or receive any such expenditure in consideration of his vote or the withholding of his vote.

Now, the charge in relation to that is that during the campaign the said Britten, for election to the Congress of the United States, offered to make expenditures to certain persons to vote for him, the said Britten, by offering to make an expenditure in the sum of $250 to the precinct captain whose precinct would give Britten the largest vote and by offering to make an expenditure of $100, and so on.

It was the unanimous opinion of the committee that the action which the Republican candidate took, and which is admitted, did not fall within——

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. TERRY of Arkansas. As I say, the question is whether or not the admitted conduct of Mr. Britten came within the terms of the Corrupt Practices Act, section 250, which I have just read.

It was the unanimous opinion of the committee, the Democratic members as well as the Republican members, that the conduct of Mr. Britten did not constitute a violation of this section.

It was argued in the brief for Mr. McAndrews that this was an expenditure to influence votes.

Mr. COLDEN. Will the gentleman yield?

Mr. TERRY of Arkansas. I yield.

Mr. COLDEN. I should like to ask the gentleman in how many precincts these prizes were offered and about what was the total amount in prizes offered in the congressional district?

Mr. TERRY of Arkansas. I have not the information before me as to that.

Mr. HANCOCK of New York. If the gentleman will permit, is it not the gentleman's recollection that three prizes were offered to the precinct captains making the best showing on election day, and that there were 172 precinct captains eligible to receive these prizes? Of course, their identity was not known until long after the election when the votes had been canvassed, and if anyone can be said to have been bribed, he certainly did not know he was bribed and could not have known it until about 3 months after the election was over.

Mr. BRITTEN. Will the gentleman yield for a statement?

Mr. TERRY of Arkansas. I yield.

Mr. BRITTEN. I may say to the gentleman and to the House that there were two prizes offered in two wards of my district, each of them consisting of $250, divided, $100 for the first, $75 for the second, $50 for the third, $25, and $15, and the total amount of prizes in the entire district was $500.

Mr. BRENNAN. Will the gentleman from Arkansas yield?

Mr. TERRY of Arkansas. I yield.

Mr. BRENNAN. May I ask the gentleman if it is not a fact that Mr. Britten and his attorney appeared before the committee and consented and agreed that these ballot boxes should be opened?

Mr. TERRY of Arkansas. One of the questions is whether or not they did consent, and I will come to that in a moment.

Mr. BRENNAN. May I ask one further question? If they did consent, did such consent have any bearing on the actions of the committee?

Mr. TERRY of Arkansas. The apparent consent did have a bearing on the actions of the committee.

I think the Members of the House who will read section 250 of title II, will readily appreciate the fact that the conduct which Mr. Britten admits does not come within the provisions of this section.

It seems to me that probably the law should be changed to provide that prizes should not be given. In some States the law is that money cannot be expended to influence votes. This is the law in my State; but so long as the law remains as it is, your committee did not feel it could hold any other way than it did in this respect.

Another point that was raised as showing corruption was the fact that Mr. Britten, the Republican candidate, used franked stationery in connection with his campaign. The committee was of the opinion that this does not come within the purview of this election contest.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. TERRY of Arkansas. The testimony on this point was that 2 months or more after the election Mr. Britten used his stationery and franked envelops to write to Chicago

to ascertain the names of the precinct captains who were entitled to these rewards.

The evidence shows that probably not more than 25 were franked for this purpose. Whether or not this was reprehensible conduct was not within the province of the committee to take into consideration in an election contest.

The third ground, and the principal ground, of contest was based upon the fact that Mr. Britten obtained an unusually large number of split votes.

There was not one iota of testimony, direct or indirect, to show that there was fraud in the counting of these ballots, and the only evidence that was in the case on the part of the contestant was that a witness from Chicago testified that he had participated as an election clerk or an official in a good many contests and that the proportion of split votes that Mr. Britten received was unusually large. Upon this ground the committee was asked to hold that there was fraud in this election.

It was testified in the case that Mr. Britten had resided in his district for more than 20 years; that he was active in matters concerning the Naval Affairs Committee; that he was active in obtaining the location of the Great Lakes Naval Training Station there; that he was thoroughly at home in that district, was well known there, and had conducted an active campaign.

Mr. SABATH. Will the gentleman yield?

Mr. TERRY of Arkansas. I yield.

Mr. SABATH. Is it not a fact that that was the statement of the attorney for Mr. Britten? There was no such evidence as to the residence of Mr. Britten or the short residence of Mr. McAndrews. That was the statement of Mr. Britten's attorney.

Mr. TERRY of Arkansas. The gentleman may be correct; I was under the impression that that was in the testimony—at any rate, the statement was not denied.

But I want to say that the committee, taking the split vote alone, in its opinion would not have justified it in holding that there was fraud in the election or in the counting of the votes. That was the principal reason urged for the unseating of Mr. Britten.

Now, the question came up as to the agreement that a recount should be made. It is true that in the argument made by the counsel for Mr. Britten there was no transcription made of the argument, but in the course of his argument, in answer to a question, he contends that he said that he would not be afraid of a recount. Some of the committee felt that his statement was in the nature of an agreement for a recount, and some of them felt that even though there was no evidence that would justify it in the record that if the two contestants mutually agreed for a recount the committee could see no harm in granting one.

Mr. BRENNAN. Will the gentleman yield?

Mr. TERRY of Arkansas. Yes.

Mr. BRENNAN. Am I correct in stating that the committee agreed to a recount?

Mr. TERRY of Arkansas. At one time the committee voted that there should be a recount.

Mr. BRENNAN. Has there ever been any other action taken by your committee up to the present time?

Mr. PARKER. The committee afterward reconsidered that action.

Mr. BRENNAN. I was at the hearing, and the agreement was that the ballots should be opened, and there was no objection.

Mr. PARKER. The gentleman is mistaken. There was no such agreement.

Mr. BRENNAN. No agreement, but after the meeting it was agreed by your committee that the ballots should be opened.

Mr. PARKER. We went into executive session after the meeting, and the committee rescinded its former action.

Mr. BRENNAN. Since the determination to open the ballots, has there been any hearing on the matter since that time?

Mr. PARKER. We did have an open hearing, at which the gentleman was present.

Mr. BRENNAN. Who appeared?

Mr. PARKER. Judge SABATH and the gentleman——

Mr. BRENNAN. I was not present.

Mr. PARKER. I beg the gentleman's pardon. I thought he was Mr. O'BRIEN.

Mr. BRENNAN. I should like to know what happened to warrant a change in the decision of the committee.

Mr. PARKER. If no other gentleman tells you, I will tell you in a minute. Mr. Speaker, I want to withdraw the statement I made that the gentleman from Illinois [Mr. BRENNAN] was present. I thought he was Mr. O'BRIEN.

Mr. HOLLISTER. I yield the gentleman 2 minutes more.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. TERRY of Arkansas. Yes.

Mr. BLANTON. Is this a unanimous committee report?

Mr. TERRY of Arkansas. Yes; it is a unanimous committee report.

Mr. BLANTON. And the committee is composed of a majority of Democrats and a minority of Republicans, and yet reports this unanimously, deciding the case in favor of the Republican?

Mr. TERRY of Arkansas. Yes.

Mr. BLANTON. Then what is all this fuss about?

Mr. TERRY of Arkansas. I shall not take up any more time of the House, except to say that I am a new Member, having come here last January. I was put on this Elections Committee. I feel that when one takes his place on an Elections Committee he thereby assumes a quasi-judicial position, and when he goes into the Elections Committee room he should leave behind him any question of partisanship, and he should decide the cases that come before him between Democrats and Republicans the same as though there were no party lines. [Applause.] And that is what the Democrats and the Republicans did in this case, and I appeal to Members of this House to sustain the action of the committee.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has again expired.

Mr. HOLLISTER. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. WARREN].

Mr. WARREN. Mr. Speaker, I fear that if I let this opportunity pass without saying something the Committee on Accounts, after the happenings of yesterday, might sink still further in the estimation and esteem of the House. The gentleman from Illinois [Mr. SABATH]—and this is the occasion for my saying something, called attention to the fact that a resolution for funds for a recount was presented, and a hearing was held before the Committee on Accounts. That is correct. I granted a very quick hearing upon the understanding and assurance that the Elections Committee was unanimous in its opinion that there should be a recount. The gentleman from Georgia [Mr. PARKER], the chairman of the committee, was notified, as was the gentleman from Illinois [Mr. Britten] and the gentleman from Illinois [Mr. SABATH], and other gentlemen appeared. We have felt in the Committee on Accounts that when we report out a resolution to the House we must have something with which to back it up. Not one single charge of fraud in this contest was presented to us, not one earthly reason was given why there was even a necessity for a recount, and I am safe in saying that that committee, composed of 7 Democrats and 4 Republicans, was unanimous that no case had been made out so far as a recount was concerned. We later heard that the Elections Committee reconsidered and by a unanimous vote decided against a recount.

Mr. Speaker and gentlemen of the House, I know nothing whatever about this case. I am not a member of the Elections Committee. I do know that up until a few days ago one of the greatest lawyers in this House was the chairman of that committee. I speak of my colleague, Mr. CLARK of North Carolina. He is one of the ablest and fairest and squarest men I have ever known in my life. I know that a few days ago our friend the gentleman from Georgia [Mr. PARKER], who likewise has the confidence and esteem of this House, succeeded Mr. CLARK as chairman of that committee.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman yield?

Mr. WARREN. Not now. I know that the Elections Committee is composed of 6 Democrats and 3 Republicans and that they now come in with a unanimous report that there is nothing to this contest.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. WARREN. In just a minute. Mr. Speaker, I am a partisan down-the-line-organization-caucus Democrat, if you please. [Applause and laughter.] But I am not so partisan that I am going to cast a vote in this House to steal a seat from another Member when nothing has been shown to warrant it. We have had enough of that in times past, and the Republican Party has been much more responsible for such occurrences than we have, probably because they have been in power longer. We know all of the outrages that happened here following the Civil War and on down. I think one of the most flagrant cases, one of the greatest outrages ever perpetrated on this floor, was when, in the expiring hours of a Congress, 3 hours before the Congress died, my colleague, the gentleman from North Carolina [Mr. WEAVER], was unseated by a majority of 1 here in this body and 2 years' salary and other emoluments were voted to the man who contested that seat, Mr. WEAVER having been overwhelmingly elected to take the new seat which the contestant warmed for 3 hours.

Mr. DOWELL. Mr. Speaker, will the gentleman yield?

Mr. WARREN. Not now. I know that recently, because I was on the committee that heard the cases, in the case of our friend, Mr. PALMISANO, of Maryland, a recount was ordered, and it was in that case that the deadly social lobby tried to get in its work.

The SPEAKER pro tempore. The time of the gentleman from North Carolina has expired.

Mr. HOLLISTER. Mr. Speaker, I yield 2 minutes more to the gentleman.

Mr. WARREN. In the Palmisano case, I went with Mr. Speaker Garner to the late Speaker of the House, Mr. Longworth, when Mr. Garner exposed to him the rottenness that was being concocted when friends of the contestant were knocking at our doors, using their social influence with every Member of the House to seat him. I am hoping that those days have gone and we will no more decide election cases on such things as that. I agree with the gentleman from Arkansas [Mr. TERRY], who has just spoken, that we ought to sit as solemn judges in these cases and cast our vote according to law and evidence and free ourselves from any feeling or spirit of partisanship. Mr. Britten should be unanimously seated. [Applause.]

I yield back the remainder of my time.

The SPEAKER pro tempore. The gentleman from North Carolina yields back 1 minute.

Mr. HOLLISTER. Mr. Speaker, I yield back the balance of my time.

Mr. SABATH. Mr. Speaker, the gentleman yields to me now; he has a minute left.

The SPEAKER pro tempore. The gentleman from North Carolina has yielded back his time.

The Chair recognizes the gentleman from Georgia [Mr. PARKER].

Mr. PARKER. Mr. Speaker, in the very beginning let me state that I am in hearty accord with the remarks of the gentleman from Arkansas [Mr. TERRY], a member of the committee. When the gentleman from Arkansas tells you that no member of Elections Committee No. 1 has considered any action in any of these election contests along partisan lines he is telling the unvarnished truth. While, the committee has voted to seat 3 Republicans in this House, it did so because it believed these 3 Republicans were elected to membership in this body.

We Democrats on the committee are partisan, yes, every one of us. We come from Georgia, from Arkansas, from Texas, and from Louisiana. It is needless for me to say that we are partisan Democrats; but I believe every member of this committee is an honorable gentleman. There is not a thief in the crowd, and I am sure there is not a man holding membership on the committee who would vote to steal an election from anybody regardless of political affiliation. With respect to the victim in this case, my good friend the gentleman from Illinois [Mr. Britten] we recognize that he is partisan. As a matter of fact, he came before the committee and told us that he was partisan. I would not have any respect for him if he were not partisan; I think he ought to be partisan; and I think we ought to be partisan. But I do not believe we ought to be partisan when we go into a committee room and undertake to decide between man and man as to which one of them was elected to a seat in the House of Representatives.

I have had some experiences along this line myself. I was elected to office in a State-wide election and had the office stolen from me, stolen from me by Democrats, too. [Laughter.] I went into a Democratic convention after I had gotten the vote of the people in the primary, and the delegates to that convention from 21 of the counties in Georgia which I had carried, voted against me and I lost the office I had won at the hands of the people. You would not expect me, after having had such an experience, to be in favor of doing anything but justice to a man who has waged a campaign and has offered himself as a candidate for office. I mention this merely that you may know that there is not any remote possibility that I would try to steal any election from anybody. I feel too strongly on the subject.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. PARKER. For a question; yes.

Mr. SABATH. Did anyone attempt, or was any effort made, to steal the election from the gentleman from Illinois [Mr. Britten]? Is it not a fact that the only thing Mr. McAndrews ever urged and requested was that a recount be had so that the committee would have before it evidence on which it could act?

Mr. PARKER. I cannot answer the gentleman's question, because I do not know the facts in the case.

Mr. SABATH. And is it not a fact that the committee originally voted to order a recount to satisfy itself whether Mr. Britten had been elected or whether Mr. McAndrews had been elected?

Mr. PARKER. I shall address myself to that proposition right now, and I shall answer your question fully.

Mr. Speaker, on March 14 the committee had a hearing; I believe that was the day. In the course of his argument to the committee, counsel for the contestee, Mr. Britten, made the statement that he had nothing to fear from a recount. The committee understood from what Mr. Britten's counsel had said that the gentleman from Illinois did not object to a recount being ordered. One of the Democratic members of the committee, the gentleman from Texas [Mr. BAILEY], suggested that if nobody objected to the recount, he thought the committee might go ahead and order it. We took no action in the case that day, but when the committee met again the gentleman from Texas [Mr. BAILEY] made the motion that the recount be ordered, believing, as he did, that neither the contestant nor the contestee had any objection to a recount. This resolution was adopted by the committee and placed on the minutes. Five or six weeks elapsed, and nothing was done except that the chairman of the committee tentatively appointed two members of the committee, one Republican and one Democrat, to go to Chicago and count the ballots.

Some time thereafter the chairman of the committee was designated as a member of the Rules Committee and gave up his appointment to the Committee on Elections No. 1. After his resignation from the committee, the incumbent took over his duties as chairman. There was that resolution on the minutes, and no arrangements had been made whereby it could be carried into effect.

The first thing I did after I became chairman of the committee was to introduce a resolution asking for funds with which to conduct the recount. The resolution was referred to the Committee on Accounts. I appeared before the Committee on Accounts as did a number of other Members of Congress. When I appeared before that committee, it wanted to know on what evidence our committee had authorized this recount. I told them very frankly that in

my opinion the recount had been ordered by the Elections Committee because it believed that neither party to the contest objected to the ballots being counted.

The gentleman from Illinois [Mr. Britten] stated that he had violent objections and that he had already told the former chairman of the committee, my predecessor, that he wanted to be heard. He said he understood that the committee believed he had no objection to this recount, and he wanted to appear before the committee and correct this impression. After I became chairman of the committee he made the same statement to me. I called the committee together and laid the facts before it and asked the members if they wanted to hear Mr. Britten. The committee voted unanimously to have another hearing and to permit Mr. Britten to come in and tell us how he felt about the recount. Several Members of the House from Illinois attended that hearing. We did not shut anybody off. I think the committee was in session some 2 hours or more.

I let everyone talk who wanted to talk. It was an informal, open hearing. There was nothing secret about it. After this hearing was over, and after Mr. Britten had stated he had never agreed to the recount and that he did not want one, we went into executive session, and the committee voted unanimously to reconsider the action it had taken in ordering the recount. Mr. Britten stated he did not believe a recount would hurt him, but he said he could not afford to make any such agreement.

At that meeting every member of the committee was present. After Mr. CLARK was transferred from the committee there was a vacancy and there were only 5 Democrats and 3 Republicans present at the meeting, but all 8 of them voted to reconsider the action, and the motion to reconsider was made by the same Democrat, Mr. BAILEY, of Texas, who had made the motion in the first place to authorize the recount.

Mr. BLANTON. Will the gentleman yield?

Mr. PARKER. I yield to the gentleman from Texas.

Mr. BLANTON. After moving to reconsider, then did the committee vote not to have the recount?

Mr. PARKER. Not that day. Two or three days later we had another meeting in executive session, at which time we considered all the evidence in the case and every Democrat and every Republican member of the committee decided that there was absolutely nothing in the contest and that there was absolutely no ground for unseating Mr. Britten or for even asking for a recount.

Mr. ALLEN. Will the gentleman yield?

Mr. PARKER. I yield to the gentleman from Illinois.

Mr. ALLEN. In the gentleman's opinion, and in the opinion of the other members of the committee, there was no evidence of collusion or fraud that would warrant spending thousands of dollars of the taxpayers' money sending people out there?

Mr. PARKER. Absolutely none. If it had not been for the fact that the committee believed all parties to the contest were willing to have the recount, none would have been suggested by the committee in the first place.

The charges against Mr. Britten were that he violated the Corrupt Practices Act. We heard the evidence and we decided that there was absolutely no evidence to substantiate this charge.

The second charge was a reiteration of the first charge with some additions but it too fell flat. There was absolutely no evidence to substantiate it. The third ground was that there should be a recount because Mr. Britten had received a disproportionate number of split ballots.

In all fairness, I want to state that if the fact that a Republican ran ahead of his ticket in the elections of 1932 is any ground for a recount, I think we would have to recount the ballots in the districts from which everyone of you gentlemen on this side of the aisle come. I do not know a Republican Member of this House who did not run ahead of his ticket in 1932. If they had not run ahead of the ticket they would not be here, and it is only natural that Mr. Britten, who has been in this House for 22 years, would run ahead of his ticket in Chicago.

As I understand it, Mr. Britten is the senior Republican in the House. He has been here longer or as long as any other Republican Member, and I was not willing—and no other member of the committee was willing—to subject him to a recount 2 years after the ballots were cast and perhaps cause him to lose his seniority in the House, his committee assignments, and all the other prerogatives that go with long Membership in the House of Representatives without good and sufficient reasons substantiated by evidence. The committee did not believe there was anything to the contest.

We have been frank and honest about the matter. We have brought our report to you. It is a unanimous report. It has the concurrence of every Democrat on the committee as well as the Republicans, and I had hoped when the report was submitted to the House it would not be necessary to take up any of the time of the House. I know of nothing further that I care to say, and I do not believe it is necessary to say anything more.

Mr. Speaker, I move the previous question. [Applause.]

The previous question was ordered.

The SPEAKER pro tempore. The question is on the adoption of the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

VOCATIONAL EDUCATION

Mr. BANKHEAD. Mr. Speaker, on yesterday I yielded the remainder of my time to the gentleman from Massachusetts. I understand the gentleman desires to use only 5 additional minutes.

Mr. DOUGLASS. That is correct.

Mr. BANKHEAD. At the conclusion of the 5 minutes I shall move the previous question.

Mr. DOUGLASS. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. MITCHELL].

Mr. MITCHELL. Mr. Speaker, I want to commend the action of the Committee on Rules in giving this legislation the right-of-way at this time. Large expenditures of public money are made from time to time by the Congress of the United States, but at no time can we as public servants render a greater service than in the expenditure of the people's money for the development of education.

This proposed legislation, Mr. Speaker, will reach and benefit every section of our common country. In times of depression, want, and distress I know of no program or action that this House could take that would mean more to the common citizenry of the country than a liberal appropriation for vocational training. It reaches the homes of the great masses of the common people in every section of the country. The resources of the people have been depleted and in many States and in many sections, except for the strong arm of the Federal Government reaching out in an effort to help the citizenship, vocational education would not be available in many sections.

Every man is entitled to an equal opportunity in life, and the advantages of education should be available to every citizen in this country. By this appropriation of $3,000,000 we make an investment throughout the United States that will declare dividends for all time. No man or woman has ever been enabled to adequately appraise the value of one human life. No statistician will ever be able to calculate the worth of a Washington, a Jefferson, or a Jackson. So in making this contribution to help the forgotten men and women of this country we truly are playing the part of the good Samaritan.

Many reckless expenditures characterize our deliberations from time to time. My only criticism of this legislation is the fact that only $3,000,000 is proposed by the bill. If the opportunities were such and the resources of the country were adequate, I would favor a greatly increased appropriation at this time. I am glad to say that many of the appropriations of a reckless character have not characterized this administration as have characterized former administrations.

No man could rise in his seat on the floor of this House and justify an expenditure of $11,000,000 in the erection of one public building for nine Supreme Judges or $46,000,000

in the erection of another public building down the Avenue and then undertake to say that only $3,000,000 should be available to forward human destiny and build character in this country.

Vocational education and training by reason of this appropriation will reach every part and section of the country. It will afford an opportunity for young men and women in the country to receive special and technical training that would not otherwise be available to them. It gives the farmers' sons and daughters an opportunity for vocational training. It affords them an opportunity in life to which they are so justly entitled. Every father and mother is anxious to give their children the best training and most advantages possible. This appropriation will afford them equal opportunities with those in more favored industrial centers. It gives to the farmers' sons special schooling in agriculture and farm life. It extends to his daughters an opportunity to make a special study of home economics, domestic science, and kindred subjects so helpful to them. The safety of our Government rests in the contented homes of America. No nation will ever be great that does not have an educated, trained, and patriotic people. The birthplace of liberty is in the homes of the farmers. It is in the country where freedom has its birth. The money being appropriated in this bill is an investment in future citizenship. We are investing in young men and women of America.

There should not be a single vote in opposition to this measure. It has been well said that "education is a debt due from present to future generations." We should encourage and educate the young men and women, the boys and girls of today, for upon them soon the responsibility of government will rest. We should prepare them by training and education for this great responsibility. The only investment worth while in this country is in the development of character and spiritual value. It is in the making of men and women. It is in the proper training and development of the mental, physical, and moral man.

Let us continue in our efforts to render service to those so deserving and so worthy as the sons and daughters of the farmers of America.

It has been well said that man made the city, but a kindly and All-Wise Providence made the country. When the only sinless man who ever lived was on earth He dwelt in the open places. He selected his disciples and teachers from the shepherds on the hills and the fishermen on the banks of the rivers and streams.

Let us continue in our efforts to better conditions and improve opportunities in the country homes of our people.

Only by doing this can we measure up to the responsibility expected of us by those who send us here and whose servants we are honored to be, and for whom I am proud to speak.

Let us keep in mind that he lives the most who serves the best. [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, before moving the previous question I think it might be proper for me to make the announcement that at the conclusion of the consideration of this bill it is the purpose to call up the rule for the consideration of the Dockweiler bill affecting the compensation of rural carriers, and we hope to dispose of that measure before adjourning this afternoon.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. SNELL. Will that probably conclude the work for the afternoon?

Mr. BANKHEAD. I should think so, but in the absence of the majority leader I should not like to make that as a definite statement.

Mr. SNELL. I believe earlier in the day the majority leader said to me he believed that would be the program.

Mr. BANKHEAD. I think that is a reasonable assumption, but I should not like to make such a statement in his absence.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman from Mississippi.

Mr. RANKIN. When do we take up the Johnson bill?

Mr. BANKHEAD. As I stated to the gentleman in private conversation yesterday, of course, we are amenable entirely to the suggestions of the majority leader as to when that bill shall be called up.

Mr. RANKIN. Will it be called up this week?

Mr. BANKHEAD. I cannot tell the gentleman. Of course, the Committee on Rules is ready to go ahead and present the rule for its consideration whenever it is put on the program.

Mr. RANKIN. The rule has been reported?

Mr. BANKHEAD. Yes; and is on the calendar.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. DOUGLASS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 7059) to provide for the further development of vocational education in the several States and Territories.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 7059, with Mr. ROBERTSON in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. DOUGLASS. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. ELLZEY].

Mr. ELLZEY of Mississippi. Mr. Chairman, in the year 1917 Congress passed the Smith-Hughes Act. This authorized an appropriation of money for the purpose of cooperating with the States in promoting training in trades and industries, vocational agriculture, and home economics.

The first year the authorization carried $1,660,000 for this purpose. This amount was increased until it reached its peak in 1926, carrying, at that time, $7,167,000 for this purpose. This continued until 1929, when the George-Reed Act was passed. The George-Reed Act was for the purpose of further providing vocational education and it carried an authorization of $500,000 the first year and was effective for a period of 5 years, adding each year an increased amount of $500,000, making, therefore, for the present year an authorization of $2,500,000.

Under the first Economy Act during the Hoover administration this allocation for Smith-Hughes funds was reduced from $7,167,000 to $6,450,300, and then under the present administration it was further reduced to $5,940,000, making a total reduction in the Smith-Hughes funds for vocational education of $1,227,000.

Under the George-Reed Act the allocation reached as high as $1,500,000 for the year ending June 30, 1933. Then the Economy Act of this administration reduced that to $1,275,000, making a reduction of said funds of $1,225,000, or a total reduction of Smith-Hughes and George-Reed funds of $2,502,000.

I repeat these facts: The total authorization at the peak for the Smith-Hughes appropriation was $7,167,000, plus the George-Reed appropriation of $2,500,000, making a total of $9,667,000. With the passage of the pending bill, Mr. Chairman, the George-Reed Act expiring in June of this year, an additional $3,000,000 will be added, which, with the present funds under the Smith-Hughes Act, would make a total of $10,167,000, or an increase of $500,000.

The bill under consideration carries an appropriation of $3,000,000, and of this amount $1,000,000 is for vocational agriculture on the basis of farm population; $1,000,000 for trades and industry on the basis of nonfarm population; and $1,000,000 for home economics on the basis of rural population. In addition thereto it provides for an equalization fund of $84,603, which would guarantee each State a minimum of $5,000.

You will be interested in data given below, viz:

Smith-Hughes Act

Year	Total allotted	Agriculture	Trade-industry (20 percent home economics)	Teacher-training
1930 (June 30)	$7,167,000	$3,027,000	$3,050,000	$1,090,000
1931 (June 30)	7,167,000	3,027,000	3,050,000	1,090,000
1932 (June 30)	7,167,000	3,027,000	3,050,000	1,090,000
1933 (June 30)	6,450,300	2,724,300	2,745,000	981,000
1934 (June 30)	5,940,000	2,520,000	2,510,000	910,000

NOTE.—Authorization for year 1933 was $7,167,000, reduced by Economy Act to $6,450,300; authorization for year 1934 was $7,167,000, reduced by Economy Act to $5,940,000; total reduction, year 1934, $1,227,000.

George-Reed Act

Year	Total allotted	Agriculture	Home economics
1930 (June 30)	$500,000.00	$250,000.00	$250,000.00
1931 (June 30)	962,806.43	478,428.02	484,379.40
1932 (June 30)	1,483,000.00	737,000.00	746,000.00
1933 (June 30)	1,500,000.00	750,000.00	750,000.00
1934 (June 30)	1,275,000.00	637,500.00	637,500.00

NOTE.—Authorization for year 1933 was $2,000,000, reduced by Economy Act to $1,500,000; authorization for year 1934 was $2,500,000, reduced by Economy Act to $1,275,000. Total reduction year 1934, $1,225,000 (George-Reed funds); total reduction year 1934, $1,227,000 (Smith-Hughes funds); total reduction year 1934, $2,502,000.

Total authorization at peak:	
Smith-Hughes Act	$7,167,000
George-Reed Act	2,500,000
Grand total	9,667,000
With passage of this bill for next year you will have	3,000,000
Smith-Hughes Act next year you will have	7,167,000
Total	10,167,000
Increase of	500,000

It seems to me that the gentleman from Tennessee [Mr. MITCHELL] was entirely correct in his splendid statement in behalf of this worthy cause.

In 1917 the first appropriation was made by the National Congress for vocational education. I feel that the whole program has been well justified. I wish each Member of the House could have heard the testimony of Bobby Jones, of Ohio, who happens to be a good friend and neighbor of my colleague [Mr. FLETCHER].

This young gentleman is a product of vocational education, and he thoroughly demonstrated to our Committee on Education that he had not only been trained as a true American citizen but as a practical farmer. I think he clearly convinced the committee that the appropriation had been wholly justified in his case.

I remember that our good friend from Alabama [Mr. BANKHEAD], who has been such a loyal friend of education, told the committee that a vocational class had once visited his farm. He testified that their knowledge of agricultural facts convinced him that they had been taught very practical information.

Then the bill carries another worth-while feature, and that is the provision with reference to trade and industry. Before our committee Miss Betty Hawley, vice president of the New York State Federation of Labor, testified. I shall read you a portion of what she said:

> We feel we are living in the interests of America, and just because we are a little bit better off financially than perhaps some other urban and rural centers, that we have no less responsibility, and particularly those of us who are leaders of labor do care what is happening to Bobby Jones and to the future farmers and his brother Jim O'Rourke from Tenth Avenue. One is the future farmer and the other is the future industrialist, and they are the future America.

May I say in conclusion that in 1917, when the Federal Government made the appropriation to foster vocational education throughout this Nation, the school authorities of the little red schoolhouse on the hill, and wherever they taught vocational agriculture and home economics, appropriated a lot of money for laboratories for agriculture and for home economics. At this particular time it seems wise to continue the appropriation, and I, therefore, hope that this bill will pass.

Summarizing, let me state again that the bill carries $3,000,000 per year for a period of 3 years—$1,000,000 for vocational agriculture, $1,000,000 for home economics, and $1,000,000 for trade and industry. Add this amount to the $7,167,000 Smith-Hughes funds and you will have for vocational education the total amount of $10,167,000. I am convinced that this amount is extremely small, when we take into consideration the fact that this administration has appropriated for national recovery $3,300,000,000; and another act provided $500,000,000 for relief; and still an additional act $950,000,000 for relief. Before we adjourn this term another billion dollars or more will probably be appropriated. Ten million dollars seems to me a pitful sum to contribute to this worthy cause of vocational education, and I think it should be given careful consideration by the House. [Applause.]

Mr. Chairman, I ask unanimous consent to revise and extend my remarks, and to include therein a breakdown of this set-up showing how the $3,000,000 is to be distributed.

The CHAIRMAN. Without objection, it is so ordered.

The matter referred to follows:

Allotments for vocational education by States and Territories

Allotment of $1,000,000 on the basis of farm population for vocational agricultural education: of $1,000,000 on the basis of nonfarm population for vocational trade and industrial education; and of $1,000,000 on the basis of rural population for vocational home-economics education; and additional amounts required to insure minimums of $5,000.

State or Territory	For vocational agricultural education		For vocational trade and industrial education		For vocational home-economics education	
	Allotment of $1,000,000 on the basis of farm population	Additional amount required to insure minimums of $5,000	Allotment of $1,000,000 on the basis of nonfarm population	Additional amount required to insure minimums of $5,000	Allotment of $1,000,000 on the basis of rural population	Additional amount required to insure minimums of $5,000
Total	$1,000,000.00	$31,019.66	$1,000,000.00	$32,191.61	$1,000,000.00	$21,391.65
Alabama	43,759.65		14,181.82		35,194.35	
Arizona	3,232.16	1,767.84	3,654.98	1,345.02	5,286.94	
Arkansas	36,550.17		7,981.17		27,230.72	
California	20,259.34		54,912.30		28,064.34	
Colorado	9,234.22		8,176.60		9,546.43	
Connecticut	2,833.02	2,166.98	16,507.46		8,791.91	
Delaware	1,519.19	3,480.81	2,083.34	2,916.66	2,132.30	2,867.70
Florida	9,108.65		12,914.11		13,108.92	
Georgia	46,314.07		16,180.15		37,249.02	
Idaho	6,150.06		2,787.20	2,212.80	5,838.51	
Illinois	32,625.19		72,011.89		36,914.34	
Indiana	26,544.44		26,338.99		26,694.23	
Iowa	31,928.34		16,213.18		27,601.59	
Kansas	23,089.74		12,746.58		21,301.28	
Kentucky	38,413.16		15,616.26		33,595.37	
Louisiana	27,119.04		13,801.93		23,464.33	
Maine	5,582.94		6,802.52		8,806.42	
Maryland	7,752.87		15,138.51		12,150.85	

Allotments for vocational education by States and Territories—Continued

State or Territory	For vocational agricultural education		For vocational trade and industrial education		For vocational home-economics education	
	Allotment of $1,000,000 on the basis of farm population	Additional amount required to insure minimums of $5,000	Allotment of $1,000,000 on the basis of nonfarm population	Additional amount required to insure minimums of $5,000	Allotment of $1,000,000 on the basis of rural population	Additional amount required to insure minimums of $5,000
Massachusetts	4,024.24	975.76	44,809.04		7,738.19	
Michigan	25,544.94		44,087.69		28,500.95	
Minnesota	29,232.88		18,119.74		24,172.60	
Mississippi	44,496.42		7,025.68		30,919.82	
Missouri	36,387.58		27,309.66		32,756.86	
Montana	6,679.93		3,616.25	1,383.75	6,598.01	
Nebraska	19,122.97		8,603.34		16,503.00	
Nevada	536.79	4,463.21	810.28	4,189.72	1,047.22	3,952.78
New Hampshire	2,052.03	2,947.97	4,370.22	629.78	3,556.75	1,443.25
New Jersey	4,280.35	719.65	42,462.14		12,991.55	
New Mexico	5,179.26		2,874.28	2,125.72	5,856.57	
New York	23,505.47		128,878.71		38,231.59	
North Carolina	52,236.85		17,052.86		43,677.63	
North Dakota	12,971.53		3,079.14	1,920.86	10,501.80	
Ohio	33,081.63		61,175.07		39,586.31	
Oklahoma	33,435.59		14,898.53		29,132.11	
Oregon	7,302.66		7,928.52		8,586.65	
Pennsylvania	27,970.81		95,285.92		57,322.74	
Rhode Island	537.97	4,462.03	7,286.75		963.47	4,036.53
South Carolina	29,922.51		8,929.47		25,307.79	
South Dakota	12,740.08		3,286.48	1,713.52	10,398.23	
Tennessee	39,684.15		15,214.90		31,827.39	
Texas	76,800.99		37,708.02		63,568.39	
Utah	3,778.00	1,222.00	4,258.27	741.73	4,470.28	529.72
Vermont	3,686.28	1,313.72	2,679.05	2,320.95	4,456.62	543.38
Virginia	31,041.94		15,974.94		30,278.53	
Washington	9,949.57		13,668.06		12,561.64	
West Virginia	14,663.44		13,900.79		22,902.55	
Wisconsin	28,766.16		22,347.75		25,631.20	
Wyoming	2,388.39	2,611.61	1,655.09	3,344.91	2,876.80	2,123.20
Alaska	111.92	4,888.08	606.49	4,393.51	951.83	4,048.17
Hawaii	5,870.52		2,047.32	2,952.68	3,153.08	1,846.92

Mr. CARTER of California. Mr. Chairman, this bill was reported unanimously by the Committee on Education. I think it is a very necessary and splendid piece of legislation. So far as I know, there is no opposition to the bill from any Member of the House. Therefore, I shall make no extended speech in its behalf, as I do not consider it necessary.

I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I am heartily in favor of this bill which really is to extend the life of the so-called "Reed-George Act." Some years ago, when the farm situation was becoming rather acute, a commission of business men was appointed to study the situation as it related to agriculture throughout the country. After the commission had made a very exhaustive study of the farm situation throughout the United States, a joint report was published by two organizations, one the United States Chamber of Commerce, and the other the National Industrial Conference Board. I quote briefly from that report the portion which relates to rural education:

[From the Condition of Agriculture in the United States and Measures for its Improvement]

EDUCATION OF THE FARM YOUTH

It is certain that the task of transmitting to the rank and file of the farmers the results of agricultural research work must largely be attacked through improvements in education of the rural youth. * * * The rural schools can be of great help in transmitting better methods to our future farmers. In the opinion of the commission this phase of rural education has not yet received the necessary attention. At present the rural schools consider it their main task to dispense a type of education which seems ill suited to the probable needs of the pupils. Little consideration is given to the fundamentals of agriculture, and the curriculum seems to be shaped almost completely to meet the requirements necessary for entrance into high school or college. It is not suggested that the rural school become a training ground solely for the vocation of agriculture, but the fact remains that most of the children who stay in the locality will pursue that calling, and it therefore seems that a curriculum which does not completely ignore this fact might be more beneficial than that now normally pursued.

The prosperity of the American farmer depends upon his efficiency relative to foreign competitors. To attain and preserve an American standard of living he must constantly keep several steps in advance of those competitors. This can be adequately done only through education. A well-conceived program of education, moreover, will not only help to provide the means of living well but will in itself contribute to better living and working conditions. Its benefits will not be rapidly attained nor spectacular, but they will work out their results in a thousand devious but effective ways, and education will thus be one of the most important means for improving conditions on our farms and giving American agriculture the standing which it must have if the Nation is to maintain its proper place in the progress of mankind.

Above all, the commission wishes to emphasize the importance of giving to our rural education in large degree a character and a quality which will help to conserve and improve rural life. If we are to preserve some of the fundamental characteristics of farming as a way of life and a noble calling, our farm youth must be brought to a clearer realization of its intangible values and its advantages in contrast to urban activities, and the farmer himself must in larger measure be brought to conceive of his occupation not as a temporary makeshift in which he may well be content to accept lower returns for his labor than his city fellow in the hope of speculative returns on his land values, but as an opportunity for a rich, well-rounded life in which his intelligence and culture and all the resources of community life may find full scope for development.

After that report was made there was formulated before the Committee on Education, of which I then had the honor of being chairman, a program, calculated to meet the recommendations of this committee. As I recall it at that time there were some 11,651 rural high schools in the country, but only 29 percent of those high schools were giving any training whatever in vocational agriculture. The purpose of the Reed-George Act was to reach, so far as possible, the other 71 percent of the over 11,000 rural high schools in the country.

If there ever was a time when we needed this legislation it is now. You gentlemen who have recently read the report of Mr. Hopkins realize that there are some 400,000 farm families on the relief roll. The one ambition of the average father and mother is to see that their boys and girls have an opportunity to get an education. They are willing to suffer almost any sacrifice in the interest of their children, and the only hope that many of these farm families now have in the rural districts for their children to receive an education and to prepare them for life is through vocational work that is made possible by the Federal aid that comes through this bill.

We have poured money in great volume into every kind and type and description of public works, but there is nothing more important to America than the education of the youth of the land. It is a condition precedent to the safety

of a republic that the rank and file of the boys and girls have an opportunity to at least receive the fundamentals of an education. Daniel Webster once said:

If we work upon marble, it will perish; if we work upon brass, time will efface it; if we rear temples, they will crumble to dust; but if we work on men's immortal minds, if we imbue them with high principles, with a just fear of God and love for their fellow men, then we engrave on these tablets something which no time can destroy and which will brighten to all eternity.

The purpose of this legislation is to make more effective an instrumentality for achieving the ideals of education so ably enunciated by the great defender of our Constitution.

We have over 11,000 rural high schools in the United States. We are reaching only part of them, but under the Reed-George Act we have narrowed down the percentage, and more boys and girls are having an opportunity to get an education. At this particular crisis, where in many communities rural high schools have been built, it is utterly impossible for those communities to support those schools unless assured of some aid from the Government. We have assisted about everything imaginable in this country, and I want to see this legislation enacted today to underwrite the future of the farm youth of this land. [Applause.]

Mr. DOUGLASS. Mr. Chairman, I yield now to the gentleman from North Carolina [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, I am very much in favor of this bill. I ask unanimous consent to extend my remarks in the RECORD and to include therein letters from President Roosevelt, Mr. Farley, and Mr. Byrns.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ABERNETHY. Mr. Chairman, I wish to take this opportunity to give a brief summary of the achievements of the Seventy-third Congress and tell in a few words the story of the new deal inaugurated by President Roosevelt. My remarks are in a measure a summary of a recent radio address I delivered at the invitation of the Columbia Broadcasting System from Washington on April 20, 1934.

A little over a year ago our Nation had sunk to the lowest point ever reached in the morale of a people. Business, trade, and industry were at a low ebb, and the number of unemployed increased to an extent never before experienced in our history. March 4, 1933, was more than a mere change in administration. It was the beginning of a new social order. No modern state has undertaken an experiment which even remotely compares with the adventure upon which President Roosevelt has embarked. He is the first statesman who has sought systematically to use the power of the Federal Government to benefit the individual.

On March 5, 1933, the calling of a Nation-wide bank holiday was immediately followed by the passing by Congress of emergency legislation permitting the gradual reopening of sound banks.

Through the Public Works Administration and the Civil Works Administration and other agencies of the Government more than 4,000,000 of the 11,000,000 unemployed have been given work during the past winter, thereby eliminating much hardship and suffering.

The National Industrial Recovery Act gives effect to ideas which have been fought for in Congress for over a quarter of a century. This act abolished child labor. The codes of fair competition give a national status to the regulation of hours and wages, increasing employment and raising the general price level of commodities.

The Public Works Act provided for the expenditure of $3,300,000,000 on public works or public-benefiting private works. It has brought forward many projects such as Federal buildings, waterways, and civic improvements that will mean much to all communities throughout the Nation.

FARM RELIEF

The Agricultural Adjustment Administration has attempted to raise agricultural prices by curtailing production. It provides a plan to pay farmers for crop cuts and a method to raise necessary funds by taxing processors.

From 1921 to 1929 buying power that should have stayed with the farmers became concentrated in the great money centers. Overproduction in agriculture reduced the consumer's buying power even more than it reduced the prices of what he needed to buy. By March 1932 farm incomes in the Nation had dropped from $16,935,000,000 in 1919 to $5,250,000,000 in 1932. Farm prices were the lowest ever recorded. The Agricultural Adjustment Act was built upon the principle of price parity for farmers. In other words, fair-exchange value for farm products as measured by their buying power in the pre-war period of normal agricultural stability. While the National Recovery Administration has succeeded in raising wage levels and the price of manufactured articles, the Agricultural Adjustment Administration has not been so successful as yet in raising the general price level of farm produce. I am hopeful, however, that in due time the general price level of farm produce will keep pace with the rising price level of wages and articles of manufacture.

The special session of the Seventy-third Congress granted the President broad powers to control currency and sanctioned a temporary departure from the gold standard and abrogated gold clauses in Federal and private contracts.

The Federal Trade Commission has been authorized to pass on all new security issues sold in interstate commerce, through the "truth in securities act", which imposes severe liabilities on sellers of stocks and securities, who fail to furnish prospective buyers with complete information. This legislation is most fair to the rank and file of the American public because of the long history of terrific losses taken by innocent investors over a period of years.

Legislation has been passed providing a system of licensing sound banks and instituting far-reaching bank reforms, including separation of investment, private and commercial banking, and setting up a way of insuring bank deposits. Our banking and currency systems are now on a sounder basis than they have been for many years. Today, owing to the Federal Deposit Insurance Corporation, people may put their savings in a bank with the assurance that their money will be there when they wish to withdraw it.

The Tennessee Valley Authority was created to operate Government properties at Muscle Shoals, Ala. I am confident that this huge undertaking will contribute much in the fight for recovery. The railroads of our Nation had been hard hit by the depression, and legislation was passed creating the Federal Coordinator of Transportation. Much relief has also been extended to the railroads through the Reconstruction Finance Corporation.

The regular session of the Seventy-third Congress, beginning January 3, 1934, enlarged and expanded the forces of recovery given birth during the special session ended June 16, 1933.

The Emergency Farm Mortgage Act provides for the establishment of a corporation to aid in refinancing farm debts and other purposes. It provides for the handling and refinancing of farm mortgages on liberal terms.

OLD-AGE PENSIONS

During the present session of the Seventy-third Congress several bills have been introduced to provide for old-age pensions. People who have passed the years where they are expected to work hard should have security. They should not be compelled to compete in the markets for the relatively few jobs. I favor a Federal pension system whereby the aged and destitute can remain at home and spend their last days in peace and contentment.

The Home Owners' Loan Corporation bonds heretofore guaranteed by the Government for interest only will now be guaranteed as to principal. This will be of much assistance to the home owners throughout the Nation in view of the fact that many mortgagees had declined to accept the Home Owners' Loan Corporation loan bonds. With this guarantee there should be no more hesitancy on the part of any mortgagee in accepting the bonds of the Home Owners' Loan Corporation.

I have made two recent speeches on the floor of the House in reference to veterans' legislation. During my entire service in Congress I have at all times been a consistent

friend of the veterans in my district. I voted for the immediate cash payment of the bonus when the matter came before the House, and I also voted for the Independent Offices Appropriation Act with its provisions for increased benefits to veterans.

I have received letters from Hon. John Thomas Taylor, vice chairman of the national legislative committee of the American Legion, and Hon. James E. Van Zandt, national commander in chief of the Veterans of Foreign Wars, expressing appreciation and approval of my efforts in behalf of veterans. The North Carolina organization of Veterans of Foreign Wars has officially endorsed my candidacy for renomination and reelection to Congress, and have asked all veterans to support me as an appreciation of my services.

All new-deal legislation has had as prime essentials, first, to give immediate aid to those in dire distress and, second, to create a purchasing power among the masses and to eventually bring back prosperity.

I favor a measure now pending before the Congress providing a plan to pay off depositors of closed banks in full and thereby turning over all sound assets of these banks to the Government to be liquidated over a period of 10 years.

Another measure under consideration provides unemployment insurance whereby the employer in good times will contribute a small percentage of the total pay roll to create a fund to provide a small income for those temporarily out of work.

I favor legislation whereby the Reconstruction Finance Corporation will be enabled to give relief directly to private industry.

There is much legislation I have not been able to discuss in the time allotted to me. I can safely say, however, that more real work has been crowded into these last two sessions of the Seventy-third Congress than in any like period of time in the past. It has been my privilege to contribute my share in helping our President in his fight for recovery.

I strongly favor a continuance of the new deal, and I think no half-way measures should be adopted. I believe in doing the job well while we are at it, and there is strong evidence that we are definitely on the road to recovery and that good times are ahead.

A PERSONAL APPEAL TO MY FRIENDS AT HOME

Mr. Chairman, I am a candidate for renomination in the Democratic primary in my district on June 2, 1934; and although I have seen many hundreds of my friends on recent trips to my district, most of my time between now and June 2 will be required at my post of duty in Washington; therefore I ask the privilege of making a personal appeal to my friends at home.

During 12 years of service the interests of my congressional district have always been paramount with me. I have a sense of honor; and if I did not know that I had given good service and did not know that I was in better position than ever before to accomplish things for my district, I would not ask to be returned as their Congressman.

My many years of seniority in the Congress, my position on the Appropriations Committee, the friendships I have made in my years of work at the Capitol, and my close personal association with the present administration enables me to accomplish things for my district now that I would have had to fight for unsuccessfully years ago. I feel certain that I have accomplished more for my district during my last two terms than ever before. President Roosevelt, in the midst of his new-deal program, needs members of Congress with years of seniority and experience to help him at this time. A new member of Congress would need long experience in Federal affairs to give assistance in a crisis like this.

In view of the fact that so many unfair and false reports have been deliberately circulated in the district in an effort to secure my defeat in the coming primary on June 2, 1934, and for the benefit of my friends who have manifested an interest in me and for all those in the district who believe in fair play, I wish to give the opinions of others than myself as to the service I have rendered.

I quote letters from outstanding leaders of our Nation sent to me, unsolicited and voluntarily, in a spirit of sincere appreciation of my efforts. The first letter is from Hon. Franklin D. Roosevelt, our President, received while I was home for a few days during the Christmas holidays. The second letter is from Hon. James A. Farley, chairman of our National Democratic Executive Committee, Postmaster General, and chief spokesman of the present administration. The third letter is from Hon. JOSEPH W. BYRNS, former Chairman of the Appropriations Committee (of which I have been a member for several years) and the Present Democratic floor leader of the House of Representatives.

Hon. CHARLES L. ABERNETHY,
New Bern, N.C.

MY DEAR MR. ABERNETHY: It is with keen regret that I learn that you have been ill this summer and trust that you may soon be fully recovered. I want you to know how grateful I am for your untiring efforts in support of the administration's policies during the grinding weeks of the special session of the Congress. While we are all looking forward to and counting on this same fine helpfulness during the coming session, I do hope you will pay attention first to your health. Do not let anything stand in the way of your doing this.

When you do come to Washington, be sure to come in to see me.

Many thanks and best wishes for a happy holiday season to you.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
Washington, December 12, 1933.

DEMOCRATIC NATIONAL COMMITTEE,
NATIONAL PRESS BUILDING,
Washington, June 16, 1933.

Hon. CHARLES L. ABERNETHY,
House Office Building, Washington, D.C.

MY DEAR CONGRESSMAN: I want you to know that I greatly appreciate the support you gave the administration's program during the session just closed. I feel certain the people of the country generally realize that more beneficial legislation was passed at this session of Congress than ever before in the Nation's history.

For the part you played in these remarkable accomplishments I want you to know that I am personally grateful.

With best wishes, I am, sincerely,

JAMES A. FARLEY, *Chairman.*

OFFICE OF THE MAJORITY LEADER,
HOUSE OF REPRESENTATIVES, UNITED STATES,
SEVENTY-THIRD CONGRESS,
Washington, D.C., June 24, 1933.

Hon. CHARLES L. ABERNETHY,
House of Representatives, Washington, D.C.

MY DEAR CHARLES: May I take this opportunity to express to you my deep appreciation and gratitude for your kindly consideration to me personally during the trying days of the session. Your service and your loyalty to the party made possible the splendid record written by our Democratic Congress at this session.

With best wishes, I am, sincerely your friend,

JO BYRNS.

These letters show conclusively that I have been of real service, not only to President Roosevelt in helping him put over his great recovery program, but also to the Nation and district.

I have at all times kept in constant touch with the affairs of my district. I am carrying on for my constituents as I always have.

When Democrats are privileged to contest in a primary, a spirit of chivalry should prevail. I promise the district that regardless of any unfair and underhand tactics used against me, and regardless of any false reports that may be spread about in the district, I shall say no unkind or harmful word against anyone. I ask to be renominated to Congress on the basis of my record.

As in years past I am personally available to my constituents at all times. I shall continue to try to answer every call made upon me, and the poorest person in my district can now, as in the past, always command my every effort in his or her behalf.

I am deeply grateful for every consideration extended to me by my constituents during my long years of service; and if I am privileged to continue as their Representative in Congress, I promise that I will make every effort in my power to prove worthy of the trust and confidence reposed in me.

As long as the great majority of my constituents want me for their Congressman and encourage me personally and tell me that I am doing well by them, and as long as they continue to write me letters of commendation and approval, I shall carry on.

Mr. DOUGLASS. Mr. Chairman, I yield 5 minutes to the gentlewoman from Kansas [Mrs. McCARTHY].

Mrs. McCARTHY. Mr. Chairman, when we realize that a large part of our Federal tax dollar is spent for national defense and roads, then we should surely make no objection to spending an infinitesimal part of that dollar for education. I think few of us realize the crisis in education at this time, except those who have been in close contact with the schools. It is true that education has suffered in all countries during the present depression, but it is a sad commentary that education in America has suffered more during this period than in any other country. Of course, industry and agriculture have suffered, but education has suffered more than either of these, and of course vocational education, along with the other kinds of education, has been greatly hampered on account of finances. When expenses were to be cut, some of these vocational courses were the first to suffer, regardless of the necessity for them and the demand from the general public.

Briefly, I shall go into some of the merits of vocational education. The pending bill authorizes an appropriation to aid these States in paying the salaries of teachers of agricultural, home economics, and industrial education. In many cases these teachers could not be employed for these projects without the benefit of Federal aid.

In the courses on agriculture, instruction is given in the rotation of crops, marketing, soil chemistry, poultry raising, dairying, and animal husbandry. In the home-economics courses, the girls learn how to make their own clothes, which is a very important matter during this time when incomes are so drastically reduced. These courses also include instruction in the care of infants, child development, and home nursing. In these days there are many families which must depend upon home care in case of illness, for they cannot afford to incur hospital bills. This education is practical along other lines. When the clothes are made at home it is important that the seamstress know something about the fabrics that will be used; and the students are taught how to test fabrics used in garments, draperies, and table linens. I am stressing these things that you may know the practicability of this work.

Then, also, to a family with a reduced budget it is important that a well-balanced diet continue regardless of the reduction of income. These classes are instructed that the cheaper cuts of meat, for instance, can be utilized and made just as tasty as the more expensive cuts through proper preparation. This training has enabled many families to have meat on their tables who would not have had it otherwise.

I bring out the fact, also, that too many schools have already closed; and more of them are going to close unless Federal aid continues; a separate bill covers such an appropriation. The pending bill continues the George-Reed Act. Federal aid to vocational education will terminate in July if this bill is not enacted. At this time there are 316 schools in my own State of Kansas already closed. Federal aid money will be of great benefit in paying teachers' salaries.

As we have been told by members of the committee, education is of extreme importance in a representative government. The children of today cannot wait for the passing of the depression to receive their education; they are growing to manhood and womanhood. Federal aid must be given at this time if it is to be of any advantage to them. Vocational education aids not only the youth of the country, but serves also to provide adult education. Many of the older people who attend these vocational schools had no opportunity during their childhood to receive an adequate education. [Applause.]

Mrs. McCARTHY. Mr. Chairman, perhaps few of our citizens, with the exception of the school men and women, who are in touch with the situation, realize the magnitude of the calamity which has fallen upon the schools and children of America. In order to fully appreciate the crisis it is necessary to quote some statistics in regard to losses recently sustained by education. While it is true that retrenchment has come about throughout the world because of economic conditions, yet in the United States it is a sad commentary when we find that education has suffered more during the depression than in any other country.

Hundreds of rural schools in the various States failed to open last fall because of lack of funds, and by the first of the year 2,600 schools were closed to the 140,000 children in attendance. It is estimated that by April 1, 20,000 rural schools had closed, affecting over 1,000,000 children. While the pupils in the primary and secondary schools are of first importance, the tragedy that has come to the school teachers cannot be overlooked. More than 200,000 of these teachers, or one fourth of all public-school teachers, are receiving less than $750 per year, which is the minimum provided for unskilled labor under the blanket codes of the President's reemployment agreement. Of this number, approximately 85,000 teachers are receiving less than $450 per annum. The teachers, by sacrificing a great part of their salaries to keep the schools open, are thereby bearing a greater portion of the tax burden than any other group.

The seriousness of the situation cannot be overemphasized. The success of a representative government depends upon an informed and enlightened citizenry. In civilization and government we are a democracy, and governments are designed to be the agents of a free society. The first public schools emphasized the need of giving solidarity to a new government. Solidarity through education was an urgent necessity to protect the United States from enemies within as well as from enemies without. Today our Government is threatened more by the danger of internal strife than by the possibilities of invasion by a foreign foe. Agitators spreading their propaganda for revolution and communism find ready listeners among the ignorant and uneducated. Prejudices are easily aroused in such groups.

LOSS OF SCHOOL REVENUE

The present financial condition of the school is due to several causes, chief among which are the shrinkage in property values, inability to pay taxes, lower tax rates, and loss or freezing of school money in closed banks. It is clear that many small taxing units can no longer maintain the present educational opportunities unless there is adjustment of the taxing systems of the country. It is most important that each State put its own house in order and tap every available source of revenue before appealing to the Federal Government for aid. The States may complain that the Federal Government has monopolized the revenues of the Nation through the income tax and other Federal levies but many commonwealths have met the situation by imposition of a sales tax, a State income tax, and license taxes.

TEMPORARY EMERGENCY AID

The Civil Works Administration has been the good fairy for a great many Cinderella American schools that were in dire need. The funds of this emergency bureau received from the Public Works Administration were used for repair of school buildings, payment of teachers' salaries, and income to students who were dependent on their own earnings. The Federal Emergency Relief Administration has provided $2,000,000 per month which is furnishing 40,000 teachers employment. Through the Public Works Administration funds for defraying the cost of constructing school buildings are made available, 30 percent as a gift and 70 percent as a loan, and provision is made in other cases for the Federal Government to pay the cost of construction and lease the building to the school district. About $30,000,000 was allotted to schools up to the first of the year.

PENDING FEDERAL LEGISLATION

The use of Federal funds for the schools is not an innovation and is not unconstitutional. As early as 1785 the Confederation set aside land for schools, and these general grants were continued as the various States came into the Union. The act of 1862 known as the "Morrill Act" marked definite changes in Federal policy from general grants to specific appropriations for specific types of education. This was followed by the Hatch Act in 1887, giving Federal aid to agricultural education and initiating the policy of annual subsidies to the States. In 1914 came the Smith-Lever Act for Federal aid for diffusion of information on subjects

related to agriculture and home economics. In 1917 the Smith-Hughes Act, designed to promote vocational education, was enacted, and the work in vocational education was further developed under the George-Reed Act of 1929. In 1920 the Federal Board for Vocational Education was given an appropriation for vocational rehabilitation of persons disabled in industry.

The agitation of many school leaders for permanent Federal aid for our educational system has been a deterring factor in meeting the present crisis. It is not questioned that the present emergency is most acute and the fact that Federal aid is the only remedy is unchallenged. Nevertheless, the danger of paternalism and of surrendering the educational system to Federal control, to become a part of political controversies and campaigns, threatens the traditional functions of government.

Due to the many demands which already have been made upon the Federal Government, further expenditures should be curtailed as much as possible; however, even in this national emergency no child of school age should be denied the opportunity of receiving at least a rudimentary education. These children of today are the leaders of tomorrow, and lawmaking and enforcing are conditioned by the existing level of public intelligence and character. Solution of the problem cannot wait and provisions must be made for keeping the school child at his studies.

The Committee on Education has held extensive hearings on the Federal aid bills before it. The data compiled by the Bureau of Education, the National Committee for Federal Emergency Aid for Education and other interested groups indicates that an appropriation of some ninety to one hundred million dollars is necessary. The conditions in some States has been brought about through the elements of nature, that is drought, flood, and the like. In several States the industrial situation is responsible. In others, mismanagement may be said to be the leading factor, due to an overemphasis on providing elaborate school buildings and equipment rather than giving due consideration to the type and methods of instruction. A bill to authorize Federal aid to primary and secondary schools should be enacted before Congress adjourns without fail.

VOCATIONAL EDUCATION

The first appropriation by Congress in aid of vocational education was passed in 1917, and provided for allotting $500,000 to the States for paying salaries of teachers of agricultural subjects and $500,000 for teachers of trade, home economics, and the industrial subjects, these sums to be increased annually until a maximum of $6,000,000 should be reached in 1926.

H.R. 7059 contains two important improvements over the initial legislation. The provision for limiting expenditures for salaries of teachers of home economics to 20 percent of the appropriation is eliminated. The present bill cuts in half the allowance for administration of the act by the Office of Education. During the present school crisis many of the high schools and colleges would find it impossible to continue their present courses in agricultural, home economics, and industrial education were it not for the assistance given by the Federal Government. The Ellzey bill for vocational education distributes the $3,000,000 annual appropriation on the basis of one third to agriculture, one third to home economics, and one third to industrial education, whereas heretofore industrial education and home economics were lumped together and the entire allowance for both was the same as for agriculture. As the committee report states, this is emergency legislation for a period of 3 years, and the States are to take over the program of vocational education as soon as they are able to carry it on.

The present unemployment situation has resulted in a demand for industrial education which can only be met by assistance from the Federal Government.

For those who are not familiar with the courses of study for which Federal aid is given for teachers' salaries, it might be well to describe some of the courses. For example, home economics is not merely cooking and sewing—training is given in home nursing, dietetics, infant care, child development, home dressmaking, testing of fabrics for garments, draperies, and so forth, consumer education, and practical demonstrations in the value of the cheaper foods which can be used in a balanced diet during the present conditions of reduced incomes. The value of the courses in agriculture is well known and covers a variety of subjects, including crop rotation, marketing, animal husbandry, soil chemistry, seed testing, dairying, poultry raising, and so forth. The courses in industrial education cover manual training, drafting, craftsmanship, and industries which fit each particular locality.

Federal aid has enabled the schools having these courses to have better qualified teachers with higher degrees or more experience. The States, by being relieved of part of the salary expense, are thereby enabled to spend more for laboratory equipment and supplies which are so necessary in these courses.

In the State of Kansas a vast majority of the graduates of high schools and colleges go back to farms, or take up the occupation of housewives, and the value of the courses mentioned cannot be overestimated. During this emergency, when there is such a scarcity of "white-collar" jobs, many of the college-trained young men and women find that there is dignity and inspiration in making homes more livable and in relieving their parents of needless drudgery through the use of improved methods. The vocational courses do not direct the student away from the farm or home environment but increase his interest in them.

As long as we pursue a policy of Federal aid to the States for any purpose, this type of assistance which is so valuable should be given a preference, as it is just as important as good roads, or other beneficiaries of Federal donations. Surely the education of the youth of a country under a representative government is of the utmost importance.

Mr. CARTER of California. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. EVANS].

Mr. EVANS. Mr. Chairman, I ask unanimous consent to proceed out of order; and I propose to address my remarks to the bills H.R. 8495 and H.R. 8496.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. EVANS. Mr. Chairman, recently, on the 6th of March of this year, there were introduced in the House of Representatives two bills, H.R. 8495—

To authorize the Secretary of the Interior to repossess certain mineral lands ceded by Mexico to the United States of America by the Treaty of Guadalupe Hidalgo, and to provide for the national defense, and for other purposes—

And H.R. 8496—

To withdraw from "disposition and sale" under the public-land laws all lands lying within the exterior boundaries of "alleged" or "duly asserted" Spanish or Mexican land grants, and for the protection of bona fide homesteaders, settlers, and/or innocent purchasers thereon, and for other purposes.

Both of these bills were introduced by the gentleman from Pennsylvania [Mr. EDMONDS], and, by the way, were introduced by request.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. EVANS. I yield.

Mr. COLDEN. Did the Member who introduced these bills come from California? Is the author of the bills familiar with the situation?

Mr. EVANS. I may say to the gentleman from California that the Member of Congress who introduced these bills is not a member of the California delegation. He is a Representative in Congress from the State of Pennsylvania. I have consulted him with reference to these bills. He told me that he had introduced these bills at the request of one H. N. Wheeler, who, to my personal knowledge, has been carrying on a real-estate racket in the State of California for several years, and who, within the past 3 or 4 months, was convicted of a felony in that connection and is now out on bail under a 5-year penitentiary sentence.

Mr. COLDEN. Mr. Chairman, will the gentleman yield for a further question?

Mr. EVANS. I yield.

Mr. COLDEN. Was the gentleman from Pennsylvania aware of the character of this real-estate racket that has been worked in California and through which many of our citizens have been defrauded?

Mr. EVANS. I had not finished my statement as to the gentleman's conversation with me with reference to the bill.

Mr. COLDEN. I beg the gentleman's pardon.

Mr. EVANS. The gentleman from Pennsylvania stated to me that he had introduced these bills as requested, but he did not know at the time he introduced the bills that the man who requested him to do so had been tried and convicted in the United States courts in California. He further said that at the proper time he proposed to ask unanimous consent to withdraw the bills. I called the gentleman's office on the telephone, but he was not in his office. I told his secretary that I proposed to ask permission to say a few words with regard to these bills and that I hoped he would be present when I made my remarks. This, I may say to the gentleman, is the extent of my knowledge as to the connection of the author of these bills with the California land situation.

Mr. Chairman, the purpose and purport of both these bills impeach the integrity and the validity of the title of two thirds of the homes of the people of California. These bills were introduced at the request and instance of a bunch of racketeers who have been carrying on a racket in California for several years by which operations they have taken from innocent people hundreds of thousands of dollars. The members engaged in this scheme have been indicted from time to time. Just recently three or four of them were tried in the United States court, two convictions being obtained. There were several acquittals, and then one of them was convicted and is now serving time for failing to report in his income tax large sums of money he had obtained from innocent people through the fraud he was carrying on. I am familiar with land titles in California, and I consider the operations of these racketeers the most vulgar sort of fraud I have ever witnessed.

They carry on this racket in a very clever manner. Some of them are attorneys. They have a plan of locating would-be homesteaders on property situated anywhere in the State of California, which properties are a part of the old Spanish or Mexican grant. These properties have been in adverse peaceful possession of their owners for more than 60, 70, or 80 years, following the Treaty of Guadalupe Hidalgo in 1848, through which treaty all of this territory was ceded to the United States Government.

A commission was appointed by an act of Congress in 1851 to survey and investigate these Mexican and Spanish grants and pass on their validity. The commission functioned, and the act creating the commission provided an appeal would lie from the decision of the commission to the courts of the United States, and in the absence of an appeal the decision of the commission would be res adjudicata as against the questioning of these titles forever. Thereafter, I may say, the Supreme Court of the United States has in no less than half a dozen decisions held that all those titles were in the first place valid; and if any question could have been raised as to their validity, such questions were settled by the decision of the commission which was authorized by Congress to pass on the same.

Furthermore, the United States Senate in 1929 appointed a subcommittee of the Public Lands Committee of the Senate to go to California and investigate the claims of these so-called "homesteaders." The committee was headed by Senator NYE. Senator Sam Bratton, of New Mexico, one of the ablest land-title lawyers in the country and now on the United States district court bench, was a member of this subcommittee. Senator Dale, of the State of Vermont, an able lawyer, now dead, was also a member of the committee. This committee went to California and held sessions for weeks. They made an exhaustive investigation. They brought before them these very men themselves, these pirates, and it was shown through this investigation that there was not a semblance of merit in the claims of these so-called "homestead locators." Of course, the homesteaders themselves may have been acting in good faith, but the men who led them to file on these lands were not acting in good faith in any instance.

The Senate committee made a report in 1931, and I have before me a copy of the report. It was a unanimous report. I will read a few paragraphs at the conclusion of the report.

NO FACTS INDICATING FRAUD

Although, for the reason stated, it is the belief of the committee that the confirmation of the several grants in the manner previously stated with the subsequent issuance of patent, forecloses further inquiry into the antecedent facts, it may be appropriate to say that the committee's inquiry has disclosed nothing substantial indicating that such grants were not in fact made, or that they were made with attending fraud. Aside from a meager showing that no record of such grants could be found in the archives of the Mexican Government recently, there is nothing to indicate any facts tending to support, even remotely, the charges to which Senate Resolution 291 refers.

CONCLUSIONS

It is the judgment of the committee that the grants in question are separately and severally valid; that their confirmation in conformity with the provisions of the act of March 3, 1851, constitute res adjudicata and cannot be reviewed; that no fraud in connection with its issuance being shown, the patent in each case is conclusively binding with respect to the quantity of land conveyed; that such confirmation of title and issuance of patent present a perfect case of repose of title and foreclose further question; that the attacks being made upon such titles are without substance or foundation and are inspired and furthered by persons seeking to profit financially at the expense of well-intentioned but grossly misled applicants for homestead entry.

Your committee is unanimously of the opinion that those now claiming the lands in question, as successors in interest under the original grants, confirmed as hereinbefore stated, are the unqualified owners thereof and have an unquestioned legal title thereto, and that there is no foundation in fact or in law for the charges which Senate Resolution 291 directed this committee to investigate.

Approved by subcommittee:

GERALD P. NYE.
PORTER H. DALE.
SAM G. BRATTON.

Approved by committee:

GERALD P. NYE.
REED SMOOT.
PETER NORBECK.
TASKER L. ODDIE.
PORTER H. DALE.
BRONSON CUTTING.
FREDERICK STEIWER.
ROBERT D. CAREY.
KEY PITMAN.
JOHN B. KENDRICK.
THOMAS J. WALSH.
HENRY F. ASHURST.
ROBERT F. WAGNER.
C. C. DILL.
SAM G. BRATTON.

[Here the gavel fell.]

Mr. CARTER of California. Mr. Chairman, I yield the gentleman 8 additional minutes.

Mr. EVANS. Mr. Chairman, when these bills were introduced a few days ago the newspapers of Los Angeles had quite a little to say about the purpose behind these bills. I ask the Clerk to read in my time an excerpt from the Los Angeles Times, issued March 2, 1934, which gives in quite correct detail an interview with the United States district attorney's office in Los Angeles as to the effect of these bills.

The Clerk read as follows:

LAND-GRANT BILL RAPPED—BOOST TO RACKET ASSERTED—LOCAL FEDERAL PROSECUTORS SAY PROPOSED MEASURE MEANS HEAVY COSTS—SCHEME PROVIDES PAYMENTS BY HOLDERS FOR BENEFIT OF CLAIM FILERS

Federal authorities in Los Angeles sharply disagree with the statement of Washington correspondents that the bill introduced recently in Congress by Representative EDMONDS, of Pennsylvania, and referred to the Committee on the Public Lands, would end the Spanish land-grant racket.

In the opinion of local Federal land officials and United States Attorney Hall and Assistant United States Attorney Thomas, the Edmonds bill would not end the racket, but would continue it, and would pile up mountains of "needless and ridiculous expense" on the Government landowners and the taxpayers.

CITE "SETTLEMENTS"

The "catch" in the Edmonds bill, according to Thomas, is disclosed wherein it provides that the Secretary of the Interior would be empowered to negotiate settlements with the California Homesteaders, an organization whose applications were rejected and their filing fees returned to them, and refer all disagreements over fair prices to a mediation board of three members.

Thomas declared that the California Homesteaders had no legal claim to the property they sought to file on as their applications had been rejected.

"The title originating in the Spanish-Mexican land grants has been many times affirmed by the courts as a good and valid title", said Thomas. "The applicants all seem to believe that by the mere attempt to make an application for a homestead the Gov-

ernment would owe them the duty of helping them take from the present owners some highly developed valuable land."

Many of the rejected applicants were reported to have believed that they would, in the end, if some such a bill as is proposed were adopted by Congress, receive huge sums of money in exchange for their ambitions to become possessed of some of the old land-grant acreage. Most of them tried to file for 160 acres, tendering a fee of $1 an acre. These fees were returned to them when their applications were rejected.

Many of the would-be homesteaders, as soon as their applications were rejected by local Federal land officials, acting under instructions from Washington, paid retainer fees ranging from $100 to $1,000, averaging $500, to carry their appeals from the rejected applications to Washington. If they could not get the land they tried to file on, they apparently believed, it was declared, that they could later collect the money value of the land denied them.

The bill provides the present owners of the old grants would receive a new patent for their lands on payment of $1.25 an acre, with a minimum fee of $10. This would mean that the owners of the Irvine Ranch, encompassing about 47,000 acres of land, would have to pay a fortune for land which has been in their legal possession for many years, and the owners of other grants a sum of money proportionate to their acreages. From this sum of money, so collected, the "California Homesteaders" would be paid the present market value of the land, according to the bill's provisions.

"The bill is so utterly ridiculous that I hesitate to believe any Congress Member will take it seriously, especially those who possess intimate knowledge of the racket, and who are informed as to the findings of the commission and committee reports", Thomas said.

Mr. CULKIN. Will the gentleman yield?

Mr. EVANS. I yield to the gentleman from New York.

Mr. CULKIN. As I understand the gentleman, the proponents of this bill, having been beaten in the civil and criminal courts, are coming here and asking Congress to give them title to something that does not belong to them.

Mr. EVANS. They come here and ask Congress to consider a bill which will in a way create a background that will support them in continuing a racket which they have carried on for years and also create an atmosphere that there is after all a question as to the validity of these titles and that that question is of such consequence that Congress has taken a hand. This will sound good to the people they have robbed.

Mr. CULKIN. They are asking corrective legislation for a racket?

Mr. EVANS. Yes; the worst kind of a racket. The lands involved in these grants are the highest developed lands in southern California. A score of cities occupy these lands, including part of the city of Los Angeles. There may be a 12-story building on some of this land. There are orange and lemon groves 20 to 40 years old on them. The title to these lands is as good as is the title to land whereon this Capitol stands.

Mr. FREAR. What is the status of the bill?

Mr. EVANS. It was introduced by request and referred to the Public Lands Committee and a hearing requested.

[Here the gavel fell.]

Mr. EVANS. Mr. Chairman, I ask unanimous consent to extend my remarks and to include two more short editorials from Los Angeles papers on this subject. They are very short editorials.

Mr. CARTER of California. Mr. Chairman, reserving the right to object, will the gentleman withdraw the request to include the editorials?

Mr. EVANS. They are very short. I do not care to withdraw the request.

Mr. CARTER of California. I may say that I am constitutionally opposed to the insertion of editorials.

Mr. EVANS. The gentleman just heard one of them read.

Mr. CARTER of California. If the gentleman wants to read them and can get the time to read the editorials, that is a different thing. I object, Mr. Chairman.

Mr. EVANS. Will the gentleman allow me time to read them?

Mr. CARTER of California. I regret I have no more time to yield the gentleman.

Mr. DOUGLASS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. FLETCHER].

Mr. FLETCHER. Mr. Chairman, the time is limited and there are a large number of Members, I understand, who want to talk on the subject of vocational education which we are now considering, and I do not want to take up much of the time, but I should like to have unanimous consent to extend my remarks and include some statistical information in addition to what I may say on the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FLETCHER. Mr. Chairman, it should not be necessary to produce many arguments to convince Members of the House of the necessity for this legislation.

Occupational changes everywhere are affecting the opportunity of the individual to adjust himself to his environment, which makes it very essential that we provide this legislation for increasing vocational education.

Some phases of education are being criticized today because much of the education in the high schools is for the purpose of preparing young folks to enter college, and there has not been enough education preparing young folks to enter life direct from high school. A large percentage never even enter college. This is the most practical kind of education at this time, especially in view of the fact that the N.R.A. makes it impossible for young folks under 18 to enter industry, and because of the 40-year or middle-aged deadline employment policy in so many industries. The earning capacity period of the average man is very limited.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. My time is very limited, but if I have any time after I make this statement, I shall be pleased to yield to the gentleman.

The bill now before the House for consideration, H.R. 7059, vocational education, authorizes to be appropriated for the fiscal year ending June 30, 1935, the sum of $3,000,000; for the fiscal year ending June 30, 1936, the sum of $3,000,000; and for the fiscal year ending June 30, 1937, the sum of $3,000,000.

In 1917, for the purpose of promoting vocational education in the field of agriculture, home economics, and industry, Congress passed the Smith-Hughes Act providing for aid by the Federal Government under a match-fund agreement to the several States. In 1918, $500,000 was appropriated for home economics, trade, and industrial education, and of this amount only 20 percent was decoted to home-economics education, and an additional sum of $500,000 was appropriated for agricultural education.

It was provided that $500,000 was to be added each year until 1926, at which time the total sum appropriated reached $6,000,000.

It was originally intended that this should continue as permanent legislation, but under the so-called "Economy Act of 1932" the appropriation was reduced 10 percent, or $600,000, and a further reduction of approximately $400,000 was authorized March 20, 1933, by an act designated "An act to maintain the credit of the United States Government."

As a result of these reductions, agricultural education in 1934 received $2,270,250, while industrial vocational education received $1,830,000, and the amount allocated to home economics was $457,500. The amount, $1,000,000, which, under the Smith-Hughes Act, is annually allotted for maintenance of teacher training was in 1934 reduced to $910,000.

The purpose of the George-Reed bill passed by Congress in 1929 was to add to the amount which the Smith-Hughes bill originally authorized for appropriation to agricultural education and home economics, but excluding vocational training in trade and industry. This bill provided for an equal distribution of the appropriation between agriculture and home economics, the amounts being $500,000 for 1930, to be increased each year after that for 4 years in the amount of $500,000, so that on June 30, 1934, this act expired, thus making necessary the passage of this bill we are now considering if the Federal Government is to continue its past policy of cooperating with the States in financing and encouraging vocational education in agriculture, home economics, in trade and in industry.

The enrollment in Federally aided schools in the year ending June 30, 1933, totaled 253,197. Of this total enrollment

153,062 boys in high schools were enrolled in vocational classes. In the evening schools for adult farmers there were 76,596. In day schools for boys 10,075 were enrolled, and there were 13,464 enrolled in part-time schools for farm youth out of school. Since 1917 there has been an ever-increasing enrollment, which would seem to indicate how great is the necessity for legislation of the kind provided in this bill. The school year ending in June will show for the evening school the largest enrollment in the history of this educational service.

There are three kinds of classes served by vocational teachers, as follows:

First. All-day classes for boys enrolled in high school.

Second. Evening classes for adult farmers.

Third. Part-time classes for boys out of school.

In 1932–33 in the George-Reed department alone there were 1,326 teachers in 1,309 departments in high schools. Forty-three thousand eight hundred and fifty-two boys were enrolled in 3,169 vocational classes for farm boys in high school. It should be kept in mind that these same teachers directed classes for a total enrollment of 21,945 adult farmers attending 836 evening classes and 241 part-time classes serving an enrollment of 3,857 farm boys who were out of school.

Those who were responsible for directing vocational education reported at the hearings conducted by your Education Committee facts which indicate that if the funds provided by the George-Reed Act are withdrawn the present difficult situation in country schools, where most of these departments are located, will be compelled to abandon practically all of these departments. If business conditions were normal, there is a possibility that many of the departments would be able to continue, financed by local and State funds, but under the unfortunate conditions of the depression there is little likelihood that the Department will be able to continue without the aid of Federal funds.

That the financing of this type of education is a profitable investment is indicated in the facts made available by a study of 8,340 former students selected at random in nearly all the States, of which group 59 percent were on farms. This survey was made in 1922. Another survey, in 1927, revealed the fact that there has been no reduction of the 59 percent of former students engaged in using their vocational training in actual farming. A survey made in 1932 showed an increase to 64 percent of former vocational students engaged in farming.

Additional proof of the investment value of the type of education provided for in this bill we are discussing today is evident from a survey made by State Supervisor of Agriculture Education in Virginia, Walter S. Newman. This survey was made of two groups of farmers, alike in every respect, except that one group had enjoyed the advantages of vocational training and the other group had not. The number of years farmed, the amounts of capital, and the years in high school and other factors in relation to each group were equal. The individual labor income of these two groups was determined for a period of over 2 years. Because the 2 years were years of depression, and therefore all labor incomes were low, the comparison in relation to the two groups is valid.

The farmers in the group vocationally trained were able to earn a much larger annual income. Eight hundred and sixty dollars was the average labor income of the vocationally trained farmer as compared with only $549 for the non-vocational group, a difference of $311. In other words, as a result of enjoying the educational advantages such as the provisions of this bill help to make possible, the earning power of the farmers in the vocationally trained group was increased $311 each.

Other convincing arguments which should persuade Congress to vote immediate passage of this legislation are contained in the reports of the serious results that seem inevitable if the Congress should fail to authorize this appropriation to continue vocational education in collaboration with the States. Here are a few of the possible consequences if the funds are withdrawn.

First. Elimination of vocational agriculture in schools will cause the overloading of academic courses and impair the work of the entire school system.

Second. Work now being done by the vocational teachers on relief and recovery programs must be discontinued.

Third. It will be necessary to drop some of the vocational training for the unemployed.

Fourth. The continued development in vocational agriculture will be blocked.

Fifth. Buildings and equipment have been especially provided for vocational agriculture department. If these funds are not made available then it will not be possible to utilize these buildings and equipment.

Sixth. Another serious result of failure to pass this legislation will be the increasing of unemployment by the discharging of vocational teachers now being financed under the funds provided for by the George-Reed Act.

Seventh. In addition to these serious possibilities that would seem to be inevitable if this legislation should fail to be favorably considered is the fact that State funds which have already been appropriated contingent on receipt of Federal funds will, of course, necessarily lapse, and the very serious emergency that now confronts education everywhere will be alarmingly increased.

This bill affords Congress a real opportunity to participate in a great service to the Nation by investing some of the financial benefits of our growing prosperity in building the character and developing the intelligence of the coming generation of citizens whose thinking and whose standards of citizenship will help to determine the Nation's destiny. I earnestly urge the passage of this deserving measure.

Mr. DOUGLASS. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. BROWN].

Mr. BROWN of Kentucky. Mr. Chairman, along with the other speakers who have voiced their opinions on this bill, I want to add my endorsement of the thing which this measure is attempting to do.

This bill gives to the State of Kentucky, to be spent in vocational education in trades and home economics and in agriculture, a little over $87,000. As is well known throughout the Union, Kentucky does not rank as high educationally as that State ought to rank. We have been for a great many years under the domination of a bipartisan combine of Republicans and Democrats who have used the educational system of the State and the money that ought to have gone to education as a pawn in politics. This money they cannot use in that way. This money goes to the point where it ought to go, because the Federal Government designates it for this particular purpose.

It gives actual benefit to the boys and girls of the State of Kentucky, and they will be grateful to the national Government for continuing this splendid work which is now being carried on in these fields.

There are other measures before this House to give additional aid to education, and I trust that the Congress will give thoughtful consideration to emergency relief to school systems. Our present head of the educational department of Kentucky, Dr. Richmond, a very able educator, is the head of the National Council of Educators for Emergency Relief. They have made a study of the needs in the Nation as a whole and they have advocated appropriation to the school systems of this Nation. I sincerely hope that before we adjourn we shall have an opportunity to vote on that subject. [Applause.]

Mr. DOUGLASS. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas [Mr. GLOVER].

(Mr. GLOVER asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. GLOVER. Mr. Chairman, the bill now before us is H.R. 7059, by the gentleman from Mississippi, which is a bill to continue vocational education in the United States. Money spent in developing the youth of our land is never wasted; in fact, no money we have ever spent has brought better results than money spent in vocational education. No nation has ever risen, or will ever rise above the intelligence of its citizenship.

The constitution of my State declares that "Education is the safeguard to liberty and the bulwark of our free institutions and good government." Vocational education teaches the person the practical things of life. Many boys are now drifting around when if they had received a vocational training they would be useful citizens, home owners, and would be helping to maintain a government.

There are many persons who have some physical defect and without being trained for some useful trade or vocation they have a poor chance in life to earn a living as they would like to do. It is for that class I plead.

I had the privilege of serving for 2 years on the Committee on Education. I remember well when we had hearings on a bill for vocational education that several persons who had received training from vocational training schools appeared before us to give testimony of what it had meant to them in life. I remember one in particular who was on the street corner selling pencils for a living. He was induced to take a training course to learn a vocation or trade, and at the time he gave testimony he was earning a good salary and was the owner of a home. Every person growing up should be taught along this line.

The author of this bill has spent a part of his life in educating the youth of the land, and he feels keenly the need of this kind of education for our boys and girls. I can see no reason why anyone should oppose this bill, and I hope it will be passed by a large majority.

I hope the time will soon come when our National Government will contribute to the States a large percent of the money necessary to carry on our schools as they should be. The Government is interested in the education of its citizenship. [Applause.]

Mr. DOUGLASS. Mr. Chairman, may I inquire how the time now stands?

The CHAIRMAN. The gentleman from Massachusetts has 6 minutes remaining, and the gentleman from California 4½ minutes.

Mr. CARTER of California. Mr. Chairman, I have no further requests for time, and I yield the balance of my time to the gentleman from Massachusettts [Mr. DOUGLASS].

Mr. DOUGLASS. I thank the gentleman cordially.

Mr. Chairman, I yield 3 monutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, the Smith-Hughes Act passed by Congress in 1917 provided for aid by the Federal Government on a 50-50 basis to the several States to promote vocational education for the benefit of agricultural education, home economics, and industrial training. This is permanent legislation.

In 1934 agricultural education under the Smith-Hughes Act received $2,270,250, home economics received $457,000, and industrial training received $1,830,000. Under the Smith-Hughes Act, in addition, $910,000 was appropriated for the maintenance of teacher training.

In 1929 authorizations were made under the George-Reed Act for additional funds to the original Smith-Hughes authorization in the field of agricultural education and home economics, trade and industrial training being excluded in the George-Reed Act.

In 1934 under the Economy Act $1,275,000 was appropriated under the George-Reed Act, which act will expire on June 30, 1934.

The pending bill provides for a continuation and expansion of the authorization under the George-Reed Act.

The bill, as reported, authorizes an annual appropriation for the next 3 years of $3,000,000, one third to be allotted to agricultural education, one third to home economics, and one third to trade and industrial education.

I am pleased with the provisions made for industrial education. Child labor has been abolished under the new deal. The youth that formerly worked in factories will thus have an opportunity to train themselves for life. The youth is not being, in many cases, employed, so that employment may be given to people who have family obligations. Manual training will be provided, and the youth will be better prepared for life.

Under previous legislation much equipment, at large expense to the local taxpayers, has been provided for vocational training and for home economics.

States, counties, and municipalities are unable to carry on without assistance the vocational work for which equipment has been provided. It is important, therefore, that the George-Reed Act be continued.

Schools are probably harder hit than any other institutions on account of the depression. The salaries of teachers have been drastically reduced. Local taxes are inadequate to provide for the operation of the schools. There was an unusual expansion in school building and construction during the past 15 years. Interest must be paid and bonds must be retired—sinking funds must be provided. Probably no class among us has suffered more than the teachers during the past 4 years as a result of economic conditions. Our schools must be saved.

I have therefore gladly promoted and aided in the emergency in the allocation of relief funds to the cause of education. The program of recovery is not complete; the need for assistance to schools is still urgent; and States, cities, and local districts are unable to support and maintain their schools adequately. I shall continue to cooperate with all of the friends and supporters of legislation to secure additional funds for education to supplement local funds.

The paramount duty of the State and Nation is to provide for the education of the youth. Thomas Jefferson was right when he said:

> There is no darkness except ignorance.

We hear much of the problem of the youth today. Heretofore the high school was intended to prepare largely for the college and university. Comparatively few high-school graduates are now attending college. It is necessary, therefore, for the high schools of the country to revise their courses and to prepare the young men and young women of today for life.

I believe in the countryside. It should be made more attractive. I am an advocate of the ownership of the farm by the man who cultivates the soil. It is just as essential for the farmer to be educated as it is for the engineer to be trained. In the race of life, success is the result of preparation. Home life in the country should be made more desirable. The women who live on the farm should have the comforts and conveniences that obtain in the homes in the towns and cities.

Again, it has been my experience and my observation from my contacts with the vocational schools that they reach a class of students who otherwise would be unable to obtain vocational training or training in home economics. We are coming more and more to believe that education should prepare for life.

My heart goes out to the youth of the land today. We live in a period of uncertainty. Our college and university graduates are without employment. It is more imperative than ever, therefore, that our schools provide training that will enable the youth to be prepared definitely to earn a living as well as to live. The value of vocational education and training in home economics has been fully demonstrated.

Mr. DOUGLASS. Mr. Chairman, I was very much interested in the debate upon the election case just preceding when the gentleman from Texas inquired, if there was a unanimous committee report, why all the fuss about it. I am not going to do any fussing about this bill. I am glad that the committee has reported it unanimously, and I think all its details have been thoroughly explained to you. I sincerely hope it will go through speedily and without amendment, as the bill has been carefully thought out and we need hasty action.

This is but an authorization for an appropriation, and not an appropriation itself. The bill must go through the Senate and then back to the Committee on Appropriations. We are nearing the adjournment of Congress, we are told, and, therefore, I ask for speedy consideration and passage of this bill.

I am very much in the position of the gentleman from Connecticut [Mr. BAKEWELL] who so eloquently addressed

you yesterday. I am one of the men of the House most thoroughly opposed to Federal aid, but this is one of two bills involving Federal aid that, as chairman of the Committee on Education of the House, by your sufferance, I have favored, and I do it despite my general opposition to Federal aid to education, except perhaps in an emergency, of which we shall hear more later. This vocational education is an established national policy, set in operation 17 years ago. It has worked out well, and it has accomplished splendid results. I could not find it within myself, with all my stern principles and objections to Federal aid, to refuse to help the passage of this bill, and I do it principally because of the argument that has been advanced, though briefly here, and that is on account of the youth of the Nation.

We organized the C.C.C. because there were hundreds of thousands of young men wandering about this country in idleness and temptation. We have appropriated for migratory birds, and I have human nature enough to want to appropriate also for human souls. We have this youth problem before us, and even your C.C.C. men, when they get through their course of training in the C.C.C., will some day have to find means of making a living. Under the N.R.A. code we have closed the doors of the shops and the industries to those under 18 years of age. That multitude of young men and young women is thrown back upon us. We are in a Federal educational emergency, and the surging and dangerous wave of it all is those thousands of youths. Here is a measure providing for vocational education, to take them off the streets at a tender age, when their minds are receptive, and to put them into a vocational school of an agricultural nature, or in an industrial or trade school, or, in the case of the girls, into a home economic school, that their time may be taken up advantageously, and that they may learn a healthful way of making a living. In voting for this bill you are voting for the young men and young women of the future America. [Applause.]

I ask unanimous consent to insert as a part of my remarks a portion of the committee report. It is very brief and much to the point.

The CHAIRMAN. Is there objection?

There was no objection.

The matter referred to follows:

The Smith-Hughes Act, which was passed by Congress in 1917, provided for aid by the Federal Government, under a match fund agreement, to the several States, in the field of vocational education, for the benefit of agricultural education, and home economics and trade and industrial education.

This is permanent legislation. Starting with the year 1918, $500,000 was appropriated for agricultural education and $500,000 for home economics and trade and industrial education—home economics not to receive more than 20 percent of the latter appropriation. This appropriation of $1,000,000, which was to be divided as mentioned, was to increase each year by $500,000, until in 1926, the sum of $6,000,000 was reached; one half for agriculture and one half for home economics and trade and industrial education, and from 1926 thereafter, it was to remain at $6,000,000. In 1933 the appropriations were reduced 10 percent by an act approved June 30, 1932, the Economy Act. This reduction amounted to $600,000 per year from the total amount. In 1934, the appropriations were further reduced by an act approved March 20, 1933, entitled "An act to maintain the credit of the United States Government." This reduction amounted to approximately $400,000.

Thus in 1934, agricultural education, under the Smith-Hughes Act, received $2,270,250; trade and industrial subjects, $1,830,000; and home economics, $457,500.

In addition, under the Smith-Hughes Act $1,000,000 is allotted each year for maintenance of teacher training. In 1934, $910,000 was appropriated.

In 1929 Congress passed the George-Reed bill, the purpose of which was to add funds to the original Smith-Hughes bill in the field of agricultural education and home economics, excluding trade and industrial subjects. The appropriation was to be divided equally between agriculture and home economics. This act provided for $500,000 for the first year, 1930, to be increased $500,000 each year for 4 years. Thus on June 30, 1934, this act expires. In 1933, instead of receiving the $2,000,000 authorized under the act, only $1,500,000 was received under the provisions of the Economy Act. Instead of receiving the $2,500,000 for 1934, $1,275,000 was appropriated under the Independent Offices Act of June 16, 1933.

This bill, as introduced, H.R. 7059, called for $3,750,000 annually and was intended to be permanent legislation. Under the George-Reed Act, now expiring, $1,250,000 of the $2,500,000 authorized in 1934 goes to agricultural education and $1,250,000 to home economics. It was proposed in the bill H.R. 7059 that a further $1,250,000 be added to be allotted to trade and industrial subjects, making a total of $3,750,000.

The committee believes there is no question of the great value of vocational education in each of these phases mentioned. Vocational education has made a splendid social contribution, as evidenced by the testimony and reports of those appearing before the committee in favor of this bill. But it is believed that this problem of vocational education is essentially a problem for the individual State while it is able to carry it on.

From 1930 to 1934 these added provisions to the Smith-Hughes Act helped to meet the emergency which existed and which is now continuing. The committee is reporting this bill, not as a permanent measure but to cover a period of 3 years as an emergency measure during the present depression, in the sum of $3,000,000 annually, commencing with the fiscal year ending June 30, 1935; one third to be allotted to agricultural education, one third to home economics, and one third to trade and industrial education. It is believed that trade and industrial education should be included in order to assist those young people who, because of lack of employment, are going back to school to learn trades. It is thought that this is not the proper year and time to withdraw Federal aid, as this action would mean probably the immediate loss of employment to many people engaged in this work, and there is no desire on the part of the committee to bring about this situation.

But it is recommended strongly that the States put their houses in order and prepare themselves, just as soon as possible, to take over this whole program of vocational education, and rid the Federal Government of a task which is properly the duty of the State.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That for the purposes of providing for the further development of vocational education in the several States and Territories there is hereby authorized to be appropriated for the fiscal year ending June 30, 1935, and for each year thereafter, the sum of $3,750,000. One third of this sum each year shall be allotted to the States and Territories in the proportion that their farm population bears to the total farm population of the United States, exclusive of the insular possessions, according to the United States census last preceeding the end of the fiscal year in which any such allotment is to be made, and shall be used for the salaries of teachers, supervisors, and directors of agricultural subjects in such States and Territories. One third of the sum appropriated for each fiscal year shall be allotted to the States and Territories in the proportion that their rural population bears to the total rural population of the United States, exclusive of the insular possessions, according to the United States census last preceding the end of the fiscal year in which any such allotment is to be made, and shall be used for the salaries of teachers, supervisors, and directors of home-economics subjects in such State and Territories. One third of the sum appropriated for each fiscal year shall be allotted to the States and Territories in the proportion that their nonfarm population bears to the total nonfarm population of the United States, exclusive of the insular possessions, according to the United States census last preceding the end of the fiscal year in which any such allotment is to be made, and shall be used for the salaries of teachers, supervisors, and directors of trade and industrial-education subjects in such States and Territories.

With the following committee amendments:

Page 1, line 6, after the figures "1935", strike out "and for each year thereafter."

Page 1, line 7, strike out "$3,750,000" and insert "$3,000,000; for the fiscal year ending June 30, 1936, the sum of $3,000,000; and for the fiscal year ending June 30, 1937, the sum of $3,000,000."

Page 3, after the word "Territories", insert "*Provided*, That the allotment of funds to any State or Territory for each of three purposes enumerated in this section shall be not less than a minimum of $5,000 for any fiscal year, and there is hereby authorized to be appropriated for each of the fiscal years ending June 30, 1935; June 30, 1936; and June 30, 1937, the sum of $84,603, or so much thereof as may be needed, which shall be used for the purpose of providing the minimum allotments to the States and Territories provided for in this section."

The committee amendments were severally reported and severally agreed to.

Mr. CONNERY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. CONNERY: Page 3, line 9, at the end of section 1, insert "*Provided further*, That none of the funds herein authorized shall be allocated to any State or Territory to pay salaries of teachers, supervisors, and directors, if such teachers, supervisors, and directors are denied the right of joining any legal organization of their own choosing."

Mr. RANKIN. Mr. Chairman, on that I reserve the point of order.

Mr. CONNERY. Mr. Chairman, the whole purpose of this amendment is that it is asked for by organized labor to pro-

tect the school teachers in their right to organize, if they see fit to do so and to join an organization of their own choosing. In some instances boards of education may say to the teachers, "We forbid you to join a labor union." The House will notice that the language in the amendment is "any legal organization of their own choosing." Since labor organizations are legal I do not see how any Member can have any objection to this amendment which I am offering.

The right of labor to organize, the right of collective bargaining, is a legal right now under the NRA; and the purpose of this amendment is merely to prevent some board of education from saying to its teachers that they shall not be permitted to join a labor organization under penalty of losing their positions. That is the sole purpose of this amendment. I am not trying to harm this bill. I am in favor of the bill. I favor the general principle of vocational education, but I do not want to allow any board of education to get funds from the United States Government and then use those funds to outlaw labor-union organizations. I hope the committee will adopt the amendment, because it injures the bill in no manner whatsoever and merely protects the right of school teachers to organize if they want to, and as they should be entitled to under the the law.

Mr. RANKIN. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. RANKIN. Mr. Chairman, I make the point of order that the amendment is not germane.

The CHAIRMAN. Does the gentleman from Mississippi wish to be heard on the point of order?

Mr. RANKIN. No. I think the soundness of the point of order is apparent on its face.

The CHAIRMAN. Does the gentleman from Massachusetts desire to be heard on the point of order?

Mr. DOUGLASS. Mr. Chairman, I do not desire to be heard on the point of order. I agree with the gentleman from Mississippi that the amendment is not germane.

The CHAIRMAN. The Chair is ready to rule.

The section under consideration deals with the appropriation of money and sets out certain sums authorized to be appropriated. The amendment offered by the gentleman from Massachusetts places certain restrictions upon the use of the money.

The Chair holds that the amendment is germane, and overrules the point of order raised by the gentleman from Mississippi.

Mr. DOUGLASS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I dislike very much to oppose such an amendment, but I feel compelled to do so. This matter was not brought before the committee in any of its hearings, and we held 3 days of hearings on the subject of vocational education.

I think that the gentleman from Massachusetts, perhaps, is raising a straw man here at which to throw balls. There is no proof before us that any such condition as the gentleman described has actually occurred or is likely to occur.

In a matter of such grave importance as the pending bill, and in the present parliamentary situation, we are not, in my opinion, in a position where we can risk this legislation by burdening it with an academic question not based on any facts presented to the House and which was not brought before the committee.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. DOUGLASS. I yield.

Mr. RAMSPECK. I may say to the gentleman from Massachusetts that I can cite instances in the State of Georgia where teachers were prohibited from joining organizations.

Mr. DOUGLASS. If that be true the State authorities can take care of the situation. I do not know why this bill should be burdened with such an amendment.

Mr. WHITTINGTON. Mr. Chairman, may we have the amendment read again?

The CHAIRMAN. Without objection, the Clerk will again read the amendment.

There was no objection.

The Clerk again read the amendment.

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, these funds are used to supplement funds appropriated by States and subdivisions of the States. The expenditure of these funds is in the hands of the State, whether it be Georgia, New York, Massachusetts, or any other State of the Union.

One of the objections, Mr. Chairman, to Federal aid for education has been that the States are to be deprived of their independence, and of their supervision of education. I respectfully submit that the virtue of this legislation lies in the fact that the handling and expenditures of the funds is left entirely to the States. However sympathetic we may be toward the gentleman's amendment, the matter should be left to the States and to the municipalities to provide restrictions on the expenditure of these funds. For this reason, among others, I submit that, inasmuch as there may be one requirement in Louisiana, an entirely different requirement in Massachusetts, and a still different one in Ohio, and so on throughout all the 48 States, and further, as the States have the last word in the expenditure of these funds, the States alone should have the right to impose these restrictions.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. RANKIN. In the opinion of the gentleman from Mississippi, will not the placing of restrictions in measures of this kind result in killing such legislation?

Mr. WHITTINGTON. Yes; I do not think such a policy is helpful to this kind of legislation, and I ask that the committee be supported in its stand.

Mr. Chairman, I am always sympathetic with labor and with the men and women who work and toil, but the question of labor has no place in this bill nor should the race question be injected into this legislation.

Federal aid to education of any kind would be endangered if Congress undertakes to exercise authority in the operation of the schools. Education is primarily the function of the State. The purpose of Federal aid is to enable States, counties, and municipalities, especially in the emergency, to provide for the youth of the land, but in the last analysis education is the function of the State. The State should, therefore, be supreme in the matter of the employment of teachers and in the disbursement of funds. When Congress undertakes to prescribe and stipulate as to the disbursement of the funds within the State the cause of Federal aid will be endangered.

The virtue of the bill under consideration, as well as the Smith-Hughes Act, is that the funds are distributed by the local agencies. Conditions in Mississippi may be different from conditions in Massachusetts; conditions in New York may be different from conditions in Kentucky. There is too much centralization already. The rights of the States are fast disappearing. As the friend of labor and as the friend of all races, I urge that the amendment be defeated, and that any amendment that has to do with the distribution of the funds within the States among the races should also be defeated.

Of course, I believe the teachers should have the right to organize. I think all classes are entitled to consideration, but there is no place in the pending legislation for either the labor question or the race question.

Mr. DOUGLASS. Mr. Chairman, I know I have not the right to speak a second time on one amendment, but I feel so strongly about the matter that I ask unanimous consent that I may be permitted to speak again for 2 minutes on this amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DOUGLASS. Mr. Chairman, I take pride in saying that the Committee on Education is a very conservative

committee. We understand the difficulty with regard to Federal control through Federal aid. We have conscientiously, and I may say jealously, religiously tried to avoid this issue to keep it from coming upon the floor of the House.

I am a lifelong, tried friend of labor, but I can see that such an amendment as the one now pending brings in the subject of Federal control. Just as soon as we inject into bills providing Federal aid to education any element of Federal control strong opposition will be raised to the whole vocational and rehabilitation system, and perhaps result in the denial of Federal aid to any form of education.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. DOUGLASS. I yield.

Mr. CONNERY. Under the N.R.A., industrial enterprises are not allowed to work their employees more than 40 hours a week, and they are required to pay a certain standard of wages.

Mr. DOUGLASS. But I do not see how the situation the gentleman pictures in his mind can arise at all.

Mr. CONNERY. The gentleman from Georgia has just stated that such a situation exists in his State.

Mr. DOUGLASS. Then, as pointed out by the gentleman from Mississippi, for 17 years the distribution of funds under this act has been in the hands of the State authorities.

They will know the local situation best and can best deal with it at all times.

Mr. CONNERY. They have not taken care of it in Georgia and they have had it there for 17 years.

The CHAIRMAN. The question is on the adoption of the amendment.

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 22, noes 64.

So the amendment was rejected.

Mr. DE PRIEST. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DE PRIEST: Page 3, after line 9, insert: "*Provided further*, That in States and Territories where there are separate schools between white and colored pupils that the funds herein mentioned shall be divided according to population based on the last United States census."

Mr. BANKHEAD. Mr. Chairman, I make a point of order against the amendment that it is not germane to the section or to the bill.

Mr. MARTIN of Massachusetts. Mr. Chairman, this amendment is plainly a limitation, and, therefore, I believe it is in order.

Mr. WHITTINGTON. Mr. Chairman, may I offer the suggestion to the Chair that the distribution of this fund is fixed in this bill, as suggested by the gentleman from Alabama, to be allotted on the basis of population, on the basis of agriculture, and on the basis of industrial training. The proposed amendment undertakes to change the very foundation upon which this legislation rests and the method of distribution as outlined in the bill. It strikes me the amendment is not germane to the purposes of this bill, which is not only to provide for aid insofar as population is concerned, but also insofar as trade and agriculture are concerned.

Mr. MARTIN of Massachusetts. Does not the gentleman believe that the gentleman from Illinois can make a further limitation? The gentleman has already read a number of limitations.

Mr. WHITTINGTON. If it is in line with the previous limitations and not in contradiction and absolutely repugnant to the provisions contained in this bill. It must be germane to the method carried in the bill. One yardstick cannot be substituted for another.

The CHAIRMAN. The Chair is ready to rule. The Chair is of the opinion that the section to which this amendment is offered fixes certain limitations and that the committee has the right to change these limitations. The amendment of the gentleman from Illinois seeks to put a further and additional restriction upon the distribution of the funds, and therefore the amendment is germane, and the Chair overrules the point of order.

Mr. DE PRIEST. Mr. Chairman, I would not have offered this amendment if I thought there would be a fair distribution of funds. I know, and every gentleman here knows, that in the Southland, where the great proportion of the Negroes live, they do not get their just proportion of the school funds according to population.

According to a recent study it was found that the average educational expenditure per pupil in 11 Southern States amounted to $35. When divided according to the two races it was found that the average expenditure for each white child was $44 as compared with $12 for each Negro child.

It was further found that the average investment for plant and equipment was approximately $160 for each white child as compared with $40 for each Negro child.

The South, in general, is far behind other sections of the country educationally, and naturally the Negro in the South is proportionately further behind the whites of that whole section. For example, the average wealth per capita in the South is only $1,700 as compared with $3,600 for the States outside of the South.

It is believed by many persons in the South that the only way that the educational interests of the Negro can be safeguarded is by definitely earmarking funds appropriated for educational purposes.

In 1932 one State appropriated to counties, as the result of a Negro census and average daily attendance, in round numbers two and one half million dollars, with the assumption that the counties would supplement this from local funds. One hundred and thirty-two counties in this State not only failed to supplement the appropriation but failed to expend for Negro education the full amount allotted by the State for that purpose. Thus only a million three hundred thousand, or one half the amount received from the State for Negroes was spent for them.

In 15 Southern States in 1930 there were 230 counties with a Negro population of 12½ percent, or more, of the total, without any high-school facilities for colored children. These counties contain 1,400,000 colored people, 160,000 of whom are of high-school age.

The average annual salary of colored teachers in rural areas is only $388 as compared with $945 for white teachers in the same area.

It has been revealed that out of approximately $72,000,000 loaned and granted by the P.W.A. for purposes of building and repairing schoolhouses, only $3,000,000 went to Negro schools and colleges. Of this sum $2,000,000 was spent on one institution alone which meant that only $1,000,000 was left to be distributed among 6 Negro high schools and 1 Negro college.

Mr. DOUGLASS. Mr. Chairman, I am in somewhat the same difficulty, hoping I will not be misunderstood, in opposing this amendment as I was in opposing the labor amendment.

I do not think anyone can accuse a man of my name and its association with the Negro race of prejudice. I do not think anyone can accuse me as a member of the Committee on Education for 10 years of prejudice, because I have been one of the stanchest supporters on that committee of appropriations for the Howard University. So with a free and open mind I make the same point against this amendment that I did against the other one.

Mr. DE PRIEST. I do not think the gentleman thinks for a minute I accused him of prejudice.

Mr. DOUGLASS. I want the gentleman to know that in opposing his amendment I am not actuated by prejudice.

Mr. DE PRIEST. I appreciate that fact.

Mr. DOUGLASS. I am glad the gentleman appreciates it.

Mr. DE PRIEST. I do not think the gentleman is acquainted with conditions in the South.

Mr. DOUGLASS. That is the point I want to bring out.

This amendment, as far as the committee's position is concerned, stands upon the same footing as the labor amendment. We cannot and should not by any action of this body begin to dictate the policies of education carried on in the schools nor interfere directly in the way that Fed-

eral funds are employed or distributed by the State, because when we take that position on this matter, as upon the labor matter, we drive the entering wedge of Federal control which we are not here advocating, but actually trying to avoid.

As soon as we pass one measure of this kind we open the door to measures of all kinds in the way of Federal control. The sentiment of this country is against interference with the States in the matter of education. [Applause.] Your committee is convinced, and I think the country is convinced, that education is a State function, a State duty, and a State responsibility, and it is only an emergency that a State has any real right to come here and ask for aid. There is no emergency in this case except the general one of depression. The amendment asks the Government of the United States to say to the States, "Not only do we give you this money but we are telling you how you shall distribute it."

As chairman of the Committee on Education, I believe the States of the United States are all broad and liberal and that they will properly, and in accordance with local tradition, local justice, and in good faith, administer these funds that we give them 50-50 in the interests of all the people of their States. I have no right to make any presumption to the contrary.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

The Clerk read as follows:

SEC. 2. For the purpose of carrying out the provisions of this act there is hereby authorized to be appropriated to the Department of the Interior, Office of Education, for vocational education, the sum of $100,000, annually to be expended for the same purposes and in the same manner as provided in section 7 of the act approved February 23, 1917, as amended October 6, 1917.

With the following committee amendments:

Page 3, line 13, after the word "education", insert "for each of the fiscal years ending June 30, 1935, June 30, 1936, and June 30, 1937"; and in line 15, after "$100,000", strike out the word "annually."

The committee amendments were agreed to.

The Clerk concluded the reading of the bill.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. PARSONS] having resumed the chair, Mr. ROBERTSON, of Virginia, reported that the Committee, having had under consideration the bill (H.R. 7059) to provide for the further development of vocational education in the several States and Territories, pursuant to House Resolution 324, he reported the same back to the House with sundry amendments adopted by the Committee.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? (After a pause.) If not, the Chair will put them in gross.

The amendments were agreed to.

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

Mr. RANKIN. Mr. Speaker, I make the point of order there is no quorum present.

Mr. DE PRIEST. Mr. Speaker, I have a motion to recommit.

The SPEAKER pro tempore. 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, when the following Members failed to answer to their names:

[Roll No. 133]

Allgood	Brooks	Chapman	Frey
Andrews, N.Y.	Browning	Claiborne	Fulmer
Auf der Heide	Brumm	Clarke, N.Y.	Gasque
Ayers, Mont.	Buckbee	Collins, Miss.	Gillespie
Bailey	Burke, Calif.	Cooper, Ohio	Greenway
Beam	Cady	Corning	Greenwood
Beck	Cannon, Wis.	Crosby	Griswold
Berlin	Carley, N.Y.	Darden	Hart
Bloom	Carpenter, Nebr.	Doutrich	Hartley
Britten	Celler	Ellenbogen	Hastings
Hess	Lozier	Peyser	Sullivan
Hildebrandt	McGugin	Prall	Swick
Hill, Ala.	McSwain	Ramspeck	Taylor, S.C.
Hill, Knute	Maloney, La.	Randolph	Thom
Hill, Samuel B.	Marshall	Rayburn	Thurston
Howard	Meeks	Reid, Ill.	Vinson, Ga.
Huddleston	Montague	Sadowski	Vinson, Ky.
Jeffers	Montet	Schaefer	Wadsworth
Jenckes, Ind.	Nesbit	Shoemaker	Waldron
Kennedy, Md.	O'Connor	Simpson	Wilcox
Kerr	O'Malley	Sisson	Withrow
Kurtz	Oliver, Ala.	Smith, Va.	Wolfenden
Lehlbach	Oliver, N.Y.	Snyder	Zioncheck
Lesinski	Peavey	Stalker	
Lewis, Md.	Perkins	Stokes	

The SPEAKER pro tempore. Three hundred and thirty-two Members have answered to their names; a quorum is present.

Mr. BYRNS. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. DEROUEN and Mr. DE PRIEST rose.

Mr. DEROUEN. Mr. Speaker, I move to recommit the bill.

The SPEAKER pro tempore. Is the gentleman a member of the committee?

Mr. DEROUEN. I am.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. DEROUEN. I am.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DEROUEN moves to recommit the bill (H.R. 7059) to the Committee on Education, with instructions to that committee to report the bill back forthwith with the following amendment: "On page 3, line 15, strike out '$100,000' and insert in lieu thereof '$75,000.'"

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken, and the bill was passed.

Mr. DE PRIEST. Mr. Speaker, I rose before the Speaker put the question, and could not get recognition.

The SPEAKER pro tempore. For what purpose does the gentleman from Illinois rise?

Mr. DE PRIEST. I rise to submit a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman may state his parliamentary inquiry.

Mr. DE PRIEST. My parliamentary inquiry is whether a second motion to recommit is in order.

The SPEAKER pro tempore. The rule provides for only one motion to recommit.

On motion of Mr. DOUGLASS, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS—H.R. 7059

Mr. DOUGLASS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their own remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE DESCENDANTS OF THE PEOPLES OF NORTHERN EUROPE HAVE REASON TO BE PROUD OF THE IMPORTANT PART AND ROLE WHICH HAVE BEEN PLAYED BY THEIR ANCESTORS AND COUNTRYMEN IN THE HISTORY AND DEVELOPMENT OF THE UNITED STATES AND THE WORLD

Mr. SMITH of Washington. Mr. Speaker, I am proud of my Scandinavian ancestry. I was accidentally born in this country, in Chicago, Ill., a very fortunate accident, I should say, but I do not claim any especial credit for that fact, for I did not have a great deal to say about it; in fact, I cannot remember that I was even consulted and asked to express a preference as to where I should like to be born. If I had been, I would certainly have selected the same country where I was born, the United States of America, the best, the freest, and the grandest country upon which the sun ever shone.

However, my mother was born in Sweden and my father was born in Denmark, and next to my love for America is

my affection for those countries and that other country in Scandinavia, Norway, where my mother and father met in Christiania, the capital, and carried on their courtship, and also for Finland, where my wife's parents were born. My wife was born in this country, in Montana, but both of her parents were born in Finland, so our two little daughters, Margaret Louise and Marian Eleanor, born in Hoquiam, Wash., are truly descended from the peoples of northern Europe.

The descendants of the peoples of northern Europe have reason to be proud of the important part and role which have been played by their ancestors and countrymen in the history and development of the United States. It is appropriate to mention the fact that George Washington, the Father of our Country, was directly descended from a family which emigrated from Skane, Sweden, in the year A.D. 970 and settled in Durham County, England, where they built a small town, calling it Wass-in-gatun—town of Wassings. Also that John Morton, of Swedish ancestry, as a Member of the Continental Congress, cast the deciding vote of Pennsylvania in favor of the adoption of the Declaration of Independence; that John Hanson, of Swedish ancestry, was elected the first president of the Confederation of the Thirteen Original States, with the official title of president of the United States in Congress assembled; that Sweden was the first nation which voluntarily recognized the American Republic in 1783; that Theodore Roosevelt was descended from forbears who settled in Normandy, and had the blood of the Viking in his veins. John Erickson, of Vermland, Sweden, invented the *Monitor*, the first iron-clad and screw-propelled battleship, and who, former President William Howard Taft declared, saved the Union cause; and when the first shot of the Civil War was fired it was none other than Robert Anderson who met the first shock of rebellion at Fort Sumter, a descendant of a Delaware Swede. In the Civil War we have General Stolbrand and Admiral Dahlgren, both Swedes, and there were 14 Swedish officers in the War of the Revolution.

Although limited in area geographically, the Scandinavian countries, considering their small size and populations, have made greater contributions to the culture, learning, progress, and development of the race than almost any other nation. Let us call the roll of some of the brilliant names which adorn the pages of history and biography: Leif Ericsson and Eric the Red, Norsemen, who were the first discoverers of America about the year 1000; Nansen, Amundsen, and Steffansen, the great Norwegian Arctic explorers; Eric Nelson, the Norwegian aviator; Lindbergh, the Prince of the Aviators, whose father was born in Sweden; Carl XII, the boy king and warrior of Sweden, of whom Voltair wrote his famous biography; Gustavus Vasa and Gustavus Adolphus, the Lion of the North, champion of the Protestant Church after the Reformation, and who lost his life on the field of Lutzen in his battle for religious freedom for Europe during the Thirty Years War; Jenny Lind and Christine Nilsson, the Swedish nightingales, two of the most renowned singers the world has ever known; Ole Bull, Norwegian violinist; Grieg, the Norwegian composer; Ellen Key, Norwegian authoress; Tegner, Swedish poet, whose great classic, Fritjofs Saga, was beautifully translated by Longfellow, who declared it to be one of the masterpieces of literature; Strindberg, the great novelist and dramatist; Ibsen and Bjornson, the two noted Norwegian novelists; Selma Lagerlof, a daughter of Sweden and one of the greatest, if not the greatest living woman novelist of the world.

Finland has contributed a galaxy of brilliant names: Johan Ludwif Runeberg, professor of history and literature, and the famous author of Vort Land, the national anthem of Finland and Sweden; Elias Lonnroth, professor of Finnish language and compiler of the noted collection of folk epics, Kalevala; Johan W. Spellman, Finland's greatest senator and statesman; Topelius, her greatest novelist; Albert Edelfelt and Axel Gallen, two of the world's most noted painters and artists; John Sibelius, one of the world's greatest composers, author of the Swan of Tuonela, and the author of several world-known symphonies; Robert Kijanus, leader of the symphonic orchestra in Helsingfors for the past 40 years; the great sculptor, Takanen, who died in Rome some years ago; Emil Wickstrom, its greatest sculptor; Johan Aho, one of Europe's greatest novelists.

Hans Christian Andersen, Danish writer of folk and fairy tales. Thorwaldsen, the eminent Danish sculptor. George Brandes, of Copenhagen, one of the most noted scholars of this generation. Carl Von Linnaeus, the poor Swedish barefooted boy who became the father of botany, and probably the greatest botanist that ever lived. Schele, the Swedish chemist who discovered oxygen. Emanuel Swedenborg, the great mystic and founder of the religion which bears his name. Count Bernadotte, Napoleon's field marshal, who was invited to become the King of Sweden and founded the present dynasty. Alfred Nobel, another Swede, inventor of dynamite and founder of the Nobel peace prize.

Time does not permit my enumerating any more of the names of the gifted sons and daughters of the North, but I have named a sufficient number to justify my pride in my Scandinavian ancestry.

Those of us who are of Scandinavian ancestry can justly take pride in the important part which the Scandinavians are playing in the growth and progress of the Pacific Northwest and of the State of Washington in particular. Some of the leading business men, newspapermen, industrial leaders, bankers, merchants, building contractors, doctors, lawyers, professional men, and public officials of the State of Washington are Scandinavians. Washington is becoming, in fact it already is, one of the leading States in the Union from the standpoint of the large number of our citizens who were born in the northern European countries, or whose parents were born there, and I believe we rank next to Minnesota in that respect. That is true particularly of my home community, Grays Harbor, and the Scandinavians are very numerous in Pacific County, in Clark County, in Lewis County, and throughout my congressional district and the State of Washington. They are doing their part toward the growth, development, and progress of the communities in which they live, and are highly respected for their industry, thrift, and sterling qualities as law-abiding citizens.

THE NECESSITY FOR MODIFICATION OF THE STEEL CODE TO RELIEVE OPPRESSED INDUSTRIES

Mr. CHASE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CHASE. Mr. Speaker, ladies and gentlemen of the House, it is vitally necessary that immediate action be taken to secure relief for the industries of Minnesota, and States similarly situated, from the harm done said industries by the actual workings of the steel code.

Tuesday, in an effort to secure Presidential intervention to end the oppressive discrimination, that if not stopped now, will ruin many industries in my home State, I introduced the following resolution:

Resolved, That the President of the United States be requested to exercise forthwith the powers conferred upon him by the National Industrial Recovery Act, to cause such amendment or modification of the steel code as will eliminate the abuses herein described.

The steel code is a contract between all steel producers to make in a certain way their delivered prices, which delivered prices are made up of theoretical base prices at certain basing points, plus all-rail freight, although other and cheaper methods of transportation exist.

The United States Steel Corporation owns a plant at Duluth, Minn. The Minnesota Steel Co. is its subsidiary company, created to operate the Duluth plant, and the Illinois Steel Co. is its distributing agency. The ore used by this Duluth plant is mined from the Minnesota iron ranges. Orders placed with the United States Steel Corporation or any of its subsidiaries, by Minnesota steel fabricators, for articles produced at the Duluth plant are filled in many cases, from that plant, and not from Chicago, Gary, Pittsburgh, or any other point.

Under the code, Duluth is a basing point for wire, wire nails, bale ties, and wire fencing. These are all consumer goods—the finished product—and the basing price is the Chicago price on similar goods plus $1 a ton.

Duluth is not a basing point on merchant bars and billets. On these articles, which are not consumer goods, but require fabrication for their ultimate use, Chicago is the basing point, and the price at Duluth is the Chicago price plus all-rail freight of $6.60

per ton—this in spite of the fact that the goods are not shipped from Chicago, have never been in Chicago, and the $6.60 charge is a fictitious one imposed for an imaginary service.

In the Twin Cities the price on merchant bars and billets is the Chicago price plus freight from Chicago, and this in spite of the fact that the metal is shipped from Duluth, less than half as far away as Chicago.

This method of fixing prices ignores conditions—that Duluth-produced steel is made from Minnesota ore; that it can be moved from Duluth to many manufacturing cities at a fraction of the freight charges from Chicago to these cities; that if sold and fabricated at Duluth there is no freight charge at all; and that if shipment were from Chicago there are available lower freight rates than the all-rail rates.

To gage the discrimination it is necessary to remember that various Minnesota industries using Duluth steel must compete with similar industries located, for example, at Chicago. Considerable quantities of steel made at Duluth are sold to Chicago fabricators. For this steel the United States Steel Corporation must charge the Chicago price. Therefore, it does not get the fictitious freight charge which the Duluth buyer must pay. So as between the Duluth and Chicago users of Duluth steel, the Chicago buyer pays $6.60 per ton less and therefore has a production cost advantage of $6.60 on this item alone.

But this is not all. Since the price of the Duluth steel at Chicago is the Chicago price and the steel must be shipped from Duluth to Chicago, it is clear that the United States Steel Corporation must pay the $6.60 freight from Duluth to Chicago. Consequently it is too apparent to require argument that on the product of its Duluth plant shipped to Chicago, the United States Steel Corporation receives for each ton of merchant bars $13.20 less, and for each ton of billets approximately $13.20 less from the Chicago buyers than it charges the Duluth competitors of said Chicago buyers.

These lower prices made to Chicago fabricators have the effect of lessening substantially the competition of Minnesota fabricators and are not prices made to meet competition in good faith. It is an outrageous situation.

Minnesota steel-using industries always have been handicapped because of the State's geographical location, but this handicap has been offset somewhat by lower production costs, particularly for labor, in the Northwest.

Also, the United States Steel Corporation, realizing the burden placed on Minnesota industry, endeavored to equalize costs of production for Minnesota and eastern industry by making partially offsetting price allowances.

Now the code has changed this.

Many Minnesota producers have signed their industry codes and are complying with their provisions. Consequently these producers are paying nearly the same wage as their eastern competitors.

The United States Steel Corporation and its subsidiaries have signed the code and are complying with its provisions. Consequently they are unable to make price allowances or adjustments.

As a result, Minnesota industry, without offsetting advantages, has tried to carry the oppressive burden of the fictitious charges for imaginary services, which burden is unbearable. Therefore, Minnesota producers are faced with two alternatives: Go out of business or appeal for modification of those provisions of the code which have brought about the trouble.

Of course there are other kindred problems. For example: (1) In the past, enormous tonnages of steel have been shipped into Minnesota based on water rates. Yet under the code, the fictitious charge is based on all-rail shipment. (2) Minnesota in its trunk highway program uses large quantities of concrete reinforcing bars. These are consumer goods, a finished product. The State should not be charged Chicago plus.

Since it is not the purpose of the President or the Congress to oppress small industries, and since under the code they are being oppressed to the point of extermination, and since under the provisions of the National Industrial Recovery Act the President has the power to modify the code; it is fitting that, by formal congressional action, his attention be called to the conditions existing and that he be requested to modify the code's provisions in such manner as to provide immediate adequate relief from the abuses mentioned.

MINNESOTA INDUSTRIES ENDANGERED

Some hundreds of Minnesota industries with factories located at Minneapolis, St. Paul, and Duluth use bars and billets. Their production costs are increased by the discriminatory freight charge for a service which is entirely and admittedly fictitious and imaginary.

One of these firms, the business of which affords a striking example of the problem in point because its factory is located in Duluth, and is therefore immediately adjacent to the plant of the Minnesota Steel Co. where merchant bars and billets are produced from Minnesota ores, is the Diamond Calk & Horseshoe Co.

LETTER ASKING RELIEF

Through its president the Diamond Calk & Horseshoe Co. wrote the Illinois Steel Co., distributing agents for the United States Steel Corporation, in part as follows, the letter being dated March 8 of this year and constituting only a step in the company's continued and insistent demands for relief:

Mr. W. I. HOLLAND,
Vice President Illinois Steel Co.,
Chicago, Ill.

DEAR SIR: As I have not been granted relief from the present oppressive, discriminating, and destructive position which my company has been placed under the present steel code, forcing us to pay Chicago prices for steel, plus an imaginary freight charge, which amounts to $6.60 per ton, although the steel is made and rolled at your mill in Duluth, I have appealed to you and to Mr. C. L. Wood, vice president of the United States Steel Corporation, both by correspondence and by personal interviews ever since the code was being formulated, but so far without avail or relief.

This has of necessity forced me to appeal direct to the Government for relief. * * *

Yesterday I was asked to make a statement before the Chief Counsel for the Federal Trade Commission. I gave a complete history of our business, its progress from 1908 up to the present time, and how, until 1917, we made only horseshoes and horseshoe calks, but in that year made large quantities of tools for the United States Government, and as the horseshoe business was getting sharply less we decided to continue in the tool business permanently. We soon found that as we no longer were protected by patents in our horseshoe business and the tool manufacturing was a wide-open competitive proposition, we were getting in a bad way because of the high cost of raw material.

I appealed to Mr. Buffington, then president of the Illinois Steel Co., for reduction in our raw material cost and asked for parity with Pittsburgh. Mr. Buffington saw that I had to have relief and advised me to see Mr. Farrell, president of the United State Steel Corporation, New York City. After having listened to a detailed story of our position, he was convinced that we could not continue in open competition, unless we were granted some relief and I was then given $5 per ton reduction as relief against freight, as a permanent proposition until I may eventually be relieved of the entire freight burden. This had reference to steel made or rolled at the Duluth mill.

I also explained to Judge Healy that, at that time, we had an investment of $165,000 in the business and that, with the relief so granted us by Mr. Farrell, we were able to meet competition in a fair way, although we still were handicapped. Depending upon this relief being permanent we have, since that time, added more than one-half million dollars to our permanent investment so today, we have invested capital of about three quarters of a million dollars, which would never have been possible, had we not been granted such concession.

I further explained to Judge Healy that, because of our unfavorable location, so far from the consuming district, 90 percent of all goods we manufacture must first reach Chicago, which includes the west coast, because of lower freight rates. This adds another hardship to the amount of $15 per ton on 90 percent of our manufactured goods and that added to the $6.60 on raw material gives us a disadvantage of approximately $22 per ton—which our competitor who is located at such points as Pittsburgh and Chicago, does not have.

I also stated that I was appealing for relief to the extent of $1 over Chicago, in other words, steel rolled at the Duluth plant at Chicago base, plus $1 differential and while that still gave us a handicap, we would, however, be able to operate, but anything in excess of $1 over Chicago, we could not stand. I showed him our inability to continue in business under the present set-up; that it would be absolutely necessary for us to close our doors within a short time and that the entire investment would be lost and more than 300 men thrown out of employment.

I was finally told that my case was a most striking example of violation of the Recovery Act that had come to the Commission and it was agreed that I should at once appeal to you in person and have my request granted by the institute while in session now.

It has been the general impression of all those I have come in contact with that any reason which existed in 1924 in granting Duluth as a basing point on wire and wire products should also have been declared a basing point on merchant bars and billets manufactured and rolled in the same mill with the same machinery.

The appeal that I am making is for both merchant bars and billets. I have come here now in my final effort to save the business of the Diamond Calk & Horseshoe Co., and to save the 67 stockholders, all Duluth citizens, from losing their investment in this institution and our more than 300 employees from losing their jobs which would mean that a great many of them would be thrown upon the municipality and the Government for their support.

Sincerely hoping you may see the light, making it unnecessary for me to go further, I am,

Very truly yours,

DIAMOND CALK & HORSESHOE CO.,
OTTO SWANSTROM, *President.*

February 2 of this year another body, by resolution, directed the Federal Trade Commission to investigate the steel code and its effects upon industry, particularly con-

cerning price fixing and any increase in price of steel products.

The Federal Trade Commission immediately conducted an investigation and on March 19 submitted its report.

It went into the entire problem at length and in detail. Under "the practice of the steel industry under the code with reference to price fixing" it found:

Briefly stated, members must file their mill-base price quotations with the authority, may make deductions therefrom only as permitted by the authority, must make certain additions thereto as specified by the authority, must calculate delivery charges from specified common basing points according to a specified formula, must sell through distributors selected according to standards determined by the authority, and must require of such distributors written agreements to conform to specified resale prices. From the moment mill-base price quotations are filed the code itself prescribes the formula and the factors entering into it by which the ultimate price is automatically calculated.

As to what made up "the selling prices which are required by the code" its findings were:

With certain specified exceptions, all prices at which members of the code may quote and sell "shall be delivered prices" (schedule E, sec. 4). These delivered prices are a composite of several factors; a so-called "mill-base price" plus whatever extras may be specified by the code authority for given products plus a delivery charge which must be the equivalent of the all-rail freight charge to destination, regardless of what mode of transportation is actually used.

A little later on in speaking on this program the Trade Commission says:

The code accepts such a fiction by requiring that delivered prices shall be arrived at by adding to the mill-base quotation the all-rail freight from specified common basing points. As a result the so-called "mill-base quotations" do not represent net realized prices for steel except for such mills as are located at the basing point for a particular product. For all other mills the code contemplates that freight to a given destination shall not be calculated from actual shipping point but from what may be called the "ruling basing point", which is the one whose base quotation plus all-rail freight, makes the lowest delivered price.

On the exact point now before us, the Federal Trade Commission, to illustrate its views, uses the unfortunate experience of the same company used by me for illustrative purposes in this address.

The Commission in discussing "Minimum additions to mill-base quotation required by code authority", say in part:

The code (schedule F) lists the recognized basing points for each product and requires that delivery charges be calculated therefrom and not from place of shipment as such. A producer is not at liberty to sell his product f.o.b. his own mill and allow the purchaser to assume the exact delivery cost. Nor may he figure the actual delivery cost in his delivered price unless his shipping point happens to coincide with the authorized basing point. The power to select and establish basing points therefore is the power to determine which mills shall be required to calculate and collect a delivery charge from the purchaser, which is not the equivalent of their actual cost of delivery.

The basing points now established were selected by the organized industry through the American Iron and Steel Institute and they can be changed only by similar action of the institute as the code authority. As a result a member whose mill is not located at a recognized basing point must get the approval of the institute before he can calculate his delivery charge at its actual cost. In the last analysis the application of a member to make his mill a basing point or to enlarge or reduce the number of basing points is subject to the collective approval of his competitors.

An illustration of those facts and the sort of results which may occur in their application is found in the experience of the Diamond Calk & Horseshoe Co., of Duluth, Minn. It has long been buying its raw steel from the Minnesota Steel Co., whose mill is at Duluth. Duluth not being a recognized basing point for such steel, the code requires prices to be based on Chicago, the nearest basing point. This required the Diamond Co. to pay in addition to the price as quoted by the Duluth mill, the equivalent of the all-rail freight from Chicago to Duluth, or imaginary freight of $6.60 a ton on steel produced at Duluth. As a further result the nearest competitor of Diamond Co. located in Chicago can buy there at the basing point price, or $6.60 a ton less than the Diamond Co. pays at Duluth.

For a number of years before the code, this competitive disadvantage of the Diamond Co., due to the basing-point system, was largely offset by the Minnesota Steel Co. making it a special concession of $5 a ton on steel from its Duluth mill. This still left the mill with $1.60 a ton out of the imaginary freight of $6.60 a ton which the basing point system called for, yet enabled the Diamond Co. to compete. Because the code forbids continuation of that concession, and despite the desire of the Minnesota Steel Co. and United States Steel Corporation, its parent company, to continue it, they are forced to collect from the Diamond Co. the full $6.60 a ton imaginary freight. At the same time, however, Minnesota Steel Co. sells similar steel in Illinois and Indiana and nets $13.20 a ton less for it than it nets from Diamond Co. By contrast, the code establishes Duluth as a basing point for other forms of this same steel, thereby permitting them to be sold at Duluth at a fixed differential of only $1 per ton over the Chicago prices.

The Diamond Co. has invested three quarters of a million dollars in its Duluth plant and has some 300 employees, while the Minnesota Steel Co. has a plant investment at Duluth of $10,000,000 or more with numerous employees. Without the consent of its competitors on the appropriate Institute committee and Institute board of directors, the Minnesota Steel Co. is unable to continue a price reduction which it can much better afford to make than that which the code requires it to make on sales at distant points. Similar situations are likely to be created in many other sections of the country.

CONCLUSIONS ON THIS PROBLEM

The Trade Commission's conclusion on this problem which concerns so vitally Minneapolis, St. Paul, and Duluth is this:

It is a conservative statement that the power to select, discontinue, or increase the number of basing points involves the power of deciding what cities shall be handicapped and what cities shall be built up as centers for the remanufacture and processing of steel products. The importance of such a power over the future of communities can hardly be overstated. The tendency is distinctly against what is commonly considered as desirable decentralization of industry.

SUMMARY IN PRICE FIXING

The Federal Trade Commission's explanation of the reasons or causes for the fatally discriminatory plan for price fixing, apparently unforeseen when the code was adopted, is summarized in the statement found on page 26 of its report:

Summing up this system of calculating delivery charges, it starts with an arbitrary basing point, so that differences in actual delivery cost are merged into a fictitious common rate. Then it uses, but solely for calculating purposes, a higher cost mode of transportation than is frequently utilized. Then in some cases it substitutes arbitraries which are higher than the actual cost even of the calculated transportation. Thus the system is not one for determining actual freight costs. It is a device for automatically insuring that all mills will reach a given destination at identical delivered prices and that the identity in their mill-base quotations will not be set at naught by differences of location and of actual freight costs.

After giving the entire problem intensive study, the Federal Trade Commission submits to the other body of this Congress its—

FINAL CONCLUSION

The question naturally arises whether this situation of enforced violation of the Commission's order in the Pittsburgh plus case can be harmonized with the terms of the National Recovery Act and the powers therein conferred.

The National Industrial Recovery Act looked forward to the authorization of codes of fair competition. True, it conceived the possibility of such codes designedly authorizing practices hitherto forbidden by the antitrust laws of the United States, but at the same time it sought to restrain the promulgation of codes that were designed to promote monopolies or operate to eliminate or oppress or discriminate against small enterprises. Furthermore, it expressly prohibited codes from permitting monopolies or monopolistic practices.

A distinct conflict of means and objectives exists between the provisions of the code and the Commission's order in the Pittsburgh plus case. That conflict raises questions not only of legal import but of basic economic implication. Departure from hitherto accepted policies of governmental concern over the maintenance of fair competition is, however, evident. Nevertheless it has been assumed thus far that the departure has the sanction of a congressional mandate embodied in the National Industrial Recovery Act. The test of whether such a sanction is actually present in that act can, of course, be submitted to the courts for determination. But other means for the solution of such an issue are also available. The work under the National Industrial Recovery Act was conceived of as necessarily being largely experimental. The act itself provides not only for means to pursue effectively paths demonstrated to be sound and desirable, but also for means to withdraw from the enforcement of policies which evidence a tendency to attain ends regarded by the act as those that our national economy has discarded.

By direction of the Commission:

GARLAND S. FERGUSON, Jr.,
Chairman.

MARCH 19, 1934.

FURTHER ATTEMPTS TO SECURE RELIEF

None of the industries concerned having secured relief, on March 28, 1934, the Diamond Calk & Horseshoe Co. applied for help to the National Recovery Review Board, of

which Clarence Darrow is chairman. The company's appeal was, in part, as follows:

NATIONAL RECOVERY REVIEW BOARD,
Washington, D.C.

GENTLEMEN: I hereby apply to you for relief from certain sections of the steel code that are oppressing, unjust, and discriminatory in their present form, and if continued will force my company to close its doors, confiscate our investment of approximately three quarters of a million dollars, and throw more than 300 of our employees out of employment.

The Minnesota Steel Co., a subsidiary of the United States Steel Corporation, is located in Duluth. Under the steel code we are compelled to pay Chicago base price, plus an imaginary freight rate from Chicago to Duluth of $6.60 per ton, although a large portion of their products, merchant bars and billets, are sold in Chicago and Indiana at $13.20 per ton less than the price forced on us. Our business is built up and depending upon national distribution of our products.

In 1924 Duluth was made a basing point for wire and wire products, Chicago base plus $1, and in all fairness we only ask the same consideration pertaining to merchant bars and billets. We have been able to develop our business to its present position because of an allowance granted us of $5 per ton in 1918, and which we have had continuously until October 1, 1933; in other words, we have had Chicago base plus $1.60, and now the steel code has taken that away from us, even though the steel corporation declares to us their willingness to grant our request of $1 over Chicago.

Formerly, we had a lower labor cost, because of a natural lower cost of living at our location. This, however, is not so any more. We signed the President's reemployment agreement and are complying with all of its provisions. We are operating under the metal fabricators code. Because of these new conditions we ask for a differential not to exceed $1 over Chicago on both merchant bars and billets—a greater handicap would be destructive to us.

We have appealed to the United States Steel Corporation and to the Iron and Steel Institute, and to Mr. K. M. Simpson, deputy administrator for the steel code, ever since last August, but without any result or promise.

As president of the Diamond Calk & Horseshoe Co. of Duluth, a Minnesota corporation, who started in business in 1908, I now appeal to you and most urgently request your help for immediate relief, as our resources are being rapidly depleted, with the final results of being forced to close our business if relief is not granted very soon.

Sincerely yours,

DIAMOND CALK & HORSESHOE CO.,
OTTO SWANSTROM, *President.*

GENERAL AGREEMENT CODE SHOULD BE MODIFIED

That those charged with final supervision of the codes are inclined to believe that the steel code requires modification is evidenced by the statement of Gen. Hugh S. Johnson as reported in the Wall Street Journal of last Saturday.

The article starts as follows:

JOHNSON DOUBTS STEEL PRICE RULE—BASING-POINT SYSTEM "PROBABLY WRONG"—HAS NO BIG LABOR CASE WORTH PUTTING TO TEST

WASHINGTON.—The basing-point system embodied in the steel code is "probably wrong", General Johnson stated in discussing criticism of the code before the American Society of Newspaper Editors.

This is the story of how one Minnesota industry is being forced out of business through actual operation of the provisions of the steel code, which increase production costs, add an unbearable burden for charges for imaginary freight service and forbid relief in the form of price allowance.

The same story is being repeated in the business life of many other Minnesota industries.

Minneapolis, St. Paul, and Duluth cannot grow as they should as industrial centers if they are to be handicapped for no other reason than their geographical location, by the arbitrary addition of fictitious charges for imaginary service to those production costs which of necessity they must pay for real service.

The existing procedure constitutes, in effect, a fatal attack on many industries of my home State and is an inexcusable blow to the development of the State.

All other avenues of relief thus far having proved ineffective, it is apparent that a feasible way is to seek remedial action through the provision of the National Recovery Administration, which authorizes the President to modify codes.

RURAL LETTER CARRIERS

Mr. BANKHEAD. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 355.

The Clerk read as follows:

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. 8919, a bill to adjust the salaries of rural letter carriers, 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 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Post Office and Post Roads, 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; with or without instructions.

Mr. BANKHEAD. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY]. It is the desire of the majority leader that we try and dispose of this bill this afternoon. It is now about 3:30 o'clock, and in order to conserve the time for the consideration of the bill upon its merits, I shall be most brief in presenting the resolution for consideration of the bill.

I do not conceive it to be necessarily the function of a member of the Committee on Rules in presenting a resolution for consideration of a bill to undertake to explain all its provisions, or any of its provisions, unless it is a highly controversial or a political proposition.

This bill has been reported by the committee—I understand unanimously. It is a bill that seeks to reclassify salaries and allowances of rural carriers.

You gentlemen will recollect that under the provisions of the Economy Act there was a reduction in the equipment allowances of rural carriers. Under the provisions of this bill, as I understand it, the allowances for equipment of rural carriers upkeep is raised from 4 cents to 6 cents a mile. There may be some controversy as to whether or not that increase shall be put at 5 cents a mile or 6 cents a mile. I understood that perhaps there was some division on that in the committee as to the amount of increase.

I shall not undertake to go into the provisions of the bill. The members of the Committee on the Post Office and Post Roads will explain it thoroughly; and, gentlemen, I want to say—if I can say it with propriety—I have been serving in Congress for many years, and I have had occasion to observe the capacity, character, poise, and good judgment of various chairmen of the legislative committees of the House. I do not want to indulge in any flattery of the Chairman of the Committee on the Post Office and Post Roads, but the more I see of his conduct with bills, his familiarity with the legislation, his knowledge of all details of the bill he is sponsoring, the higher becomes my admiration of the admirable qualifications of the chairman of this committee, the gentleman from New York [Mr. MEAD]. [Applause.] He is always armed and equipped, his information is accurate concerning all features of the legislation under his control. Of course, there are able gentlemen associated with him on his committee, but I felt that in passing, this small tribute to his capacity should be stated.

I now yield 2 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. GREEN. Will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. GREEN. I am in favor of this legislation. I wondered whether the gentleman could state whether this is a unanimous report from the committee?

Mr. BANKHEAD. I understand that it is. I yield 2 minutes to the gentleman from Texas [Mr. PATMAN].

BILL TO PAY DEPOSITORS OF BANKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein such tables and other information as may be explanatory of my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, I want to say a word about the McLeod bill. The way I view it, it is like the story I heard about Columbus.

M'LEOD BILL SUPPORTERS LIKE COLUMBUS

Columbus left home and did not know where he was going; when he got there he did not know where he was; when he returned home he did not know where he had been.

The proponents of the McLeod bill are in a similar position. They are advocating an appropriation of public funds unknown in amount; they do not know who will get the money; and they do not know the reason for its payment. The bill is sponsored by the Republican Members of the House. It is opposed by the President of the United States.

WHAT THE BILL PROPOSES

The McLeod bill—H.R. 8479—proposes that the Reconstruction Finance Corporation be compelled to acquire by purchase all the remaining assets of closed banks that are in charge of receivers and conservators, which at the date of closing were members of the Federal Reserve System. It is proposed that the bill be amended so as to include State and private banks, and I understand the author is favorable to the amendment.

WHERE WILL MONEY COME FROM?

The Reconstruction Finance Corporation, under the present policy of obtaining funds, will be required to issue more tax-exempt interest-bearing bonds to get the money. The Government will guarantee the payment of interest and the principal of the bonds. It is not known how much money it will take, since we do not know the institutions that will come within the provisions of the law by the time it is enacted.

WILL THERE BE A LOSS, AND WHO WILL PAY IT?

Certainly there will be a loss. The Government cannot acquire the bad debts of closed banks without taking a loss. The taxpayers will pay the loss. If the present sources of revenue are insufficient for that purpose, Congress will be under obligations to enact additional tax measures, which will doubtless restore many of the nuisance taxes, to pay the losses. Further, by reason of paying these losses, deserving appropriations for the relief of destitution and the unemployed will probably have to be reduced in amount.

WHO WILL GET THE MONEY?

If this bill is enacted, one depositor will get more than $32,000,000. Four percent of the depositors will receive 50 percent of the money. The following table is self-explanatory:

Analysis of closed national banks, showing percentages with respect to accounts

	Percent, number of accounts by groups	Number of accounts	Net deposits (deposits less offsets, etc.)
Classification of deposit accounts by size:			
$0 to $500	80.89	2,402,359	$258,261,348
$501 to $1,000	8.43	238,645	173,749,086
$1,001 to $2,500	6.91	206,824	311,144,797
$2,501 to $5,000	2.28	63,636	231,341,902
$5,001 to $10,000	.92	31,819	183,247,096
$10,001 and over	.57	15,909	433,218,932
Grand total	100.00	2,959,192	1,590,963,161

THE RICH MAN'S BONUS

This is not a bill to help the poor so much as it is a bill to help the rich. If we owed the rich anything, I would be in favor of paying them, but we do not owe them a penny.

A few, less than 300, of the large, wealthy depositors of the Guardian National Bank, Detroit, Mich., contributed an amount sufficient to pay in full all the depositors of that bank who had accounts less than $1,000. It required more than $3,000,000. If this bill passes, the small depositors of that institution will not be paid; they have already been paid; the ones who paid them will be reimbursed. The Government will assume the debt and release them. This bank, when closed, had deposits amounting to more than $100,000,000. All depositors have already been paid 68 percent of the amount of their deposits, and more will be paid. I wonder how many people in Detroit can get 68 percent in cash from any other investment they made at the same time the deposits were made.

The First National Bank of Detroit, Mich., when closed, had deposits aggregating more than $388,000,000. The depositors have already been paid 50 percent of the amount of their deposits and will likely be paid 75 or 80 percent. The average for all banks is around 76 percent.

Someone is doing a good job liquidating these institutions. The Reconstruction Finance Corporation has authorized loans and commitments to receivers and conservators in Michigan banks for the purpose of paying depositors the enormous sum of $198,640,351.07.

Notice the following statement:

Loans authorized to receivers and conservators prior to Oct. 17, 1933, plus authorizations and commitments for ratable distribution to depositors from Oct. 17, 1933, to Apr. 18, 1934, inclusive

State	Loans authorized (receivers and conservators) by States through Oct. 16	Authorizations and commitments, after Oct. 17, 1933	Total
Alabama	$270,500.00	$3,704,932.48	$3,975,432.48
Arizona	85,000.00	228,750.00	313,750.00
Arkansas	2,176,709.18	4,216,417.66	6,393,126.84
California	3,322,000.00	6,133,000.00	9,455,000.00
Colorado	327,600.00	1,642,700.00	1,970,300.00
Connecticut		1,250,000.00	1,250,000.00
Delaware			
District of Columbia	7,226,000.00	3,187,903.52	10,413,903.52
Florida	794,500.00	5,565,868.33	6,360,368.33
Georgia	113,000.00	2,963,268.54	3,076,268.54
Idaho	392,900.00	364,000.00	756,900.00
Illinois	12,265,300.00	14,004,694.19	26,269,994.19
Indiana	3,638,100.00	8,355,850.69	11,993,950.69
Iowa	6,810,000.00	7,412,855.04	14,222,855.04
Kansas	839,500.00	2,485,602.94	3,325,102.94
Kentucky	4,122,850.00	2,420,014.57	6,542,864.57
Louisiana	24,812,511.90	11,016,256.44	35,828,768.34
Maine	8,342,572.57	24,723,000.00	33,065,572.57
Maryland	1,488,000.00	6,241,000.00	7,729,000.00
Massachusetts	2,638,000.00	14,199,000.00	16,837,000.00
Michigan	79,911,770.00	118,728,581.07	198,640,351.07
Minnesota	481,100.00	3,059,384.10	3,540,484.10
Mississippi	1,045,759.00	4,930,800.94	5,976,559.94
Missouri	2,329,600.00	7,193,225.20	9,522,825.20
Montana	37,200.00	636,000.00	673,200.00
Nebraska	229,400.00	1,535,753.43	1,765,153.43
Nevada		290,000.00	290,000.00
New Hampshire		500,000.00	500,000.00
New Jersey	7,899,000.00	10,451,676.07	18,350,676.07
New Mexico		437,947.08	437,947.08
New York	17,271,470.63	18,660,869.54	35,932,340.17
North Carolina	2,052,200.00	4,366,975.00	6,419,175.00
North Dakota	1,799,150.00	117,100.00	1,916,250.00
Ohio	79,085,565.42	38,028,032.08	117,113,597.50
Oklahoma	448,300.00	599,368.00	1,047,668.00
Oregon	151,700.00	1,264,993.44	1,416,693.44
Pennsylvania	12,057,070.87	74,541,933.25	86,599,004.12
Rhode Island	600,000.00		600,000.00
South Carolina	735,000.00	5,592,230.14	6,327,230.14
South Dakota	392,500.00	1,184,257.70	1,576,757.70
Tennessee	5,667,500.00	1,429,038.64	7,096,538.64
Texas	2,260,600.00	3,148,478.92	5,409,078.92
Utah	635,000.00	197,000.00	832,000.00
Vermont		542,000.00	542,000.00
Virginia	1,432,400.00	3,713,500.00	5,145,900.00
Washington	948,000.00	6,534,925.32	7,482,925.32
West Virginia	2,869,000.00	5,102,742.83	7,971,742.83
Wisconsin	384,800.00	3,777,079.47	4,161,879.47
Wyoming		127,000.00	127,000.00
Total	300,389,129.57	436,806,006.62	737,195,136.19
Loans authorized between Apr. 18 and Apr. 21, 1934			1,041,500.00
Total			738,236,636.19
Total number of loans authorized to closed banks	730	1,633	2,363

HOOVER AND MILLS SPEECHES—DEPOSITS DECREASED

It is contended that depositors were persuaded to deposit their funds in national banks by reason of the antihoarding speeches made by President Hoover and Secretary of the Treasury Mills in February and March of 1932, which caused them to lose it. Let us consider the facts. The last report of deposits in national banks before these speeches were made was December 31, 1931. At that time the deposits were $19,244,347,000. The next report after the speeches were made was June 30, 1932. The deposits had dropped to $17,460,913,000. In other words, it seems that deposits decreased almost $2,000,000,000 instead of increasing.

Within 12 months after these speeches were made, the deposits in all banks had been reduced more than $4,000,000,000.

BAD PRECEDENT

The passage of this bill would enact a very bad precedent. If carried to its logical conclusion, it would call for the Government to pay the debts of all banks—national, State, and private—even though the banking officials are now serving time in a penitentiary for embezzling the funds—building and loan companies, joint-stock land banks, and finally all losses suffered by investors on the stock exchange. Many investors claim the banks denied loans to brokers which caused stocks to be thrown on the market, causing the break. They also contend that Government officials caused these banks to reduce their loans to brokers. Therefore, they contend the Government agents caused their loss. If the McLeod bill passes, these investors who lost their money will have claims against the Government supported by the same sort of reasoning.

WHAT IS NOW BEING DONE TO AID BANKS AND DEPOSITORS

In order to show what is now being done in the way of aiding the banks, including closed banks and their depositors, the following statement is inserted from the 1934 report of the Comptroller of the Currency:

In addition to the new duties of the Comptroller as a member of the Federal Deposit Insurance Corporation Board, he was appointed to membership on two special committees created by the President, one to be known as the Deposit Liquidation Board, on October 15, 1933, which constitutes a special division of the Reconstruction Finance Corporation. The President appointed this Board for the purpose of making loans to banks closed since January 1, 1933, on their assets. The Board was constituted as follows:

C. B. Merriam, the head of the special board; Jesse H. Jones, chairman of the Reconstruction Finance Corporation; Dean G. Acheson, Under Secretary of the Treasury; J. F. T. O'Connor, Comptroller of the Currency; Walter J. Cummings, chairman Federal Deposit Insurance Corporation; Lewis Douglas, Director of the Budget.

"The purposes of the Deposit Liquidation Division", the President's announcement read, "will be to stimulate and encourage liquidating agents of banks closed after January 1, 1933, to borrow from the Reconstruction Finance Corporation in order that funds may be made available to depositors as quickly as possible. The general intention is to make loans on the assets of closed banks for the benefit of depositors up to a maximum of 50 percent of their deposits, inclusive of distributions heretofore made. This does not, of course, mean that in a bank whose remaining assets are worthless, the depositors will get 50 percent. They will get in such a case only their share in the remaining assets.

"It is estimated that the maximum loanable value of the assets of banks closed during the year 1933 will not exceed $1,000,000,000, and it is hoped that the distribution will approximate that amount."

We have acted speedily in coming to the rescue of depositors in closed banking institutions. Between October 17, when this Board started functioning, and January 2, 1934, the Reconstruction Finance Corporation authorized $243,119,582.97 for distribution to depositors in 496 closed banks, nearly all of which were closed after the first of the year.

The President on October 23, 1933, announced the establishment of a special Reconstruction Finance Corporation division for bank reorganization and to make recommendations for purchase by the Reconstruction Finance Corporation of preferred stock of State banks. The following members of this new division were named by the President:

Harvey Couch, to be its head; Jesse Jones, Chairman of the Reconstruction Finance Corporation, ex-officio; Eugene Black, Governor of the Federal Reserve Board; Dean Acheson, Under Secretary of the Treasury; Lewis Douglas, Director of the Budget; J. F. T. O'Connor, Comptroller of the Currency; Walter J. Cummings, Chairman Federal Deposit Insurance Corporation; Henry Bruere; Frank Walker.

At the same time the President announced that "Governor Black is to head a subcommittee on cooperation with member banks in this same effort." The prime purpose behind the formation of this special division was to prepare State banks for eligibility in the Federal Deposit Insurance Corporation by January 1 in that the sale by them of preferred stock will strengthen their capital structure. "We hope", President Roosevelt said, in announcing the creation of this division, "that all banks will take advantage of this opportunity to put themselves in an easy cash position to help in the work of recovery. We need the banks and want them to have adequate capital. As a rule such capital cannot now easily be found in the communities. As recovery continues, such capital will be found. But in the meanwhile and temporarily, but for such length of time as may be necessary, the Government will supply the necessary capital through the Reconstruction Finance Corporation in its purchase of preferred stock. The Reconstruction Finance Corporation will thus serve as a recovery finance corporation.

"The banks must feel free to function well, and the Government will help them prepare themselves to play their important part.

"To accept the Government's offer to purchase preferred stock does not mean that a bank is weak but that it is eager to cooperate in the recovery effort to the fullest possible extent and thus undertake to put this additional capital to work. We are not thinking of idle capital. We are thinking of working capital—capital working for recovery."

As a member of the Board appointed by President Roosevelt, I can say with pardonable pride that we have made a good record so far in strengthening State banks through the purchases of their preferred stocks, capital notes, and debentures by the Reconstruction Finance Corporation. From October 23, the date of creation of this division by the President, to the close of business on December 31 a total of 3,323 nonmember banks had a total of $242,100,000 approved for issue, of which amount $84,936,000 consisted of preferred stock and $157,164,000 consisted of capital notes and debentures.

In addition to the above record made by the special division in such a short time, the Reconstruction Finance Corporation during the 7 months ended December 31, 1933, approved the purchase of a total of $65,336,000 in preferred stock, capital notes, and debentures in 78 nonmember banks. During the same time the Corporation approved 1,059 applications from member banks for a total issue of $502,930,000, of which amount $372,868,000 was in preferred stock and $130,062,000 in capital notes and debentures.

Never in our history has the Federal Government done so much to aid distressed depositors in closed banks by declaring dividends from the loans made on the assets, as well as the purchase by the Government of preferred stock, capital notes, and debentures in the banks in the country.

Do not overlook the statement of President Roosevelt in the foregoing, and be sure and read the last paragraph of this statement about more being done by the Government for distressed depositors and closed banks than ever before in our history.

Mr. BANKHEAD. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. RANSLEY. Mr. Speaker, I yield 8 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, I am in favor of this rule and of the legislation which it seeks to make in order. It is my privilege to enjoy the acquaintance of the very able and efficient president of the National Association of Rural Letter Carriers, Mr. W. G. Armstrong. He is a resident of the State of Michigan. His recommendations and views on matters relating to the Rural Carrier Service go a long way with me, because I feel he knows the problems of the rural carrier and the Rural Carrier Service from A to Z.

The bill contains three important provisions. The first recommended by the Department takes into consideration the improvement that has been made in our road system during the last few years and changes the length of a standard route from 24 miles to 30 miles, keeping the compensation for a standard route the same as it is now, $1,800 per year. It further takes into consideration the improved condition of the roads and provides a compensation of $20 per mile over the standard road instead of $30 under existing law. My understanding is that the carriers are willing to accept this provision, provided the other provisions of the bill are retained in the bill and enacted into law.

The second provision in the bill raises the equipment allowance of the rural carriers from 4 cents to 6 cents per mile. There is a tendency on the part of many when considering this equipment-allowance question to compare it with the cost of maintaining an automobile used only in good weather, on good roads, under normal conditions, traveling long distances, and making few stops. That is not the situation with the rural carrier. He must go in all kinds of weather, rain or shine, and, in many instances, snow or shine. He makes frequent stops, he goes over good and bad roads alike, and I am told that the equipment allowance of 6 cents a mile, as a matter of fact, is much less than the average cost to the rural carrier in keeping up his equipment. He has more oil to buy, more gas to buy, and he has to take his car to the service stations for repairs more frequently than the average user of an automobile.

Mr. McDUFFIE. Mr. Speaker, will the gentleman yield?

Mr. MAPES. Yes.

Mr. McDUFFIE. Can the gentleman tell the House how much additional cost will be entailed on the Public Treasury as a result of this legislation?

Mr. MAPES. I am not on the Committee on the Post Office and Post Roads, but I am told that there will be a saving to the Department of something like $3,000,000 per year by the enactment of this legislation.

Mr. McDUFFIE. What is the average salary of the rural carrier now?

Mr. MAPES. I cannot tell the gentleman what the average salary is, but I understand that under the Economy Act the equipment allowance was reduced to 1 cent per mile.

The third provision in the bill prevents the consolidation of rural routes except in case of the resignation, death, retirement, or dismissal, on charges, of carriers in the Rural Mail Delivery Service. That provision is put in to prevent arbitrary dismissals by the Department and the consolidation and extension of routes in some cases to abnormal lengths.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. MAPES. Yes.

Mr. CULKIN. What the gentleman says about the mileage allowance is particularly true in the north country, where the winters are long and severe, and where the wear on the equipment is extremely severe.

Mr. MAPES. There is no question about it in the gentleman's State of New York and in the State of Michigan.

Mr. CULKIN. In other words, they face storms and bad roads for 6 months at a time.

Mr. MAPES. That is correct. I shall not discuss the bill further but content myself with the statement that I am in favor of it with the amendments recommended by the Committee on the Post Office and Post Roads.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. BLANCHARD].

Mr. BLANCHARD. Mr. Speaker, this legislation has my approval. I followed the course of the bill in the Committee on Post Offices and Post Roads through my good friend the chairman of the committee, who has been considerate enough to keep me advised as to its progress. I know the thorough job Mr. MEAD has done in the consideration of the bill. I make this statement not with any idea of flattering the gentleman from New York, but merely to stress the fact that the rural carriers in coming before this committee laid their program before the Membership with the desire to do them the justice they claimed they deserved and to be heard on the merits of the matter.

From my study of the provisions of this bill and the report of the committee, from the testimony I heard, and the talks I had with members of the Rural Letter Carriers' Association, I am satisfied that the bill in its present form represents a carefully worked-out program that not only does a measure of justice to these Federal employees but at the same time does no violence to the financial program of the Treasury. For these reasons, Mr. Speaker, I give my full approval to this measure.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. BLANCHARD. I yield.

Mr. JOHNSON of Oklahoma. Do I state the fact correctly when I say that the bill reduces the appropriation by $3,000,000?

Mr. BLANCHARD. It makes a reduction in the appropriation, of course, and it also irons out some of the inequalities which exist at the present time. Am I correct in my understanding of the matter?

Mr. MEAD. Yes; the gentleman is correct.

Mr. JOHNSON of Oklahoma. And is not the total reduction $3,000,000?

Mr. BLANCHARD. It is my understanding that it is more than $3,000,000. The rural carriers, in giving their approval to this measure and the amendments to be proposed, recognize the practical difficulties confronting them. It represents to them the securing of some stability to their employment, and it removes uncertainties and inequalities. In addition the maintenance and equipment allowance is fixed by law and will no longer be subject to administrative order. This is a highly desirable change.

The rural carriers do not desire to raid the Treasury. They are willing to do their part in this trying time; they have always been loyal servants. They do ask common justice, and this measure provides Congress with the opportunity to correct a situation which all must admit is unfair, harsh, and unjustifiable from every standpoint.

Mr. RANSLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Speaker, I am supporting this bill for the same reason that I supported the Senate amendments to the independent offices appropriation bill and for the same reason that I voted to override the veto on that bill.

In supporting the Senate amendments to the independent offices bill, we undertook to restore the compensation of underpaid Federal employees whose salaries had been cut by the Economy Act. We did not succeed in restoring all their compensation but did effect a restoration of two thirds of it.

That bill, which was vetoed by the President and passed over his veto, not only helped to restore a living wage but it tended to make the jobs of the Federal employees more secure. It took the jurisdiction of fixing the wages of Government workers out of the hands of the executive department and put it back into the hands of the lawmaking branch of the Government, where it originally was and where it rightfully belongs. The pending bill has for its purpose the taking of a further step in the same direction in regard to one very large and important class of Federal employees, the rural mail carriers.

For many years the rural mail carrier has been working under conditions of uncertainty, both with respect to the compensation he receives and also with respect to the tenure of the work itself. The bill we are now considering undertakes to remove that uncertainty. It does this by stabilizing the base pay of the rural carrier by adjusting it to modern methods of travel upon modern roads, and by assuring to the carrier a reasonable allowance for the necessary upkeep of the modern equipment which he uses on those roads in the performance of his daily work.

I think it is generally conceded that an equipment-maintenance allowance of 4 cents per mile is too low; that it actually costs the rural carrier more than this amount to maintain and operate his mail-delivery equipment. In this bill not only has the equipment-maintenance allowance been raised from 4 cents to 6 cents per mile, but neither the Postmaster General nor anyone else is permitted, under the provisions of the bill, to lower the amount provided by law, as was the case under the Economy Act.

The legislation provided in this bill also saves the jobs of about 9,500 rural mail carriers. The Postmaster General declared some time ago that the service could be maintained adequately with 9,500 fewer rural carriers than we have at present. He also announced that adequate rural mail service could be maintained for $11,000,000 less than it is now costing. He proposed to effect this saving by dismissing 9,500 rural mail carriers and by consolidating existing rural mail routes.

By the plan worked iout under this bill, the jobs of these 9,500 rural carriers are saved, and in addition thereto a reduction of $3,000,000 in the total cost of the service is made. The members of the Committee on the Post Office are to be congratulated on their splendid and humane solution of this problem. And the Congress is to be congratulated for taking this matter into its own hands and by demonstrating that real economy can be effected without throwing men out of work and without reducing the wages of those who remain at work.

Mr. Speaker, this is a fair bill and a just bill. It not only gives to the rural mail carrier a net compensation as large as he is now receiving but it does what I believe is even more important. It makes the jobs of the rural mail carriers secure, and it removes the mental hazard under which they

have been working, and it prevents 9,500 men from being thrown out of work at a time when we are bending every effort to put men to work.

The results of this legislation will prove of benefit not only to the rural carriers themselves, but to everyone with whom they come in daily contact. It will benefit the patrons whom they serve. It will benefit the communities in which these faithful, patriotic, and hard-working public servants live. The bill deserves and it should receive our hearty, unanimous support. [Applause.]

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield back the remainder of my time.

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was adopted.

COMMITTEE ON THE JUDICIARY

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may sit tomorrow during the session of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H.R. 518. An act for the relief of T. Perry Higgins;

H.R. 1127. An act for the relief of O. H. Chrisp;

H.R. 1724. An act providing for settlement of claims of officers and enlisted men for extra pay provided by act of January 12, 1899;

H.R. 1870. An act for the relief of Corinne Blackburn Gale;

H.R. 2026. An act for the relief of George Jeffcoat;

H.R. 2321. An act for the relief of Capt. J. O. Faria;

H.R. 2339. An act for the relief of Karim Joseph Mery;

H.R. 2340. An act for the relief of Russell & Tucker and certain other citizens of the States of Texas, Oklahoma, and Kansas;

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. 2666. An act for the relief of D. F. Phillips;

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. 2828. An act to authorize the city of Fernandina, Fla., under certain conditions, to dispose of a portion of the Amelia Island Lighthouse Reservation;

H.R. 2858. An act to add certain lands to the Pike National Forest, Colo.;

H.R. 2862. An act to add certain lands to the Cochetopa National Forest in the State of Colorado;

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. 3463. An act for the relief of Walter E. Switzer;

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. 3843. An act to repeal an act of Congress entitled "An act to modify and amend the mining laws in their application to the Territory of Alaska, and for other purposes", approved August 1, 1912;

H.R. 3851. An act for the relief of Henry A. Richmond;

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

H.R. 4013. An act to provide an additional appropriation as the result of a reinvestigation, pursuant to the act of February 2, 1929 (45 Stat., p. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosion at the naval ammunition depot, Lake Denmark, N.J., July 10, 1926;

H.R. 4269. An act for the relief of Edward J. Devine;

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

H.R. 4611. An act for the relief of Barney Rieke;

H.R. 4779. An act for the relief of the estate of Oscar F. Lackey;

H.R. 4808. An act granting citizenship to the Metlakahtla Indians of Alaska;

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. 5038. An act authorizing pursers or licensed deck officers of vessels to perform the duties of the masters of such vessels in relation to entrance and clearance of same;

H.R. 6013. An act to authorize the sale of land and houses at Anchorage, Alaska;

H.R. 6386. An act for the relief of Lucien M. Grant;

H.R. 7279. An act for the relief of Porter Bros. & Biffle, and certain other citizens;

H.R. 7551. An act authorizing the Secretary of Commerce to dispose of the Pass A'Loutre Lighthouse Reservation, La.;

H.R. 7744. An act to authorize the Secretary of Commerce to transfer to the city of Bridgeport, Conn., a certain unused light-station reservation;

H.R. 7793. An act authorizing a preliminary examination of the Ogeechee River in the State of Georgia, with a view to controlling of floods;

H.J.Res. 10. Joint resolution requesting the President to proclaim October 12 as Columbus Day for the observance of the anniversary of the discovery of America; and

H.J.Res. 61. Joint resolution granting compensation to George Charles Walther.

RURAL LETTER CARRIERS

Mr. MEAD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 8919) to adjust the salaries of rural letter carriers, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 8919, with Mr. WEST of Ohio in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, in view of the lateness of the hour, I trust it will not be necessary to use all the time allotted for general debate. I hope we may proceed without delay with the consideration of the bill under the 5-minute rule. While the measure is important, the degree of opposition in the committee and, I believe, on the floor of the House will be such as to warrant our speedy consideration of this measure.

This bill was introduced after the receipt of a letter from the Postmaster General directed to our committee urging a reclassification of the salaries of rural letter carriers on the theory that the Department could get along with approximately 9,500 less than the number they have in that service and because of the modernization of transportation methods and the improvement of highways.

Under the original plan proposed by the Postmaster General it was suggested that the standard route of 24 miles be extended to 30 miles; that is, that the standard rural route hereafter would be a route of 30 miles, for which the carrier would receive $1,800 per year. It was further recommended that the equipment allowance for rural carriers in this service be restored to 4 cents per mile. On the basis of recommendations proposed by the Postmaster General a saving of approximately $11,000,000 would be effected. The saving of the $11,000,000, however, would be a wage reduction upon the personnel of this service.

The committee, in its consideration of the measure, agreed to the adjustment so far as the length of the standard route was concerned, and in that connection the committee was in entire accord both with the Department and with the representatives of the employees. The committee differed, however, with the Post Office Department in connection with the equipment allowance, and, as will be noticed in the bill, the committee felt that 6 cents a mile was a fair

and just rate. Increasing the equipment allowance from the recommendation of the Department to the figure contained in the bill reduces the saving to approximately $3,000,000 annually. So that the personnel of the rural service will suffer a total reduction, in the aggregate, of $3,000,000. The bill increases the standard route from 24 to 30 miles. In addition to this, it reduces the annual pay per mile for every mile in excess of 30 miles from $30, which is the rate they now receive, to $20 per mile, which is the rate they will hereafter receive. The adjustment of the standard route from 24 to 30 miles and the reduction from $30 to $20 for the excess mileage over and above the standard route effects the saving requested by the Department. The increase in the equipment allowance from 4 to 6 cents, as was adopted by our committee, reduces the $11,000,000 saving by approximately $8,000,000.

The rural letter carrier under the Economy Act had his equipment allowance reduced by 15 percent. As a result of a provision inserted in the independent offices bill, authority was given the President to reduce or suspend the equipment allowance. As a result of that authority, the equipment allowance was reduced to 3 cents for the months of November, December, January, and February, and to 1 cent a mile for the remaining months of the year. Under this bill that authority is repealed and the equipment allowance will be 6 cents.

Mr. SABATH. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Illinois.

Mr. SABATH. I do not know whether I have the right figures, but may I ask if it is not a fact that the equipment allowance is 4 cents and that that is the present law?

Mr. MEAD. The present law is 4 cents.

Mr. SABATH. And this is increased to 6 cents?

Mr. MEAD. That is correct.

Mr. SABATH. This is an increase of 50 percent, causing an additional expenditure for equipment allowance of $8,000,000?

Mr. MEAD. The gentleman is correct.

Mr. DOWELL. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Iowa.

Mr. DOWELL. Is it not true that in the extension of these routes, with the reduction in the amount allowed for equipment, many of these carriers had to absorb a great deal of their salaries in order to keep up their equipment and carry the mail?

Mr. MEAD. That is correct. The carriers, particularly those on long routes, are credited with being the recipients of excessive salaries. Such is not the case, because the best information received by our committee permits me to explain to the House that somewhere in the neighborhood of $500 annually on an average is necessary to meet the expenses incident to the transportation of mail by motor vehicle. It is also necessary for these rural letter carriers to purchase a new car on an average of every 3 years. Much of the excessive salary or compensation, as it is called, is used in the upkeep and maintenance of their equipment.

Mr. DOWELL. Of course, it is necessary to keep up the equipment in order to give service, and the longer the route assigned to the carrier the more expensive it becomes to the carrier?

Mr. MEAD. The gentleman is correct.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Can the gentleman give us information as to what it costs the carrier to maintain his equipment on the average?

Mr. MEAD. I may say to the gentleman that our committee heard from the carriers and the Department, and we also took occasion to communicate with many of the large organizations of the country, including telephone, gas, electric companies, and various other organizations that use a great many cars. The best information that we have is that it costs somewhere in the neighborhood of 6 cents a mile to operate a motor vehicle of the type used in the rural letter-carrier service; and the committee felt, upon the evidence presented, that 6 cents was a fair equipment allowance.

Mr. ADAMS. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Delaware.

Mr. ADAMS. Does the bill make any provision for routes less than 30 miles in length; and if so, what is the provision?

Mr. MEAD. I may say to the gentleman that routes of a mileage less than 30 miles suffer a severe reduction in base pay.

The reduction in some instances exceeds $400; but we have an amendment taking care of that situation, so that the reduction in no case, on the shorter routes, will be in excess of $180 per annum.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. MEAD. I yield to the distinguished gentleman from Pennsylvania.

Mr. DUNN. Are the rural letter carriers in favor of this proposed legislation?

Mr. MEAD. The rural letter carriers face a reality rather than a theory, and they realize that the dismissal of approximately 9,000 men would be an undue hardship, one they could not accept if there is any avenue of escape, and therefore they are willing to accept this readjustment at a loss to them of some $3,000,000 in order that they may meet the recommendations of the Department and save the personnel.

Mr. DUNN. Then they are not opposed to this legislation?

Mr. MEAD. No; they are not opposing it.

Mr. DURGAN of Indiana. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. DURGAN of Indiana. On a 30-mile base how many hours a day does it require a carrier to complete his service?

Mr. MEAD. The Department informed us that the average rural route in the country requires about 5½ hours.

Mr. DURGAN of Indiana. What did they mean by the average rural route?

Mr. MEAD. Rural routes run all the way from 7 miles to 90 miles; but they take an average route, and it is their claim that the average number of hours put in, 6 days a week by a rural letter carrier, is somewhere in the neighborhood of 5½ hours.

Mr. DURGAN of Indiana. Is it not a fact that it takes them from 1½ hours to 2 hours per day on a 30-mile base and during the balance of the time they crowd out some other good man from giving service at an oil station or something of that kind?

Mr. MEAD. Under the regulations of the Department no rural letter carrier can compete, in employment with any other man.

Mr. DURGAN of Indiana. But they do, to my knowledge.

Mr. MEAD. That may have been the case some years ago.

Mr. DURGAN of Indiana. No; lately.

Mr. MEAD. The gentleman may have this service confused with the star-route service.

Mr. DURGAN of Indiana. The gentleman is not confused. He has made an examination of the matter.

Mr. MEAD. The rural letter carrier of today, I will say to the gentleman, in very few cases violates the regulations of the Department.

Mr. DURGAN of Indiana. Should not this bill provide against that?

Mr. MEAD. The regulations are severe. They are so severe that no law could make them more stringent. Separation from the service is the penalty, and I may say to the gentleman that in view of the regulations, legislation on the subject, in my judgment, is not necessary. While the Department maintains that the average number of hours is 5½, the best information we have is that it is 1 hour in excess of that, or approximately 42 hours a week.

Mr. DURGAN of Indiana. I was not inquiring about the average, but I was taking your base of 30 miles of which the gentleman speaks. How long does it take such a carrier to give this service on good roads?

Mr. MEAD. Thirty miles is approximately the average route because they run from 7 miles to 90 miles in length, and therefore the average number of hours on the average route, according to the Department, is 5½, but according to the employees it is 7 hours. It is my judgment that it is somewhere in the neighborhood of 6½ or 7 hours.

Mr. DURGAN of Indiana. My dear sir, I have made an examination, and the information that you have been giving is incorrect on a 30-mile base on good roads.

Mr. MEAD. I may say to the gentleman that this country is so large and the geography of the country is so different in so many different sections, and there are so many different seasons of the year, that the committee, intimately associated with this problem, is perfectly willing to meet the statement of the gentleman by saying that we believe the average rural letter carrier works in excess of 5½ hours a day and that nearly 7 hours a day is more than reasonably correct.

Mr. DURGAN of Indiana. On a 30-mile base?

Mr. MEAD. Yes; taking the average route over all the United States.

Mr. DURGAN of Indiana. I should like the Members to examine into this question before voting on this bill.

Mr. ROMJUE. If the gentleman will permit, I may say that nobody before the committee ever questioned that it was not at least 5½ hours.

Mr. DURGAN of Indiana. For 30 miles.

Mr. MEAD. Yes; 30 miles or the average route. I am very sorry the gentleman did not come before the committee and give us the benefit of his information.

Mr. DURGAN of Indiana. The gentleman did not want to come before the committee. I am looking to you for information, and I am challenging the statement that a 30-mile base takes five hours and a half of service. That is what I am challenging.

Mr. ROMJUE. And I am telling the gentleman that the members of the committee, after long hearing, as well as the Post Office Department itself, never made any such claim as the gentleman is now making.

Mr. MEAD. I may say in further answer to the gentleman that when the Post Office Department explained to us that the average workday of the rural letter carrier on the average route, taking the country as a whole into consideration, is five hours and a half, the gentleman can bank on it that no rural letter carrier finishes his duties on such an average route in less than five hours and a half. That was a minimum estimate in our estimation, and I may say in addition to what I have already said on this subject, the average rural letter carrier does not follow the improved highways of the country. The average rural letter carrier is crisscrossing the highways like the average hockey player crisscrosses the hockey rinks. The rural letter carrier follows the good and the bad highways; he follows the hills and the valleys, and takes the improved highways once in a while in the course of his daily tour. I think it is unfair to say that the average rural letter carrier of the country on an average route, in following the highways, works less than five hours and a half. There is no information before our committee to support such a statement, and as the gentleman from Missouri [Mr. ROMJUE] has stated, I am sorry we did not have such information during our hearing.

Mr. BEEDY. The net result of this bill is that the rural carrier is going to do more work and get the same base pay, but with an increase of the equipment allowance, and have more money than he is now getting.

Mr. MEAD. More money for equipment and less base pay.

Mr. BEEDY. He gets less money in toto and does more work.

Mr. MEAD. Yes; they are reduced $3,000,000 a year.

Mr. BEEDY. Do the carriers want this legislation?

Mr. MEAD. As I said a moment ago, it is a serious situation that confronts them. The Postmaster General has authority to drop 9,500 to effect the saving required by the Budget.

Mr. BEEDY. And in face of that possibility, the carriers think it is the best thing to do.

Mr. MEAD. They accept this legislation as the best way out.

Mr. DURGAN of Indiana. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. DURGAN of Indiana. I want to say that I asked the gentleman with reference specially to the 30-mile route—I did not refer to the average route. I want to say that the chances are that I will vote for the gentleman's bill.

Mr. MEAD. I will say to the gentleman that perhaps we were both somewhat confused.

Mr. DURGAN of Indiana. No; I was not confused; I was not making an unfair statement, and I resent the statement of the gentleman.

Mr. MEAD. If the gentleman from Indiana knew the caliber of the men who are members of our committee, he would allow the chairman to resent the challenge made to the committee.

Mr. DURGAN of Indiana. I would not, but I think the gentleman was a little bit out of order.

Mr. MEAD. I could have explained the misunderstanding—30 miles is the average route.

Mr. DURGAN of Indiana. I think I will vote for your bill, but I want to say that out in Indiana they work an hour and a half or two hours a day, and they work at other things, throwing men out of jobs.

Mr. HENNEY. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. HENNEY. Does the chairman take into consideration the time that the rural carriers put in at the post office distributing mail?

Mr. MEAD. The rural carrier is a traveling postmaster. He collects c.o.d.'s, issues money orders, attends to registered letters; he is a traveling salesman for the Department and a traveling bureau of information. He sells stamps. He does the work of a postmaster; he prepares the mail in the morning, makes up his reports in the afternoon, and he should be credited with that in addition to the service on his route.

Mr. DURGAN of Indiana. I am aware of all that.

Mr. HASTINGS. Will the gentleman from New York explain section 3? Suppose there is no voluntary resignation, no death, no retirement, the rural carrier can only be dismissed under charges, and in any event there can be no consolidation of routes.

Mr. MEAD. That is the situation today, except that under the Economy Act the rural carrier, after 30 years' service, can retire, even though he has not reached the age limit. But we expect that that will soon be eliminated; then this bill follows existing law.

Mr. HASTINGS. And prevents the consolidations except under the conditions as stated in section 3.

Mr. MEAD. That is present law. Mr. Chairman, I now yield to the ranking minority member of the committee, because I think he will be able to answer questions that I have at least attempted to answer. I yield to the gentleman from Pennsylvania [Mr. KELLY] such time as he may desire.

Mr. KELLY of Pennsylvania. Mr. Chairman, I am sure the able and distinguished Chairman of the Committee on the Post Office and Post Roads has been answering questions with all directness and with full information. This bill as amended by the House Post Office Committee is a constructive solution of an emergency. This measure did not originate with any member of the Post Office Committee.

The Postmaster General came before our committee and stated that he was compelled to save $11,000,000 in the conduct of the Rural Free Delivery Service, and that he proposed to do it if possible by extending the standard route and by reducing the amount paid for additional mileage from $30 to $20 per mile. We were faced with a proposition of doing a grave injury to the Rural Free Mail Service or adding some provisions to that proposal changing that. That is the situation regarding this bill. The committee has modified it in the interest of the Rural Delivery Service. From the beginning there has been a conflict between the Post Office Department and the Congress as to this Service. At the beginning two appropriations were made, originating

in this House, and the then Postmaster General refused to expend the money on the ground that the Rural Free Delivery Service was not justified, and that it would cost more money than the American people would favor. Still the House put through the appropriations, and finally with a start of $40,000 it was established. From that time the House and the Senate have been supporting this great Service, even while there has been more or less lukewarmness on the part of the Department.

Postmaster General Farley stated that it would be necessary for him to dismiss 9,500 rural carriers unless we gave him a saving through legislation. In my estimation, the Department has already curtailed this great service quite far enough. Between 1932 and 1933 they stripped off 1,597 rural carriers. They are proceeding now at the rate of a hundred a week. This cuts down this service, which ought to be kept up and extended as in the past. Beginning with a very small expenditure, this service grew until 25,000,000 Americans in the rural sections are being served every day by their Government carrying them the mail, which means enlightenment and information. Many of these 25,000,000 are out of touch with any other activity of the Government. This service has led to a great many improvements in rural sections. It takes the market reports every day to the farmer. It helps to bring good roads to the rural sections. Instead of being isolated, it made them really part of a great community. In my estimation we should not hesitate in giving complete service to every dweller in the rural sections of America. Instead of endeavoring to cheapen and curtail this service we should be extending it at a time like this and thus bring encouragement to those who are so greatly discouraged at this time.

As I said, our committee did not originate this legislation. The bill was sent to us by the Department, and we were compelled to take action. The bill as originally presented provided that the standard route should be raised from 24 miles to 30 miles, with the pay remaining the same—$1,800 a year. We believe that that can be justified, because since the 24-mile route was established, better roads have come. It is justifiable to say that the standard route shall be 30 miles. Where the excess mileage went above 30 miles, there was a provision for $20 per mile instead of $30 per mile. We thought that was fair also, and it was approved. However, the Postmaster General has power to consolidate arbitrarily—to dismiss these faithful servants of the rural sections and to cut the equipment allowance down to 1 cent, as is being done at this moment. We felt that protection features should be written in this bill. I remember very well when we first put that equipment allowance in the law. It was in the salary bill of 1925, which, as some here will remember, had a hectic history for 2 years. We provided a basic increase for the post-office clerks, city letter carriers, and railway mail clerks of $300 a year. We did not give $1 increase in salary to the rural-delivery carriers. We gave them, instead, a 4-cent equipment allowance, which amounts to about $300 a year on a standard 24-mile route. That was the inception of this equipment allowance, and it was a matter of simple fairness and justice.

I have always believed that it is unfair for the Government of the United States to employ a citizen and then compel him to spend an indeterminate amount for equipment in order that he may perform the duties of his position. We endeavored to correct that through the equipment allowance. Then along came the Economy Act which reduced this allowance. In February an Executive order was issued again reducing the amount to be paid. Here is an Executive order of February 23 which states that beginning on April 1 and continuing to July 1, 1934, the rate of equipment allowance shall be fixed at one cent and one hundred and eleven ten-thousandths of a cent. This, with a 10 percent reduction, reduces the equipment allowance to exactly 1 cent per mile. So that until the 1st of July the equipment allowance is only 1 cent per mile.

We have had abundant testimony before the committee that it costs more than 6 cents per mile on the average to provide and maintain the vehicle required by the Post Office Department. The amendment in section 1 of this bill, therefore, provides that the rate shall be 6 cents and that such allowance shall not be changed except pursuant to law enacted after the date this act takes effect.

Mr. Chairman, it is important that we maintain the equipment allowance at this rate. Unless that is done, we will work a grave injustice upon these rural letter carriers. With this allowance we do them some measure of justice. I am confident that it will meet with the approval of the rural carriers as a rate more nearly in accordance with the actual expense.

Without further amendment the carriers would have to face the chance of dismissal to the extent of any number the Post Office Department felt necessary. Therefore, another amendment was inserted on page 3. It is a very important provision and reads as follows:

No consolidation of rural routes shall be made otherwise than on account of the resignation, death, retirement, or dismissal on charges of carriers in the Rural Mail Delivery Service.

Without this amendment there is no limitation to the arbitrary power of the Postmaster General. Without it he may dismiss 9,500 rural carriers, and there can be no way of preventing it. With this amendment we undertake to hold the number of employees in the Rural Mail Service at the point where normal causes operate. We have precedent for it in the Railroad Act, where the service rendered by the common carriers of the country comes under the Interstate Commerce Commission. In the last session of Congress we passed an act freezing the number of employees as of May 1, 1933, and providing for a 5-percent reduction only.

In this amendment we provide that consolidations can be made only on account of resignation, death, retirement, or dismissal on charges; and that provides more than enough curtailment of the service. It seems to me that we know from the Postmaster General's own report that he has been going far enough in the matter of the reduction of the number of rural free delivery carriers.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. BANKHEAD. As a matter of fact, has the Post Office Department been making consolidations except in the instances mentioned in section 3 of the bill?

Mr. KELLY of Pennsylvania. In 1933 there were some 1,591 consolidations.

Mr. BANKHEAD. But were not all those cases in which there had been resignation, retirement, death, or dismissal?

Mr. KELLY of Pennsylvania. Or transfers from the rural service to some other service.

Mr. BANKHEAD. So, as I understand it, then, section 3 is really nothing but a perpetuation of the present situation with respect to consolidation.

Mr. KELLY of Pennsylvania. That is correct. The Postmaster General told us he would be forced to dismiss some 9,500 carriers, which means adding to the unemployment problem of the country, unless we gave him legislation.

Now, we are not going to accomplish a saving of $11,000,000, for each one of the two additional cents for equipment allowance will mean $4,000,000; but, I am convinced that by the operation of this provision with respect to consolidations as a result only of death, resignation, retirement, or dismissal from charges, that a proper and natural reduction will be made and that the Department should ask for no more power than that.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. DOBBINS. The gentleman referred to the curtailment of service. The gentleman does not mean to curtail the number of people receiving rural free delivery service, but he means, rather, does he not, a curtailment of the number of carriers by an extension of routes?

Mr. KELLY of Pennsylvania. At the present time, for instance, there are 39,000 carriers in the Service. A few years ago there were 45,000 carriers in the Service. This means that some 6,000 carriers have been dropped. Our

committee has received many complaints from people who are without the service that should be given in the rural sections of the country.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. TABER. In connection with the hearing on the Treasury-Post Office appropriation bill there was testimony to the effect that a very substantial number of families had been deprived of rural free delivery service because of the consolidations.

Mr. KELLY of Pennsylvania. That is true; and, Mr. Chairman, I may say further that we have gone far enough in the matter of curtailment. Hardships have been inflicted upon the carriers and the public has less service. Therefore it seems to me that to pass this measure will be to do a constructive act along two lines.

We are endeavoring to establish a permanent basis for this travel allowance, at a point which will more nearly meet the costs, and we are endeavoring to make sure the rural carrier does not have the fear of dismissal hanging over his head every day of the year. We are trying to give him some security.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield to the gentleman from Tennessee.

Mr. TAYLOR of Tennessee. I am in full sympathy with the able argument which the gentleman from Pennsylvania has made. I should like to know what special compensation is provided for those carriers whose routes are more than 30 miles?

Mr. KELLY of Pennsylvania. Those that have routes more than 30 miles in length receive $20 for each mile per year in excess of 30 miles. At present it is $30, and this is a cut of $10 per mile per year.

Mr. HASTINGS. What will a rural carrier get who serves a route under 30 miles after the enactment of this bill?

Mr. KELLY of Pennsylvania. That is figured out at $60 a mile. On a 10-mile route his regular pay would be $600. If the reduction amounts to more than $180 it stops at $180 under an amendment authorized by the committee.

Mr. JOHNSON of Minnesota. May I say a word in answer to the statement of the gentleman from Illinois in reference to curtailing service to patrons of rural routes by citing an example? I know of one consolidation in my own county where they cut out one rural carrier. They previously had 4 and now they have 3. The route was extended mostly on the route of one carrier. I know that one farmer who formerly had his mail delivered right to his door now has to walk a mile and a half to get it. Two of his neighbors had their mail delivered previously to their farms and now they have to travel a mile to get their mail, and there are two more that have nearly a half mile to go to their mail boxes. This goes to show that every time there is a consolidation of mail routes there is some curtailment in service at the same time resulting in a detriment to the rural patrons.

Mr. DOBBINS. Will the gentleman yield?

Mr. JOHNSON of Minnesota. I yield to the gentleman from Illinois.

Mr. DOBBINS. That may be true in the locality to which the gentleman refers, but does he know that on the 1st day of July 1932 there were nearly 7,000,000 families receiving rural delivery service and notwithstanding the reduction of the number of routes throughout the country the total mileage of the routes had increased by 3,271 miles because the old routes were made longer and the aggregate length was increased under the rearrangement of the routes?

Mr. JOHNSON of Minnesota. I understand; and the committee has considered that phase of it. May I say that I agree with the able chairman of the committee and also with the able gentleman from Pennsylvania [Mr. KELLY] in what they have already said about this bill. They are experts on postal and postal-employee legislation.

The rural carriers in wanting the passage of this legislation are not asking for anything that is unfair. They desire to be secure in their positions. They only ask a fair salary with a fair and reasonable expenditure allowance. The committee has carefully considered this bill and has reviewed every phase of it before bringing it out on the floor today. The committee has sought information from all sources, and in establishing the mileage rate now contained in this bill it was found that the 6-cent-a-mile rate was fair and that in use by private companies with equipment very much similar as that used by the rural carriers.

The carriers are forced to take almost a $3,000,000 salary loss by the passage of H.R. 8919, but they are faced with the cold reality of either accepting the salary adjustment embodied in this measure or seeing 9,500 of their fellow carriers dismissed from the service, through a wholesale consolidation of routes by the Post Office Department. This bill will provide the rural carriers with assurance against dismissal. It provides against any indiscriminate or wholesale letting out of rural carriers. It makes it impossible for the Post Office Department to consolidate thousands of rural routes and release from employment a like number of carriers.

The committee has felt that the rural carriers had suffered a real set-back in fair earnings when their mileage allowances were slashed by Executive bulletin, following the passage of the Economy Act, to 1 cent a mile. This reduction in allowance, coupled with the 15-percent cut under the Economy Act, placed practically all of the carriers in a most unfair condition.

The rural carriers are daily serving more than 25,000,000 people in the conduct of their duties, and to curtail this service by the dismissal of 9,500 employees would mean the elimination of decent rural service to thousands of people who are entitled to get rural free delivery. They are as much entitled to daily mail service as those persons residing in the cities. They are just as much entitled to as close a contact with the other sections, both with their own community as well as other parts of the country, as the residents of villages and cities. Why deny them such service? If the Post Office Department is facing a deficit why should the rural carriers be made to shoulder the burden?

In the first place, this Department has never paid its way, except during the year in which the Economy Act was in operation, and then only at the expense of the employees in that Department, and if the air and ship subsidies are considered, they would still be in the red. Each employee was trimmed of part of his wages, wages which should never have been sliced. The salary of the rural carrier is not high. He is not able to put away each month any amount from his earnings, nor will he after this bill is passed. No; on the contrary, the rural carrier as a general rule spends his entire monthly salary, and where is it spent? I would say that, without an exception, his wages go into the merchant's cash drawer of his own community. He buys everything locally, and the community as a whole benefits from the salary of the rural carrier.

The argument has been raised by Members of Congress that the rural carrier should be cut in salary and mileage because he competes with his neighbor in other employment. In answer to that I would say that no rural carrier—and this is Department order—can enter into any competitive employment of any kind. This regulation is strictly and rigidly enforced, and I do not believe that there are any violations of this Department order.

The 25,000,000 rural-route patrons now being served by the rural carriers with this service will be gratified to hear of the passage of this bill. It means that their mail delivery service will be guaranteed and protected, and it will mean that they will not have to adjust themselves to changes which the Post Office Department could make without taking into consideration what effect it would have on the people being served by these routes.

The rural carrier travels over every kind of road in every kind of weather. He is faced with the task of serving the patrons of his route in all seasons and under all conditions. His salary is not being increased by the passage of this bill; as a matter of fact, it is decreased, but what it does is to guarantee him in his position so that he need not be under

the constant and everlasting fear of finding himself without a job because of a widespread consolidation of routes that the Post Office Department might wish to invoke. This bill merely adjusts his salary.

Mr. KELLY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Chairman and Members of the Committee, the Chairman of the Post Office and Post Roads Committee [Mr. MEAD] is deserving of commendation for the excellent piece of legislation that he and the other members of the committee prepared for our consideration. I know these men are very much interested in the underpaid rural letter carriers and all other Federal employees.

Mr. Chairman, I believe the time has come when the representatives of our Government should discontinue the economy program, because of which thousands of men and women have been dismissed from their positions.

The other day I stated on the floor of the House that I was a member of the Labor Committee, and when this committee was holding public hearings on the 5-day, 6-hour bill many officials of our industries appeared before our committee in opposition to the bill. I asked these men, "Do you have an age limit in your plant?" I was informed by them that the age limit was 40 to 45 years.

Now, Mr. Chairman and Members of the Committee, we will never get out of a depression unless we are able to find employment for men and women who are physically and mentally able to work.

I am going to repeat a statement I made here some time ago. I said that if we Members of the House would permit ourselves to be actuated by humanitarian motives instead of selfish ones, we could solve any problem which would confront us. [Applause.]

[Here the gavel fell.]

Mr. MEAD. Mr. Chairman, I yield 5 minutes to my colleague on the committee [Mr. ROMJUE].

Mr. ROMJUE. Mr. Chairman, there are three points involved in this legislation and three only.

First is the base-pay proposition. As has been stated, the base-pay proposition of $1,800 per year is now made to apply on a mileage of 30 miles. Previously it was on the basis of 24 miles.

The second proposition involved in the bill is the equipment allowance. Under the present law we have an allowance of 4 cents a mile. This bill makes the equipment allowance 6 cents a mile. I call the attention of the Members of the House to the fact that in many sections of the country some rural carriers have to maintain vehicles and horses; and, strange as it may seem, in all the testimony that has ever come before the Post Office Committee and in all the testimony that has come before the Post Office Department bearing on the proposition of equipment allowance, nowhere have the figures been officially submitted bearing on what it costs to maintain a horse and vehicle. We took all this into consideration, as in some sections of the country equipment of this kind has to be kept in addition to automobile.

The third proposition involved in the bill is the matter of consolidation. This is the same as the present law, except that this bill provides that there cannot be any dismissal except for resignation, death, retirement, or dismissal on charges. Taking this altogether, this bill, if enacted into law, will save something over $3,000,000 to the Government.

Mr. McDUFFIE. May I ask the gentleman whether the rural carriers are in favor of this bill?

Mr. ROMJUE. Of course the rural carriers are not entirely satisfied with the bill, but they realize the situation the country is in and are willing to do their share to assist recovery.

Mr. McDUFFIE. I am sure they cannot be. I understood this morning they were. I could not understand how they would be in favor of a bill which would take from them $3,000,000.

Mr. ROMJUE. I will explain the situation to the gentleman. Every member of this committee worked diligently and painstakingly on this matter. And this bill comes to the House unanimously agreed upon.

I do not remember the exact number, but there have been something like 7,000 reductions in the personnel of the rural mail service. The Department, of course, wanted to be as economical as possible, and they felt that unless there was some legislation on this matter they might have to make further considerations and bring about dismissals in order to keep within the revenue of the Department.

Mr. McDUFFIE. Does this bill prevent any further consolidations regardless of whether the Department thinks that advisable or not?

Mr. ROMJUE. The consolidations that have taken place heretofore, mainly, have been where there was a death or resignation or dismissal on charges or a retirement, and that is what this bill provides.

Mr. McDUFFIE. Then there is no change in that respect.

Mr. ROMJUE. No change, except we are enacting that into law, whereas that is done under regulations at the present time.

Mr. McDUFFIE. In other words, you are writing the regulations into law.

Mr. ROMJUE. We are writing the regulations into law, and, so far as I know, the regulations of the Department have never gone beyond what I have stated, but the Department said they might have to dismiss a lot of these people, and the first proposition in this bill reduces the letter carrier's salary 25 percent on the basis of a base pay of $1,800 for 24 miles. His mileage is increased to 30 miles. So he takes a 25-percent reduction in that respect, figured on the basis of the length of the 30-mile route.

[Here the gavel fell.]

Mr. MEAD. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ROMJUE. The standard now, instead of being 24 miles, is increased to 30 miles, as the gentleman knows.

Mr. ADAMS. Will the gentleman yield?

Mr. ROMJUE. I yield.

Mr. ADAMS. Is the provision with respect to equipment-maintenance allowance increased from 4 cents to 6 cents upon the initiative of the committee or upon the protest of the rural mail carriers?

Mr. ROMJUE. No; the committee listened to everybody who desired to be heard, and we had testimony from various sources as to what the equipment allowance should be. There were plenty of people who thought it ought to be 7 or 8 cents and the committee used what we thought was our best judgment and tried to do justice both to the Government and to those who are in the service.

Mr. ADAMS. Was there any general complaint among the carriers that a rate of 4 cents is insufficient?

Mr. ROMJUE. Yes; it was almost universal.

Mr. COLDEN and Mr. DONDERO rose.

Mr. ROMJUE. I yield first to the gentleman from California.

Mr. COLDEN. I want to ask the gentleman this question, bringing out a comparison of the wages of the rural carrier with the rural teacher. Every rural route goes past several school buildings in the country where teachers are probably laboring for 8 months at a salary of from $40 to $60 a month. Does not the gentleman believe that is an inconsistent salary in comparison with the rural mail carrier?

Mr. ROMJUE. I may say to the gentleman that we cannot go into every issue that may come up of that kind. We are trying to legislate on this particular problem and, of course, we will never get everybody equalized, and for that reason we did not go into that problem.

Mr. DONDERO. Does the committee justify the reduction in salary by the increase in mileage or by the increase in the pay per mile for his vehicle?

Mr. ROMJUE. No; as I said a moment ago, there was never any estimate about the operation of vehicles or the cost of feeding horses or anything of that kind, but there is a general belief that the roads have been improved; yet, as the chairman has said, improved roads in many sections of

the country do not mean very much to the rural carrier, for the reason that the rural carrier goes into the country and does not follow the main highway, because all improved concrete roads run practically on a straight line, and rural routes run mostly in a circle, coming back to the starting point with as little duplication in travel as possible.

Mr. DONDERO. And all the people do not live on the improved highways.

Mr. ROMJUE. No; and the rural mail carrier has to travel in a sort of circle. He may, of course, cross an improved highway now and then, but he does not travel straight down the highway like a tourist.

Mr. DONDERO. Have the rural carriers expressed their approval of this bill and are they satisfied with it?

Mr. ROMJUE. I do not know that anybody is ever satisfied with anything, and I cannot say that, but the committee, or at least the other members of the committee, used all the judgment they had to do what they thought was due the Government in the way of economy, and at the same time they tried to deal as fairly as they could with the employees under the circumstances.

[Here the gavel fell.]

Mr. KELLY of Pennsylvania. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, in view of some of the things that have come up today, I wish to make a brief statement about the consolidation situation.

According to my information, the consolidations that have been made so far are averaging at the present time a saving of about $1,200 per consolidation; but these consolidations almost altogether come from forced 30-year retirements, so that the additional expense to the Government on account of retirement is $1,000 a year and therefore the net saving, after you deduct the retirement cost, is only about $200 per consolidation.

There are a couple of things about the bill itself that I want to ask some questions about. The first one is this: On page 2 it appears that the carrier with 30 miles receives a salary of $1,800 for 6 days a week, and I would like to ask the chairman of the committee by what provision of law, Is anything less than the $1,800 paid to the carrier who carries mail only 3 days a week? I am wondering if this section requires an amendment to take care of that situation?

Mr. MEAD. No; a carrier who carries two triweekly routes of 40 miles each is paid at the rate of a carrier who carries 6 days a week on a route half the combined mileage of the two triweekly routes.

Mr. TABER. Is there authority of law for that?

Mr. MEAD. Yes; he is listed as a carrier who carries two triweekly routes and is paid the same as a carrier who carries one route 6 days a week.

Mr. TABER. I would like to ask the gentleman one other question. There are a number of roads in my territory that serve a section with a large population where the carrier is obliged to spend almost the full 8 hours of the time and some of the time, more, in getting over his route. These routes are not much more than the present standard of 24 miles. That would reduce these carriers substantially, would it not?

Mr. MEAD. We have an amendment to cover that. It will take care of the short routes. After we had the estimate furnished by the Department we found out that rural carriers whose routes are 7 to 20 miles were reduced in some instances in excess of $400, an unwarranted reduction, so we have an amendment covering the short routes in which we limit the reduction so that it will not exceed $180.

Mr. DOWELL. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. DOWELL. Is it not true that most of these carriers necessarily, where their routes are extended, require a substitute carrier or someone to assist them?

Mr. MEAD. That may be true in the winter season and during the holidays, and in some cases the Department adds an auxiliary carrier.

Mr. DOWELL. And the carrier has to pay that substitute or assistant out of his own pocket.

Mr. MEAD. Any help provided by the rural carrier is paid for by the carrier, and it is no added expense to the Department. I now yield to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, I want to say that I am tremendously interested in this bill. I heartily approve of the bill and believe that it is just and fair.

I represent a district in which the routes have great mileage, and, although they have good roads, in the fall and wintertime there are, as there always have been, quantities of mud. The bill is apparently well justified, and if there is any injustice it is the amount paid to the carrier and not to the Government of the United States.

Mr. MEAD. Mr. Chairman, I have only one more speaker, and I yield to the gentleman from Illinois [Mr. DOBBINS].

Mr. KELLY of Pennsylvania. Mr. Chairman, I yield the gentleman from Illinois 4 minutes.

Mr. DOBBINS. Mr. Chairman, I want to say a few words about some of the inquiries, not all of them audible over this hall, but many of them questions that have come to me privately here at this desk, with reference to a comparison between alleged lower costs of operating ordinary motor vehicles and this allowance we are making for a motor vehicle used in the rural mail service. Gentlemen making that comparison lose sight of the fact that as they employ their own motor vehicles, they frequently drive them 200 or 300 miles a day, traveling on the best of improved roads, whereas the rural carrier in the performance of his service uses the vehicle on an average only 30 miles a day, and travels over roads of all conditions and descriptions. They lose sight of the fact also that the rural carrier has to perform his work on schedule and cannot wait for good weather nor for good roads.

He starts out at exactly the same hour every day, no matter whether it is raining or snowing or what the weather is and regardless of what the condition of his roads may be. He must frequently equip the wheels of his vehicle with tire chains, and the testimony before us showed that the average rural carrier wears out many sets of chains in the course of a year in his battles with mud, snow, and ice. He is obliged to attend to his vehicle and equipment after returning to his home, often requiring hours for this work, and that is probably overlooked by the gentleman from Indiana [Mr. DURGAN] in commenting upon the time they spend in their work. A good many people think that a rural carrier is working for us only when he is traveling. He must go to the post office and assemble his mail and route it in the order of its intended delivery. He must attend to numerous other postal transactions with the patrons of the route, and when he has traveled over his route, he must take care of his collected mail in the post office, take his vehicle home and put it in condition for punctual and efficient service on the following day.

There is another feature that we must consider. The rural carrier heretofore has been making up a considerable part of his equipment allowance, or the expense for which his equipment allowance is designed, out of his salary, yet the public have been looking upon him as receiving that salary net for his services. Few rural carriers in the past, with the small equipment allowances they have had, have been able to avoid dipping deeply into their salaries to supplement their inadequate expense allowance. Often $300 or $400 a year has had to be taken by a carrier out of his salary to pay for his equipment expense, which the meager allowance heretofore made is inadequate to cover. This new provision is fair to the carrier, because it allocates to him as salary only that which is intended to compensate him for the work that he does, and provides an equipment allowance that is actually required for that purpose.

Mr. DURGAN of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DOBBINS. I am glad to yield to my friend the gentleman from Indiana.

Mr. DURGAN of Indiana. I know the committee has not investigated dairies, but within the last 30 days—and I hope the chairman of the committee will listen to this—a rural

carrier's neighbors made complaint that he works 2 hours a day and runs a dairy the balance of the time.

Mr. DOBBINS. I do not believe there is a rural carrier in the United States who devotes as little as 2 hours a day to the Postal Service.

Mr. DURGAN of Indiana. I have turned that complaint in to the postal authorities, and I wish the chairman would read those letters.

Mr. MEAD. I will help the gentleman get rid of him if necessary.

Mr. DURGAN of Indiana. He is a good Republican, as 90 percent of them are.

Mr. SABATH. Mr. Chairman, I appreciate the fact that the gentleman from Illinois [Mr. DOBBINS] is immensely interested in rural carriers. Nevertheless, in all fairness, I ask him whether he does not think that an equipment allowance of 5 cents should be made instead of 6 cents?

[Here the gavel fell.]

Mr. DOBBINS. I am sorry indeed that the expiration of all time under the rule prevents my replying to my distinguished colleague the gentleman from Illinois [Mr. SABATH].

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That (a) the first paragraph of section 8 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes", approved February 28, 1925, as amended (U.S.C., title 39, sec. 197), is amended to read as follows:

"SEC. 8. The salary of carriers in the rural mail delivery service for serving a rural route of 30 miles 6 days a week shall be $1,800; on routes less than 30 miles, $60 per mile per annum for each mile or major fraction thereof. Each rural carrier assigned to a route served 6 days in a week shall receive $20 per mile per annum for each mile or major fraction thereof said route is in excess of 30 miles, based on actual mileage, and each rural carrier assigned to a route served 3 days in the week shall receive $10 per mile per annum for each mile or major fraction thereof said route is in excess of 30 miles, based on actual mileage."

(b) The second paragraph of such section 8 (U.S.C., title 39, sec. 200) is amended to read as follows:

"Deductions for failure to perform service on a standard rural-delivery route for 30 miles and less shall not exceed the rate of pay per mile for service for 30 miles and less; and deductions for failure to perform service on mileage in excess of 30 miles shall not exceed the rate of compensation allowed for such excess mileage."

(c) The third paragraph of such section 8 (relating to equipment-maintenance allowance for rural carriers) (U.S.C., title 39, sec 206) is amended by striking out "4 cents" and inserting in lieu thereof "6 cents."

With the following committee amendment:

Page 2, line 22, after the word "cents" insert: "Such allowance shall not be changed except pursuant to law enacted after the date this act takes effect."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. WILLFORD. Mr. Chairman, I offer the following amendment which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. WILLFORD: Page 2, line 22, after the word "thereof" strike out "6 cents", and insert "5 cents."

Mr. DOWELL. Mr. Chairman, I make the point of order that the amendment is not in order because this amendment has just been adopted by the committee. A motion to strike it out is not now in order.

The CHAIRMAN. The Chair overrules the point of order. The question is on the amendment offered by the gentleman from Iowa.

Mr. WILLFORD. Mr. Chairman, before we grant 6 cents a mile for equipment allowance let us consider the practice in private industry. The big companies of the country which employ salesmen who travel across the country by automobile allow but 4 cents and 4½ cents a mile. Out in our country we have hard-surfaced roads.

I have listened to the controversy provoked when the gentleman from Indiana said some carriers worked an hour to an hour and a half a day. I know that to be a fact in some places in my country.

Mr. DURGAN of Indiana. So do I.

Mr. WILLFORD. I know cases of rural carriers where they say their wives carry the mail for them and that it took only an hour or an hour and a half and that it took only 30 minutes to fix the mail. As I say, we have hard surfaced roads, fine gravel roads, all-weather roads.

I think 5 cents a mile is ample allowance, for if the carriers took any human kind of care of their cars at all they would not need to buy a new car every 3 years.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. WILLFORD. I yield.

Mr. DUNN. The gentleman states there are rural carriers who work for an hour and a half or 2 hours a day. Does the gentleman know how many rural carriers work 5, 6, and 7 hours a day?

Mr. WILLFORD. I have never gone into the matter far enough to know the number, but I do know positively of one rural carrier with whom I am very closely acquainted.

Mr. HOEPPEL. Mr. Chairman, will the gentleman yield?

Mr. WILLFORD. I yield.

Mr. HOEPPEL. Does the gentleman realize that rural carriers are compelled to buy more tires and that they have more engine trouble and more clutch trouble than the ordinary driver, because the rural carriers have to make frequent stops and are frequently obliged to run off the hard road onto rough shoulders?

Mr. WILLFORD. I have listened to the rural carriers' talk until I have come to the conclusion that they are little tin gods favored above all others and that they have misused their privileges. In my country rural carriers receive from $2,400 to $3,600 a year. They receive greater compensation than the postmaster who accepts the responsibility. Not only that, but they are doing a wonderful lot of political activity in my country.

Mr. DURGAN of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WILLFORD. I yield.

Mr. DURGAN of Indiana. How many Democrats are there among them?

Mr. WILLFORD. Not one that I know of; not one. I repeat, 5 cents a mile is sufficient allowance. I drive a car myself as many miles as the average rural carrier drives his, and it does not cost me any 6 cents a mile; and I drive a car for 5 years before I get a new one.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. WILLFORD. I yield.

Mr. SABATH. Is it not a fact that the Federal Government has spent millions upon millions of dollars improving the roads, that the States and counties have spent vast sums of money, and the roads have been so improved that it does not cost as much to drive a car today as it did in years gone by?

Mr. WILLFORD. We have spent hundreds of millions of dollars in Iowa alone in the building and improving of roads to help the rural mail carrier. That was the plea on which the roads were built; that was the cry, "Help the rural carriers."

Mr. BEITER. Mr. Chairman, will the gentleman yield?

Mr. WILLFORD. I yield.

Mr. BEITER. Is it not a fact that practically every garage and activity connected with the use of automobiles has adopted a code which increases the cost of the maintenance of cars and that that is reflected in this rate?

Mr. WILLFORD. No; most of the rural carriers repair their own cars.

Mr. JOHNSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. WILLFORD. I yield.

Mr. JOHNSON of Minnesota. Does the gentleman take into consideration the high cost of gasoline? In Florida they pay a tax of 8 cents a gallon, 7 cents of which goes to the State and 1 cent to the Federal Government.

Mr. WILLFORD. In Iowa we are paying 14 cents a gallon.

Mr. JOHNSON of Minnesota. I may add further, if the gentleman will permit, that in my section of the country for several years the mail carrier had to drive across my plowed fields for half a mile because the roads were blocked by snow.

Mr. WILLFORD. Under the rules of the Post Office Department when the roads are blocked the mail carrier is not compelled to travel his route.

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. WILLFORD. I yield.

Mr. MILLARD. Is the gentleman a member of the Committee on Post Offices and Post Roads?

Mr. WILLFORD. I am not.

Mr. MILLARD. Does the gentleman want to put his individual opinion against that of the whole committee?

Mr. WILLFORD. At least I have the right to state conditions as I know them to be in my part of the country.

Mr. MILLARD. Does the gentleman know what testimony was presented before the committee?

Mr. WILLFORD. No; I do not. But I still maintain I have the right to state my own observations and opinion.

Mr. DURGAN of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WILLFORD. I yield.

Mr. DURGAN of Indiana. The gentleman's knoweldge is practical, obtained from close association with the rural carriers?

Mr. WILLFORD. Absolutely. The rural carriers are organized. They came here in a body to sell their goods, and they have sold them to the committee. The other fellow was not heard; there were millions and millions who were not even considered because they were not organized. The carriers are like a lot of frogs in a swamp; they make a lot of noise.

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Chairman, I offer a substitute to the amendment offered by the gentleman from Iowa.

The Clerk read as follows:

Substitute amendment offered by Mr. McDUFFIE to the amendment of Mr. WILLFORD: Strike out the figure "5" and insert in lieu thereof the figure "4."

Mr. KELLY of Pennsylvania. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. KELLY of Pennsylvania. Mr. Chairman, I make the point of order that the amendment, if adopted, would mean nothing at all. There is a provision in the bill which states that the law is amended by striking out "4 cents" and inserting in lieu thereof "6 cents." The adoption of this amendment would make that provision read "strike out '4 cents' and insert in lieu thereof "4 cents.'"

Mr. McDUFFIE. No. The gentleman did not understand the substitute I offered. There is an amendment offered by the gentleman from Iowa [Mr. WILLFORD] to strike out "6" and insert "5." I am offering an amendment to strike out the "5" and insert "4." I am suggesting the old rate, a difference of 2 cents under what the committee has reported. The language in the line can, of course, be corrected.

The CHAIRMAN. The Chair is ready to rule. Insofar as the parliamentary procedure is concerned, the Chair holds that the amendment is in order and overrules the point of order. The gentleman from Alabama is recognized for 5 minutes.

Mr. McDUFFIE. Mr. Chairman, in nowise would I assume to know more about this subject than do the very fine gentlemen who have given it hours of study. I have just read the letter written the committee by the Postmaster General, and I am sure he has given quite as much thought and study to this problem as has the committee because he is dealing with this subject as closely and directly as the committee has done.

The Postmaster General suggested that 4 cents a mile should be given as an allowance to rural carriers in lieu of what they are now receiving under the provisions of the Economy Act.

I recognize that the rural-carrier service is a very fine service. The personnel of that service is far above the average; indeed some of our best citizens are rural carriers. I appreciate the fact also that it is not a popular thing to stand in a legislative body and incur the displeasure of that great organization of some 40,000 men throughout the Nation who have their influence and their power. This is just one more instance of the power of an organized minority under our form of government. It is not a very happy thing to take a position that is not approved by that very active and fine organization.

The rural carrier in America today, and I say this without fear of successful contradiction, is the best-paid individual on the Government pay roll in proportion to amount of real work done. Five and one quarter hours per day is the average work done by the rural carrier. Roads have been improved, and the work is less arduous from year to year. There are thousands of people, yes, hundreds of thousands, who would be delighted to have an opportunity to serve the Government as rural carriers. No injustice would be done by giving them their allowance which was granted, I think, in 1925, and which was eliminated under the Economy Act, and it is proper for Congress to follow the suggestion of the Postmaster General and give them back the 4 cents per mile. I think gentlemen are not very sure of their ground when they say they cannot operate their vehicles on an allowance of 6 cents per mile.

I think it is unfortunate indeed if, in our admiration and respect for this great organization, we permit ourselves to lose sight of our better judgment and pay these employees more in proportion for the work they do than any other Government employee by and large. I submit that 4 cents per mile is not an unreasonably low figure.

I realize that you gentlemen are not going to adopt this amendment. I have no doubt that the House is going through with this program, but I have risen to take a few moments of your time to suggest that you are going beyond the recommendations made by the head of the Post Office Department in this allowance. In the light of these times of unemployment, I feel the average rural carrier should thank God for his job. He can, in many instances, finish his carrier service in time to work every day on his farm or do other things outside the Government service. Instead of urging more pay and allowance the carrier in these times should be very happy and feel himself a most fortunate citizen. The carriers have been my friends. It is not pleasing to me to oppose their program at any time. This committee has not followed the suggestions of the Postmaster General, who feels that economies must be effected to come within the Budget figures. No one wishes to curtail our splendid mail service. The Postmaster General has not done so where he could avoid it. We must not forget that funds expended for this service must come from the taxpayers. This bill repeals the Economy Act as it applied to the carriers. I realize it may be popular here to repeal that act, but the taxpayer will some day be heard from. We too often forget that he is the man who pays for all Government service.

Mr. HAINES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think we are exaggerating just a little bit when we say that the rural carriers of America are favored above any of the Federal employees. We do not take into consideration, and I take it from the statement the gentleman has just made that he has not taken into consideration, the fact that rural carriers must spend some money to do the job that they are performing for this Government. I do not believe that the 6-cents-a-mile equipment allowance is too much. In addition to operating a pleasure car I have employed men in my business to operate automobiles. These men drive the best roads of the country, and it costs more than 6 cents per mile. This is not true with rural carriers. They are traveling the worst roads of this country. I know some rural carriers that work 2 and 2½ hours a day when

the weather is good. I have in my home town a fine fellow who carries mail in an old model T Ford. He has not been able to buy a new car because of the equipment allowance that is coming to him. That fellow has gone out at 9:30 in the morning and arrived back at 8 o'clock in the evening during the month of March.

Mr. JOHNSON of Minnesota. Maybe he had to work a half hour to get the thing started in the morning.

Mr. HAINES. Mr. Chairman, I know it is a popular proposition these days to find fault with the Federal employees, but I think it is all wrong. It is true that men want these jobs today, but they did not want the jobs years ago when the present incumbents went into service. The average time that these men have served in the Rural Free Delivery Service is a little more than 14 years. Some of these men are getting up in years. They have done a good job, and they have built up a service that is appreciated by the people in the rural sections of America. I think we should do nothing to tear down that great service.

I do not believe that they can operate their automobiles over the bad roads of this country for less than 6 cents a mile. The fact of the matter is I have some figures here which show that the average cost throughout the Nation to operate an automobile in the Rural Free Delivery Service is a little over 8½ cents a mile, and in the State of Texas the figures show it costs 13 cents a mile to operate automobiles in the Rural Free Delivery Service of that State.

This talk of all the men working 2 and 3 hours a day is an exaggeration. The average time that is put in by these men is almost 7½ hours a day. Of course you can take isolated cases and point to one or two rural carriers working 1½ or 2 hours a day, but we should not judge the entire service by an isolated case or two. In Pennsylvania we boast of having the finest roads of any State in the Union. We have a program on now for the building of 50,000 miles of roads in Pennsylvania. We built more than 13,000 miles of roads in that State in the last 2 years. Notwithstanding this fact, our rural carriers are traveling the mud roads and the upkeep expense of their cars is tremendous.

Here is one of the finest chaps I have ever known. He has a 41-mile route, serving 2,001 patrons. He has 499 families on his route. His salary is $2,310. His maintenance allowance at the rate of 4 cents a mile is $477 less 15 percent. During the year from July 1, 1932, to June 30, 1933, he received a salary of $2,226.98. His maintenance costs amounted to 6.3 cents a mile to operate his car. He covered 11,960 miles and his total maintenance cost for the year was $753.48.

[Here the gavel fell.]

Mr. HAINES. Now subtract this from his total amount received and you will find that this fellow received a net salary of $1,473.50. A city letter carrier working 8 hours a day receives $2,100, and this is not too much, but when Members stand here on the floor and claim that our rural carriers are the "best paid men in the service", they make statements that they cannot substantiate with facts. Deduct from this amount the depreciation of a car, which is several hundred dollars a year, his insurance, his liability costs, you will find that this carrier is not overpaid; and Mr. Chairman, this is but one of thousands of similar experiences in the ranks of the rural carriers. I know no finer type of men in the Government service. They give this service with a smile, and while there may be a few cases where these men have easy jobs and do things politically that are unethical, and engage in business on the side, this is the exception and a rare one indeed. I do not think that we should find fault with this great group of faithful Government employees for the mistakes of a few. I have many letters from these men who give me their cost experience, and after deducting this from the total paid them, they are not the best paid men in the service, but I believe I am safe in saying that they are among the lowest paid of our employees, when we know the true situation among these men. We want our employees to be well paid. The trouble right now in this country is that we have too many underpaid men and women and surely this great Government of ours should set the right example. If we do not set such an example we have no right to ask private industry to do so. Another fact has been overlooked by those who appear to find fault with this 6 cents equipment allowance and that is that most of these men must call in auxiliary help, indeed 35 percent of the carriers are forced to do this. These men are not paid by the Department, but by the carriers themselves. Clerks and city and village carriers are not asked to do this. The rural carriers' working day is divided into four parts:

First he must spend time keeping his equipment in good condition.

He has a car to keep running or a horse to feed, many times both. He must spend part of his day sorting his mail, casing his mail in the post office; then he goes out on his route. When he returns he must again do a varying amount of clerical work in connection with the responsibilities that are his in the performance of his work and the fine service he wants to give to his patrons. Mr. Chairman, 6 cents is not too much equipment allowance. If we are to deduct 25 percent from the base pay of these men in the changing of the base pay upon the basis of 30 miles instead of 24 miles, we are working a hardship upon these men; but to reduce their equipment allowance below that called for in this bill, and unanimously approved by the committee, is unfair, to say the least. Mr. Chairman, I know most of the rural carriers in my own district. I say to you here and now that we have no finer group of employees in the Government service. I am proud to be listed as their friend. I am as much interested in economy in the affairs of the Government as any Member in this body, but I do not believe in economizing at the expense of faithful employees. I think that private industry admits that the greatest blunder they made in the past was the ridiculous reduction of wages, which contributed so much to our economic ills of this present day. Will not we profit by that mistake, Mr. Chairman?

Would it not be a grave error to take more from these men than we now propose to do in the enactment of this legislation? The saving of more than $3,000,000 will meet with the approval of our people, but such a saving will not be looked upon with favor by the great host of public-spirited Americans, if by doing so we cripple an established service that is giving such wonderful service to our rural communities. I ask, Mr. Chairman and Members of this committee, that you vote down the amendment to reduce the equipment allowance to 4 cents and to also vote against reducing the equipment allowance to 5 cents. Stand by the committee, who gave serious and long study to this bill, and who come to you feeling that it is a fair and just measure, meriting the approval of the entire Membership of Congress.

Mr. MEAD. Mr. Chairman, I move that all debate on the pending amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Alabama.

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mr. MEAD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEAD: Page 2, at the end of section 1, insert the following new subsection (d):

"In the case of any carrier in the Rural Mail Delivery Service on the date this act takes effect who serves 6 days a week a rural route of less than 30 miles or who serves 3 days a week a rural route of less than 60 miles, or two routes of a combined length of less than 60 miles, the annual salary of such carrier shall not be reduced more than $180 by operation of subsection (a) of this section."

Mr. MEAD. Mr. Chairman, in explanation of the amendment I may say that it prevents a reduction in excess of $180 per annum on the short routes. Many of them will be eliminated as quickly as possible; but were it not for this amendment the salary on some of the short routes would be reduced in the neighborhood of $400 and no one wanted to do that. I therefore ask for the adoption of the amendment.

The amendment was agreed to.

Mr. HOEPPEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOEPPEL: Page 2, line 10, strike out period and insert a colon and add: "*Provided*, That no reduction in salary shall apply under this section wherever the carriers in the Rural Service serve over 500 legitimate patrons on routes of 24 miles or less."

Mr. HOEPPEL. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and print them in the RECORD in a subsequent edition.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPPEL. Mr. Chairman and Members of the Committee, after 8 years' experience as postmaster I am satisfied that the deficit which only too often exists in the Post Office Department is more or less chargeable to the Congress which, under the stimulus of political expediency, in some instances ties the hands of the post-office administration and in others is perhaps indifferent or illiberal. The Post Office Department is handicapped in the efficient conduct of business to a great extent due to the fact that it is subservient to the whim of 531 politicians who, apparently, are, as a whole, more concerned as to their political futures than in revising and modernizing the largest department in the Government.

That the Post Office Department itself is culpable in some respects is illustrated in this bill now under discussion. The fact that the Post Office Department has permitted the various inequalities pertaining to rural carriers to exist without suitable recommendation to the Congress for their correction would indicate that the Post Office Department officials are sympathetic toward the archaic procedure of the oxcart or pony-express days, notwithstanding that we have progressed to the days of the air mail with its expeditious and very satisfactory service.

It is my opinion that any competent business man could take over the functions of the office of Postmaster General if freed from the influence of politics and its concomitant ills, and through the adoption of modern, efficient methods, could improve the service immeasurably and at the same time save the taxpayers millions of dollars annually.

Outwardly the Post Office Department has every appearance of efficiency, but in its internal administration there are many glaring examples of inefficiency which no corporation would permit to exist. During the days I served as postmaster I was continually calling the attention of the Department to the unbusinesslike methods forced upon the various postmasters and the personnel which, if corrected, would have resulted in improvements in the service with lesser expenditures.

My time is too limited to go into extensive details on the subject, but a few illustrations will suffice to indicate the type of discriminations, extravagances, and inefficiency which is so costly to the American taxpayers and so unfair to our post-office personnel.

For instance, the postmaster of a third-class office whose sales are $7,999 per annum receives a limited clerical allowance, and at the same time he must provide himself with all incidental supplies required in the administration of his office. Where the sales of the same type of office are, for example, $8,001 per annum, the postmaster is supplied every facility without charge, and clerical allowance is increased from $2,100 per annum to approximately $3,900 per annum. In addition, the Government then furnishes all post-office boxes and other facilities. To be more specific, because of the sale of only $2 more stamps in 1 year over another the clerical allowance is increased approximately $150 per month, plus the furnishing of all facilities at a high annual rate. In addition, village letter carriers serving such offices may then be classified as city carriers, and receive approximately a 30-percent increase in salary.

Criticism in this respect does not apply to the Post Office Department but is directed at the Congress, and it is my opinion that postal laws and regulations should be rewritten in order to permit greater elasticity in the administration of the Post Office Department by the Postmaster General and less interference on the part of the Congress.

In this bill under discussion, I wish to congratulate the committee on its sympathetic attitude toward the rural carrier. The Republican as well as the Democratic Members have shown a helpful attitude toward our rural carriers, but I am very sorry that they have apparently failed to recognize the most pertinent features of the rural service which should be corrected. In this bill we have a striking example of exterior service which cries to high heaven for correction in the interest of justice to the rural carriers and also in the interest of the National Treasury.

According to my observation, some rural carriers are overpaid and others are underpaid. Strict justice would demand that this be corrected as soon as possible. I can explain this best by citing specific instances.

In my district, one rural carrier has a 30-mile route having 205 patrons. Another carrier in my district, with a 30-mile route has 705 patrons. Both carriers receive the same annual compensation, while the truth is that one of these men is working almost three and a half times more than the other. This is flagrantly unfair.

I have another rural carrier in my district who serves approximately 680 patrons. His route is 22 miles long. Notwithstanding that he has 475 more patrons than one of the carriers just mentioned, his compensation, under the provisions of the bill under discussion, will be approximately $300 less per annum than is the compensation of the carrier on the 30 mile route with only 205 boxes.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. HOEPPEL. In just a moment.

This condition prevails throughout the United States where service is from the densely populated areas. The gentleman from New York [Mr. TABER] just a moment ago made a reference to this same condition, which exists in his district.

In my opinion, we should enact legislation to correct the injustices in compensation paid to rural carriers with short routes but who have a large number of patrons on these short routes. While the amendment just adopted will reduce the compensation of this class of rural carriers only $180 per annum, it still places them in an unfortunate position with relation to other carriers with more mileage and fewer patrons to be served.

I now yield to the gentleman from Pennsylvania.

Mr. KELLY of Pennsylvania. The gentleman is correct in saying that something must be done about the short routes where there are many boxes and I want to inform the gentleman that we are endeavoring to work out a fair differential. The gentleman's amendment will not do justice and it will be necessary for us to fix a differential based on the number of boxes on the route. The Post Office Committee now has under consideration a separate measure to fix this differential and I hope the gentleman will not press the amendment, because it will not do justice.

Mr. HOEPPEL. The statement of the gentleman from Pennsylvania brings out exactly what I referred to a moment ago when I spoke of the sympathetic attitude of the Post Office Committee. Both the Republican and the Democratic members are outstanding men and I know they will remedy this situation. I thank the gentleman for his suggestion and I ask unanimous consent, Mr. Chairman, to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COLMER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, line 24, insert after the word "effect" a new paragraph, as follows:

"*Provided*, That no rural carrier shall operate more than one route."

Mr. COLMER. Mr. Chairman, the object of this amendment is to prevent one rural carrier from operating more

than one rural route. There are conditions in many parts of the country where one rural carrier handles two routes. He goes out in the morning on one route and comes back and starts out on another in the afternoon. In this time, when we are trying to make opportunities for employment for the unemployed, I think that condition is unfair.

Mr. DURGAN of Indiana. Will the gentleman turn to the committee and make that statement in a loud voice so it can hear. [Laughter.]

Mr. COLMER. I think the committee has heard it. I have mentioned it to them before. Now, I do not care to take up further time except to say that in fairness to millions of unemployed men I think the amendment ought to be adopted.

Mr. DOWELL. Will the gentleman yield?

Mr. COLMER. I yield.

Mr. DOWELL. Are not the two routes that the gentleman mentions consolidated?

Mr. COLMER. It is my information that they are not.

Mr. DOWELL. I never heard of any two routes operated by one carrier, unless the routes were consolidated.

Mr. COLMER. I will ask the chairman of the committee if I am not correct.

Mr. MEAD. There are some cases where carriers operate two routes—usually one today and another tomorrow. If the mileage of the combined routes is 80 miles he is paid for a 40-mile daily route.

Mr. DOWELL. In that event the pay is fixed according to the schedule of one half of the combined mileage.

Mr. COLMER. I want to say that these cases have caused more discussion among the people, and reacted unfavorably to the rural mail carriers themselves.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 2. The last sentence (making inapplicable to rural carriers provisions respecting rotative furloughs, and authorizing the President to suspend or reduce equipment allowances of rural carriers) of subsection (a) of section 9 of the Independent Offices Appropriation Act, 1934, and such sentence as continued and amended for the fiscal year 1935, are amended to read as follows: "The provisions of this section relating to furloughs shall not apply to carriers in the Rural Mail Delivery Service."

With the following committee amendment:

Strike out all of section 2.

The amendment was agreed to.

The Clerk read as follows:

SEC. 3. Salaries (not including equipment-maintenance allowances) of rural carriers shall, during that portion of the fiscal year 1934 which remains after the time this act takes effect, and during the fiscal year 1935, be reduced by the percentage of reduction, if any, applicable by law to salaries of employees of the Government generally.

With the following committee amendment:

Line 10, page 3, strike out the figure "3" and insert the figure "2".

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 4. No rural route extended or established, by consolidation or otherwise, after this act takes effect, shall exceed 60 miles in length.

With the following committee amendment:

Strike out all of section 4.

The amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 3, after line 18, insert:

"SEC. 3. No consolidation of rural routes shall be made otherwise than on account of the resignation, death, retirement, or dismissal on charges of carriers in the Rural Mail Delivery Service."

Mr. McDUFFIE. Mr. Chairman, I rise in opposition to the committee amendment. Was that language suggested by the Postmaster General?

Mr. MEAD. No; it was not suggested, but the committee considered the amendment in section 4 that no rural route should be extended in excess of 60 miles. We thought that was too drastic, and so we continue the present law. That is, we permit consolidations as a result of retirement, resignation, death, or removal from the Service.

Mr. McDUFFIE. Under the Economy Act and the law as it is today, the President acting through the Postmaster General, by Executive order can order consolidations wherever he thinks it is feasible without waiting for death of one in the Service or his resignation or retirement if it be found that adequate delivery service can be given by consolidation of two short routes at a saving to the taxpayers; the Postmaster General can now consolidate. This language would not permit that to be done. Is not that true?

Mr. MEAD. Only as specified in the amendment.

Mr. McDUFFIE. Those occasions may not arise.

Mr. MEAD. They are arising.

Mr. McDUFFIE. Other than death, resignation, or retirement?

Mr. MEAD. Yes; dismissal, or discharge for cause.

Mr. McDUFFIE. The point I make is that occasion may arise when the Postmaster General may find it proper, at a saving to the Treasury, to consolidate two or more short routes, but he will not be permitted to do so if this language is carried in the bill.

Mr. MEAD. He is not doing it now, and no other Postmaster General has ever done so in the way the gentleman would permit. They are effecting consolidations when such occasions arise, and this bill will not prevent a deviation from present policy. Consolidations are being effected at the rate of from 75 to 100 a week, and routes are being extended until I doubt very much whether they can continue these consolidations for any great length of time. I believe we will have finished consolidations within the next few years. There is ample authority to create all the necessary consolidations in this amendment.

Mr. McDUFFIE. But it is based only upon death, resignation, or retirement. Those are the only conditions under which a consolidation may occur. Is not that correct?

Mr. MEAD. That is the existing policy.

Mr. McDUFFIE. It may be the existing policy, but suppose the Postmaster General found that certain routes should be consolidated, we will say two 20-mile routes; he may find such a thing is necessary and not hurtful to the Service. I am not an expert, but you prevent that under this committee amendment. I am trying to prevent the tying of the hands of the Postmaster General, so that he may not be able to act in the interest of the taxpayers of the country.

Mr. MEAD. In that case the Postmaster General would consolidate those two routes. He would effect that consolidation by a separation from the Service of a rural carrier on some other route, and so he can effect all the consolidations he wishes.

Mr. McDUFFIE. The gentleman means that he will take a carrier from one of these routes and send him over to another route where there has been a retirement or a resignation or death.

Mr. MEAD. And that is just what he is doing now. That is the only way in which he can eliminate these short routes.

Mr. McDUFFIE. Why hedge him about with this language?

Mr. MEAD. We are doing no more than the Postmaster General is doing himself.

Mr. McDUFFIE. I think if he had wanted this done he would have suggested it.

Mr. MEAD. We are the legislative committee and the Postmaster has not requested such authority.

Mr. GRAY. Mr. Chairman, I represent a progressive farming district in Indiana. The farmers of that country have been served with prompt and efficient rural-mail service for 25 to 30 years. They have adapted their business and occupations to that service. They have come to expect and rely upon receiving their mail at an early hour in the day.

But under this proposed reorganization of the Service and consolidation of routes, many of these farmers are and will be thrown off the mail route from a quarter to a full mile.

Where the reorganization and consolidation has already gone into effect, many of the farmers have taken down their mail boxes rather than leave their mail exposed at some distant highway corner where delivered and are renting a box in the post office and going back for their mail, where they received their mail before the rural-route service was inaugurated.

I could understand this policy better, coming from the other side of the House, where greater attention has always been given to industry, and the interests of the people of the towns and cities have always been favored over the farm population.

But this side has always stood for the farm population and for the farmer against the impositions of high tariffs under which the farmers have been compelled to buy high and sell low.

This reversed position of the majority here puts the Members on this side at great disadvantage in their claim for equal rights and equal consideration of the farm population under the administration of public affairs. We can defy our enemies, but God only can save us from our fool friends. [Applause.]

I confess I am greatly confused and embarrassed by this uncalled-for policy of legislation, with the farmers still left to pay high prices for equipment and supplies, and before there is a proper rise of values and prices for their grain, crops, and stock. And now, with the administration withdrawing their only remaining consolation, the rural mail service, in the name of economy, I am constrained to exclaim in the words uttered by King Solomon when he was growing old and failing in his powers to meet the obligations of life, "All is vanity and vexation of spirit." [Laughter.]

The farmers today want to receive their mail at the noon hour and have their papers and letters before them at the midday meal the same as the town and city patrons want their mail and daily papers at the breakfast table. Where this consolidation has been carried out the farmers are greatly dissatisfied and discommoded with the service afforded. In many localities they are in a state of revolt and demanding a restoration of the service.

I am opposed to the policy of increasing salaries, cutting down the service, throwing men out of employment, lengthening the routes, and depriving the farmers of proper and convenient mail service only to effect trivial economy. This is not justifiable economy; it is false economy. It is not only an injury to the farmers but it is a policy in conflict with any principle of the recovery program.

The shorter routes not only afford the patrons earlier service and more regular, reliable, and prompt deliveries but I have made inquiries among the hundreds of men seeking rural-carrier positions and I find the majority would prefer a shorter route at half or less salary, which would leave them with the greater part of the day to devote to work for themselves or otherwise. This would afford both employment to a greater number and better and more prompt and reliable service to the patrons without greater cost to the Government.

The counties of my district include many highly developed and well-organized country communities. The town and the surrounding country form such communities, of which the town is the business and social center and the general meeting and assembling place of the people. In most, if not all, of these towns, well-regulated stores, a bank or banks, and other business institutions have been established. Modern high-school buildings, churches, theaters, or lecture halls have been erected, and physicians and other professional men have located there in response to the needs and wants of the people.

The town post office, long established, and the rural-route service have become a part of the community organization. Here the farmers come to market and ship their products, do their banking, and to purchase supplies to meet their daily needs. Here all the children of the nearby country come to attend school, and from greater distances come the more advanced students to graduate in the higher branches of education. Here the people come to attend their clubs, churches, lodge sessions, lecture courses, and various gatherings and entertainments.

Farmers or members of their families driving into town in the afternoon or evening on business or to attend club meetings or social entertainments and school children and high-school students from the country call at the post office to receive the afternoon or late mail; and farmers often drive in from the country to receive important mail matter arriving too late for delivery by the carrier, and which it is necessary for them to have in time for some important business transaction.

In these agricultural community centers telephone exchanges have been established, and telephone service has been extended over the country coextensive with the territory covered by the rural routes running out from their respective towns. Country patrons order many articles of merchandise to be delivered to them by parcel post, and town residents likewise take advantage to receive their food products from the country by the carriers on their return trips. Physicians respond to phone calls from their patients and send out their medicine by the rural carriers. The telephone and the carrier service have become joined as one coordinate system of local communication and transportation in general and universal use.

But this long route service deprives the people of all these advantages and conveniences, and places their mail beyond their reach in a far-distant town or city to which they never go and in which none of their interests are located, neither business nor social.

The free-delivery service of two or more daily deliveries of mail to the people of the towns and cities is not to be curtailed under this economy program. This service is in no way to be affected or impaired. The economy to be brought about and the service to be reduced is only to apply to the isolated rural population and to leave the farmer's mail long delayed and in some cases to arrive only late in the afternoon, and in bad weather even nearing the nighttime.

If the town and city free-delivery service was to be equally cut down and reduced to 1 delivery instead of 2 and if the same strenuous economy was to be observed in other departments of the public service, this proposition for economy at the expense of the rural population might come with better grace.

I am in favor of economy, but I am opposed to the impairment of the rural mail service as a means to effect economy and solely at the expense and at the sacrifice of the rural population. Reducing the cost at the expense of regular, reliable, and prompt service is not economy. It is a false system of cost reduction. Economy is maintaining efficient service while reducing expense and cost of operation or maintaining greater efficiency in the Service at the same cost. If mere cost reduction is economy, then greater economy would be effected by triweekly service, and still greater economy by a discontinuance of the Service altogether.

Reducing the number of carriers and increasing the salaries of those remaining, where a superior service can be secured by maintaining the full number of employees at the same cost to the Government, is not only a false economy but is a wrong policy of public employment at this time, when 10,000,000 remain unemployed.

Mr. SHOEMAKER. Mr. Chairman, will the gentleman yield?

Mr. GRAY. I yield.

Mr. SHOEMAKER. As a matter of fact, under the N.R.A. private employers are being urged to increase the number of their employees and to increase wages, are they not?

Mr. GRAY. I think that is the policy being urged under the N.R.A. program. I would rather see more men put on the routes than more men taken off, because that would increase employment and mean better and more prompt and efficient service to the farmers. But I would not want to increase the pay provided for in the Rural Route Service until there is a restoration of employment and an increase of pay to private employees. There is no reason why public employees, with a fixed and fair wage and with uninterrupted employment, should be favored over private employees.

Ten million men remain unemployed and strenuous efforts are being made to spread employment to a greater number of men. Economy is the watchword. The isolated farmers are suffering not only neglect but discrimination against them. Under these conditions it is difficult to understand this demand to increase the salaries of the few, consolidate the routes, and throw public employees out of employment, and at the same time compel the farm population to suffer an impairment of its mail service. This proposition is urged upon the country with a strange consistency at this time.

The so-called "economy" resulting would be trivial and negligible in comparison with the decrease of employment suffered and the great damage and injury brought upon the farm population.

But I am not advocating a change at this time in the Rural Route Service, except sufficient change to give better and give equal mail service to the farmers with the service provided for the patrons in towns and cities. But if I were making a change to meet the conditions of the times to effect economy and bring about an increase of employment to a greater number of men and afford more equal mail service, then it would be made under N.R.A. principles of employment. Then, I would say, until there is relief from this panic, divide the salaries, put two men on the routes instead of one and give the farmer his morning paper at breakfast time the same as enjoyed by the people of the towns and cities, put more men to useful service and take them off the relief roles. But I am not urging such change here. I am only opposing a change at this time that will reduce employment, work injury and damage to the farmer without a substantial saving. The farmers are satisfied with the existing service; they are asking the Postal Department to let well enough alone.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 5. This act shall take effect on April 15, 1934.

With the following committee amendments:

Page 3, line 23, strike out the figure "5" and insert in lieu thereof the figure "4."

Page 3, line 23, strike out "April 15, 1934", and insert in lieu thereof the following: "the 1st day of the calendar month next following the month in which this act is enacted."

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the committee rises.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. WEST of Ohio, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (H.R. 8919) to adjust the salaries of rural letter carriers, and for other purposes, pursuant to House Resolution 355, he reported the bill back to the House with sundry amendments adopted by the Committee.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

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

On motion of Mr. MEAD, a motion to reconsider the vote by which the bill was passed was laid on the table.

APPROPRIATIONS FOR CERTAIN URGENT NEEDS IN THE GOVERNMENT SERVICE

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 332, to provide appropriations to meet urgent needs in certain public services, and for other purposes.

The Clerk read the House joint resolution, as follows:

House Joint Resolution 332

Resolved, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the purposes hereinafter enumerated:

LEGISLATIVE

HOUSE OF REPRESENTATIVES

For expenses of special and select committees authorized by the House, fiscal year 1934, $35,000.

TREASURY DEPARTMENT

PUBLIC DEBT SERVICE

The limitation on the price per pound permitted to be paid for distinctive paper for United States securities under the appropriation for the purchase of such paper in the Treasury Department Appropriation Act, 1935, is hereby repealed.

PROCUREMENT DIVISION

Washington, D.C., furniture for triangle buildings: The Secretary of the Treasury is hereby authorized to expend not to exceed the sum of $472,454 out of the aggregate of the unexpended balances under the authorizations for the construction of the new buildings for the Departments of Justice, Post Office, and Labor, and the Interstate Commerce Commission, the connecting wing between the Interstate Commerce Commission and Department of Labor Buildings, and the Archives Building as may be required to provide the necessary furniture and furnishings for said buildings, and the unexpended portion of the appropriations available for the construction of such buildings is hereby made available for that purpose, and the Director of Procurement, Treasury Department, is hereby authorized to make contracts, after advertising and competitive bidding, without regard to section 4 of the act approved June 17, 1910 (ch. 297, sec. 4, 36 Stat. 531), for the purchase of said furniture and furnishings, and to make expenditures for services, supplies, material, and equipment, including moving services and the reconditioning of old furniture and the temporary rental of space therefor, and necessary travel and subsistence in connection with the inspection of commodities to be contracted for or purchased; and, when deemed desirable or advantageous by him, the said Director of Procurement is authorized to employ, by contract or otherwise, without regard to the civil-service laws and regulations, such temporary outside professional or technical services as he may find necessary in furnishing those portions of the said buildings requiring special treatment, all within the total amount made available herein: *Provided*, That not to exceed $10,000 may be expended for such temporary outside professional or technical services: *Provided further*, That not to exceed $31,515 may be expended for furniture and furnishings for the auditorium located in the connecting wing between the Interstate Commerce Commission and Department of Labor Buildings: *Provided further*, That the cost of furniture and furnishings for Cabinet officers' suites, assistant Cabinet officers' suites, executive officers' suites, and conference and hearing rooms for the Interstate Commerce Commission shall be based upon the square-foot area of the rooms to be furnished, and shall not exceed the rates set forth herein, as follows: For Cabinet officers' suites and conference rooms for the Interstate Commerce Commission, $1.75 per square foot; for assistant Cabinet officers' suites, $1.50 per square foot, and for executive officers' suites, $1 per square foot.

WAR DEPARTMENT

PANAMA CANAL

For repatriation of unemployed aliens who have been employed in the service of the United States Government or the Panama Railroad Co. on the Isthmus of Panama for 3 or more years at any time, and repatriation of members of families of such alien former employees, including expenses of transportation of such alien former employees and members of their families, and the payment in cash of not to exceed $100 to each such alien former employee for assistance in rehabilitation after repatriation, $150,000, to be expended under the direction of the Governor of the Panama Canal and to be available until expended.

The SPEAKER pro tempore. Is there objection to the present consideration of the House joint resolution?

There was no objection.

The House joint resolution 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.

[Mr. JOHNSON of Oklahoma, Mr. SABATH, Mr. MCDUFFIE and Mr. PATMAN asked and were given permission to revise and extend their remarks in the RECORD.]

PROPOSED TEXTBOOK CODE, IF ADOPTED, WILL ADD MILLIONS TO COST OF EDUCATION

Mr. JOHNSON of Oklahoma. Mr. Speaker, I have introduced a resolution, same being House Resolution 351, asking for the appointment of a committee to investigate the proposed code for the school textbook industry. I feel that this is an important matter and fear that steps may be taken that will increase by many millions of dollars the annual outlay for books that our school patrons must buy. Every school child in America, whether in private, parochial, or public schools, is affected by the price of textbooks. Every teacher is affected. Every parent who buys textbooks is affected. I would not want to see any step taken that would add unnecessary burdens to our school children, teachers, and school patrons.

I have loyally supported the National Recovery Administration and was one of those who voted for the National Industrial Recovery Act. I have addressed civic clubs and organizations in practically every town in my district, calling upon business men to support the N.R.A. and urging the cooperation of citizens in eliminating the chiselers. The N.R.A. is not so important in the district represented by me in Congress as it is in the Eastern States, since my district is principally an agricultural section. In fact, the N.R.A. has worked a hardship on many small business men of Oklahoma, yet I have urged that the spirit and letter of the National Industrial Recovery Act be complied with to the fullest by citizens of my State.

But I also believe in State rights, and I do not believe we should take any action here, or permit action to be taken, that would impair or threaten to impair contracts entered into by our States for the protection of the schoolbook buying public. I feel that this matter should be gone into carefully before any definite action is taken.

Permit me to cite a few facts for consideration in connection with any proposal affecting textbooks.

By reason of the practices that have existed in the schoolbook industry, practically every State in the Union has laws for the protection of the consumer.

Textbook publishing companies are, practically without exception, organizations that employ teachers to write their textbooks, paying the authors small royalties on sales, and that employ commercial printing establishments to print their books.

Wage earners engaged in actual composition and printing of textbooks are all protected under codes for the various phases of the printing industry.

All employees of the textbook publishers are now protected as to hours and wages under the general provisions of the N.R.A.

It is a matter of common knowledge that the textbook publishers have sought to advance their own selfish interests at the expense of the consumers for more than a quarter of a century and I want to be assured that the proposed code is not another effort to advance the selfish interests of the textbook publishers and hide behind the protection of the Federal Government in so doing.

The proposed code appears to me to be merely an effort to take advantage of a national emergency to entrench the textbook publishers still further with the backing of Federal authority.

The State governments are coordinated with the Federal Government. They have never been in such financial difficulty as at present. Delinquent taxes, reduction in tax rates and tax strikes have threatened to close most of the public schools of this country. I feel that the schools are entitled to look to the Federal Government for financial aid in the present emergency and early in this session introduced legislation to provide for an annual Federal appropriation to aid our weak schools.

But so far the Federal Government, although giving temporary help to the public schools, has failed and refused to provide for a permanent program for schools that are financially unable to remain open a full term. In my judgment the very least the Government could do at this time would be to reduce rather than materially increase the cost of textbooks that are now in the making if the present textbook code is allowed to stand.

I see no reason why the Federal Government should interest itself in or lend sanction to a code which clearly has for its purpose the increasing of prices on this universally used product. If there must be a textbook code, I feel that it should be confined strictly to wages and hours and the necessary machinery to enforce such provisions without any effort, veiled or implied, to eliminate competitive bidding. The school patrons certainly should not be called upon in their distressed financial condition to add to the profits of the textbook trust. Nor should it be made easy for the publishers to evade, under the protection of the Federal Government, the laws of the various States.

WAGES IN FEDERAL BUILDINGS

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks by including therein a newspaper article and certain letters.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McFADDEN. Mr. Speaker, I wish to call to your attention a set of circumstances which carry alarming possibilities. First let me place before you an article which appeared in the Washington Herald of this morning:

WAGES RACKET MENACES UNITED STATES BUILDING HERE—CARPENTERS' UNION VOTES 5 TO 1 FOR RESTORATION OF $11 RATE—CONTRACTORS' OFFER SPURNED

The entire Federal building program in this city, involving $100,000,000 in massive Government buildings, faces a sudden halt unless contractors are made to return the $500,000 wage steal, the local carpenters gave notice last night.

Charging that the present rate of $8 a day paid to union men was illegally adopted and has robbed workmen of half a million dollars, the membership of the union demanded, by an overwhelming vote of 5 to 1, that the $11 rate (on the 8-hour day) be restored.

The contractors offered a compromise of $8.80 a day but this met with a crushing defeat, 828 to 156.

CONTRACT NEAR END

Only 4 more days remain until the present contract expires. Unless an agreement can be reached by May 1, union officials declared they will be forced to call a strike.

More than 1,000 members of the local carpenters' union fought for admission into Carpenters Hall, 1010 Tenth Street, last night, to attend the special meeting called to decide on the terms of the wage contract which will be drawn between the union and the Master Builders' Association, representing the employers.

Two propositions were presented to the meeting. One came from the Master Builders' Association. It offered an 8-hour day, 5-day week with a rate of $1.10 an hour.

The other, which the union adopted, calls for a 6-hour day, 5-day week, with a rate of $1.37½ an hour. This is the rate at which the Government contracts were let and at which the carpenters were originally hired.

HERALD WORK LAUDED

Subsequently the rate was reduced. The union claimed this act was illegal because it was never accepted by a vote of the membership. It is charged that workmen have been robbed of $500,000 during the last year through the illegal reduction in wages.

Last night Albert Caya, business agent for the union, and J. B. Lagasa, who has been working with Caya to bring about a restoration of the wage scale, spoke in favor of the $11 rate. Lagasa said:

"We are making splendid progress toward having our rightful wage rate restored. The $1.37½ rate is not a raise. It is the rate that was in force on all Government work prior to last year, when the present illegal contract went into effect.

"It has been ruled to be the prevailing wage on two occasions by the United States Treasury Department. Congress is now interested in finding out how we have been deprived of the money which the Government paid to the contractors for us. The Washington Herald has done a wonderful job in bringing the facts to light. I hope you will vote for the $1.37½-an-hour rate, as I am going to."

"TO HELL" WITH THEM

The hall resounded with cheers for several minutes after Caya and Lagasa sat down. Immediately after the membership voted the $1.37½ rate by a landslide.

The 6-hour day stipulation will fix the daily rate at $8.25. This is less than the daily rate of $8.80 now offered by the contractors. It would mean that several hundred more carpenters would have to be employed to keep up production schedule.

Frank J. Sheehan, secretary of the Master Builders' Association, when informed that the union had rejected the contractors' offer, replied:

"If they want to reject it, to hell with them."

Let me place particular emphasis upon the last paragraph of that article. After reporting that the union carpenters of the District of Columbia had voted to reject a wage compromise with the Master Builders' Association, the article says in this last paragraph:

Frank J. Sheehan, secretary of the Master Builders' Association, when informed that the union had rejected the contractors' offer, replied:

"If they want to reject it, to hell with them."

The money to pay the wages under discussion, Mr. Speaker, is not the money of Mr. Sheehan nor of the Master Builders' Association. It is the public money of the American people, appropriated by the Congress, and allotted by

the Executive for the primary purpose, not of fattening contractors but of giving payment to skilled craftsmen for the work they do with their hands and brains. That makes the affair the business of this House.

I read that statement of Mr. Sheehan's with astonishment. I made inquiries to discover who this Mr. Sheehan is, who so casually says that workmen employed on work paid for by the United States Government can take what he and his associates choose to give them or else—and I am quoting Mr. Sheehan—"To 'hell' with them."

I found out a little about Mr. Sheehan. My time was short and so the findings are not yet extensive. Perhaps they will grow with time. But, short as they are, they are of considerable interest.

First. I call your attention to an extract from a letter written by G. Clark Macomber, of the George B. H. Macomber Co., of Boston, Mass., and addressed to Mr. R. D. Morrison, post-office box no. 283, Benjamin Franklin Post Office, Washington, D.C. This extract reads as follows:

I further understand that you have agreed that we would contribute to the Washington Building Trades Employers' Association the sum of $500 to be paid in installments, an initial installment of $100 which you can pay from petty cash during the coming week, and the balance to be paid during the life of the B-W job as may work out most conveniently for us. Please make certain that the dollar-an-hour rate for carpenters is in effect before making any contribution to the employers' association.

Let me say that the prevailing rate of wages in Washington to be paid to carpenters under the Bacon-Davis Act was and is $1.37½ per hour.

Now I quote another letter in which a demand is made for the payment of this contribution to what may turn out to have been a slush fund.

GEORGE A. FULLER CO.,
Washington, D.C., May 2, 1933.

GEORGE B. H. MACOMBER CO.,
Care of McCloskey Co., Washington, D.C.

GENTLEMEN: Will you kindly forward to the writer your check made out to the Master Builders' Association, in amount agreed upon as promptly as possible.

The writer has received several calls from the secretary of the association regarding this matter and it is getting to be rather embarrassing inasmuch as the master builders fulfilled their part of the agreement 2 weeks ago.

Trusting you will give this your immediate attention, I am,
Very truly yours,

J. B. BOWLING, Jr.

The secretary of the association wanted his money. Who was this secretary? The next letter will tell us.

WASHINGTON, D.C., *July 20, 1933.*

Re: B-W Construction Co.,
Washington post-office extension.

Mr. C. CLARK MACOMBER,
George B. H. Macomber Co., Boston, Mass.

DEAR CLARK: Joe Bowling, of Littlejohn, Bowling & Morris, and Frank Sheehan, secretary of the Master Builders Association, were on the job today asking me for the balance due for our contribution toward the reduction in carpenters' rate. They seem to think they have waited long enough for us to realize a saving and want to get the matter cleaned up.

You will remember some time ago I made them a payment of $100 from the petty cash account and they are now looking for the balance. I told them I would write to you regarding the situation and I think you might reply directly to Frank J. Sheehan, secretary, Master Builders Association, 1719 I Street NW., Washington, D.C.

Sincerely,

RALPH D. MORRISON.

Now let me add another interesting letter about Mr. Sheehan. Everything seems to be getting along all right. The contractors are making money, even if the carpenters are not. Mr. Sheehan is to have some of his money, but only a part of it. The rest will have to wait until Mr. Macomber could get it out of Uncle Sam.

GEORGE B. H. MACOMBER CO., BUILDERS,
CHARLES CHAUNCY BUILDING,
Boston, Mass., July 21, 1933.

Re: B-W Construction Co.,
Washington post-office extension.

Mr. R. D. MORRISON,
Washington, D.C.

DEAR MORRISON: I have your note relative to Mr. Sheehan and Joe Bowling, relative to the Building Trades Association. Mr. Sheehan called me on the telephone after he left you. I told him that I would at this time send him a small remittance that would follow with the balance as soon as we could get it out of the B-W job.

I have not had any comments from any of you three men on the job relative to the communications which I sent to you on Tuesday. I am assuming, therefore, that everything is coordinating properly and that you are working together to accomplish the objectives as we set them forth on Monday and as I confirmed them to you in my Tuesday communications.

Yours very truly,

C. C. MACOMBER.

That is as much as I can tell you today about Mr. Sheehan, who says "to hell with them" in speaking of workmen.

RURAL LETTER CARRIERS—EXTENSION OF REMARKS

Mr. MEAD. Mr. Speaker, I ask unanimous consent that all those who spoke on the rural letter carriers' bill may have 5 legislative days within which to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, in accordance with the permission granted by the House yesterday during the discussion of the bill to adjust the salaries of rural letter carriers, I desire to extend my remarks by inserting in the RECORD information pertaining to these carriers which may be of interest to the Members of the House.

RURAL ROUTES

There is no limitation upon length of routes.

The shortest route at present is 7.6 miles, at West Englewood, N.J.

Longest routes are at Brawley, Calif., and Brewster, Ala., each 91 miles.

All persons, except those who reside within the city-delivery limits of cities where city-delivery service is in operation, or within the village-delivery limits of cities, towns, or villages where village-delivery service is in operation, may be served by rural carriers, provided they will erect approved boxes on the established line of the routes in the manner required by the Department.

Roads on which rural-delivery service is established shall be in good condition and so maintained, unobstructed by gates, and there shall be no unbridged streams not fordable at all seasons of the year.

The frequency of service on a newly established route shall not exceed three times a week, unless such route is formed wholly or in greater part by rearrangement of six-times-a-week service.

Rural mail delivery shall be extended so as to serve, as nearly as practicable, the entire rural population of the United States.

Number of rural delivery carriers under each salary, Mar. 1, 1933

Salary	Number of carriers
$3,810	2
$3,720	1
$3,690	
$3,660	2
$3,630	4
$3,600	
$3,570	1
$3,540	2
$3,510	3
$3,480	2
$3,450	10
$3,420	7
$3,390	6
$3,360	5
$3,330	19
$3,300	13
$3,270	[1] 16
$3,240	25
$3,210	20
$3,180	39
$3,150	38
$3,120	33
$3,090	47
$3,060	[1] 56
$3,030	[1] 68
$3,000	73
$2,970	83
$2,940	125
$2,910	[3] 149
$2,880	[2] 162
$2,850	154
$2,820	[1] 203
$2,790	[1] 202
$2,760	251
$2,730	[1] 275
$2,700	300
$2,670	317
$2,640	332
$2,610	337
$2,600	11
$2,580	361
$2,550	403
$2,520	439
$2,490	[1] 451
$2,460	493

Number of rural delivery carriers under each salary, Mar. 1, 1933—Continued

Salary	Number of carriers
$2,430	[1] 487
$2,400	[1] 585
$2,370	[1] 640
$2,340	[1] 627
$2,310	[1] 722
$2,280	[1] 752
$2,250	[1] 808
$2,220	[2] 852
$2,190	[3] 918
$2,175	(1) 1
$2,160	(2) [1] 1077
$2,145	
$2,130	[4] 1102
$2,115	(2) 2
$2,100	[2] 1231
$2,085	(1) 1
$2,070	(1) [6] 1,377
$2,055	(3) 3
$2,040	(1) [7] 1,653
$2,025	(2) 2
$2,010	(2) [5] 1,887
$1,995	(1) 1
$1,980	(1) [5] 2,439
$1,965	
$1,950	(1) [8] 2,680
$1,935	(1) 1
$1,920	(2) [6] 2,905
$1,905	(2) 2
$1,890	[2] 2,676
$1,875	(2) 2
$1,860	(2) [7] 2,462
$1,845	(2) 2
$1,830	(2) [4] 2,284
$1,815	(2) 2
$1,800	(1) [1] 1,101
$1,728	(16) [4] 1,544
$1,620	(25) [3] 832
$1,440	(37) 379
$1,260	(85) 250
$1,080	(112) 198
$1,008	(106) 145
$936	(83) 101
$864	(36) 39
$792	(13) 15
$720	(2) 2
Total	40,329

Figures in parentheses indicate number of rural letter carriers serving one triweekly route.

Figures in black brackets indicate number of rural letter carriers serving two triweekly routes.

Triweekly routes

Miles:	*Number*
9	1
11	1
12	1
13	1
14	4
15	6
16	4
17	8
18	13
19	8
20	21
21	13
22	18
23	24
24	17
25	25
26	27
27	21
28	30
29	28
30	26
31	24
32	19
33	27
34	20
35	20
36	16
37	8
38	11
39	6
40	4
41	6
42	7
43	6
44	6
45	4
46	2
47	4
48	4

Triweekly routes—Continued

Miles:	*Number*
49	2
50	2
51	2
52	2
53	2
55	2
56	2
57	1
58	1
60	1
61	1
62	3
63	2
64	1
65	3
66	1
67	1
69	2
72	2
73	1

Total number of all rural carriers as of Apr. 1, 37,597.
Daily travel is 1,356,475 miles.

Triweekly routes

Two routes served by one carrier.

Where there are two routes, having a total length of 82 miles, both served by one carrier, he would be paid the salary for one daily route of 41 miles.

Miles (average length):	*Number*
41	2
42	1
20½	4
21	2
22	2
23	4
24	2
24½	2
25	2
25½	4
26	8
26½	8
27	2
27½	6
28	6
28½	4
29	8
29½	2
30	8
30½	8
31	4
31½	2
32	8
32½	10
33	4
33½	2
34	4
35	6
35½	2
36	2
36½	4
37	2
37½	2
38	2
39	2
40	2
41	2
42½	4
44½	2
45	2
47½	2
55	2
56½	2
58	2
59½	2
60	2
60½	2
61	2
61½	2
62	2
64½	2
66	2
73	2

POST OFFICE DEPARTMENT,
SECOND ASSISTANT POSTMASTER GENERAL,
Washington, April 26, 1934.

Hon. JAMES M. MEAD,
Chairman Committee on the Post Office and Post Roads,
House of Representatives.

MY DEAR MR. MEAD: Further reference is made to your letter of April 18, enclosing a copy of bill H.R. 8919 to adjust the salaries

of rural letter carriers, and requesting certain information pertaining to the rural service for consideration in connection with the measure.

If legislation were enacted limiting the lengths of rural routes hereafter to 60 miles, it would frequently be impracticable for the Department to effect consolidations of rural routes, but no estimate can be made as to the extent to which reduction of the cost of operating the service would thereby be prevented.

If the equipment-maintenance allowance to rural carriers were fixed at 5 cents per mile per day instead of 6 cents, as proposed in bill H.R. 8919, the difference in cost would be approximately $4,150,000 per annum.

A statement is enclosed showing the amounts of salaries as well as the amounts of salaries with equipment-maintenance allowances, for service over rural routes of different lengths, which are authorized by existing law and those which would be authorized by proposed legislation now under consideration in Congress.

There are approximately 500 rural routes from 7 to 19 miles in length. Only 86 of these are less than 15 miles in length. These rural routes are operated where the territory is limited in which the condition of roads and the number of families that would be served would warrant extending the routes to greater lengths. It will no doubt be practicable to absorb some of these short routes through consolidations of service, but many of them will have to be continued because there are no adjacent routes with which they can be combined. No definite information can be given as to how many of them can be eliminated through consolidations.

The chart enclosed by you is returned as requested.

Sincerely yours,

HARLLEE BRANCH,
Second Assistant Postmaster General.

[Enclosure]

Statement showing present and proposed salaries and equipment-maintenance allowance for Rural Delivery Service

Miles	Present		Proposed		
	Salary	Salary plus equipment maintenance at 4 cents	Salary	Salary plus equipment maintenance at 5 cents	Salary plus equipment maintenance at 6 cents
6 and not over 6.5	$792	$865.44	$360	$451.80	$470.16
Over 6.5 and not over 7.5	792	877.68	420	527.10	548.52
Over 7.5 and less than 8	792	889.92	480	602.40	626.88
8 and not over 8.5	864	961.92	480	602.40	626.88
Over 8.5 and not over 9.5	864	974.16	540	677.70	705.24
Over 9.5 and less than 10	864	986.40	600	753.00	783.60
10 and not over 10.5	936	1,058.40	600	753.00	783.60
Over 10.5 and not over 11.5	936	1,070.64	660	828.30	861.96
Over 11.5 and less than 12	936	1,082.88	720	903.60	940.32
12 and not over 12.5	1,008	1,154.88	720	903.60	940.32
Over 12.5 and not over 13.5	1,008	1,167.12	780	978.90	1,018.68
Over 13.5 and less than 14	1,008	1,179.36	840	1,054.20	1,097.04
14 and not over 14.5	1,080	1,251.36	840	1,054.20	1,097.04
Over 14.5 and not over 15.5	1,080	1,263.60	900	1,129.50	1,175.40
Over 15.5 and less than 16	1,080	1,275.84	960	1,204.80	1,253.76
16 and not over 16.5	1,260	1,455.84	960	1,204.80	1,253.76
Over 16.5 and not over 17.5	1,260	1,468.08	1,020	1,280.10	1,332.12
Over 17.5 and less than 18	1,260	1,480.32	1,080	1,355.40	1,410.48
18 and not over 18.5	1,440	1,660.32	1,080	1,355.40	1,410.48
Over 18.5 and not over 19.5	1,440	1,672.56	1,140	1,430.70	1,488.84
Over 19.5 and less than 20	1,440	1,684.80	1,200	1,506.00	1,567.20
20 and not over 20.5	1,620	1,864.80	1,200	1,506.00	1,567.20
Over 20.5 and not over 21.5	1,620	1,877.04	1,260	1,581.30	1,645.56
Over 21.5 and less than 22	1,620	1,889.28	1,320	1,656.60	1,723.92
22 and not over 22.5	1,728	1,997.28	1,320	1,656.60	1,723.92
Over 22.5 and not over 23.5	1,728	2,009.52	1,380	1,731.90	1,802.28
Over 23.5 and less than 24	1,728	2,021.76	1,440	1,807.20	1,880.64
24 and not over 24.5	1,800	2,093.76	1,440	1,807.20	1,880.64
Over 24.5 and not over 25.5	1,830	2,136.00	1,500	1,882.50	1,959.00
Over 25.5 and not over 26.5	1,860	2,178.24	1,560	1,957.80	2,037.36
Over 26.5 and not over 27.5	1,890	2,220.48	1,620	2,033.10	2,115.72
Over 27.5 and not over 28.5	1,920	2,262.72	1,680	2,108.40	2,194.08
Over 28.5 and not over 29.5	1,950	2,304.96	1,740	2,183.70	2,272.44
Over 29.5 and not over 30.5	1,980	2,347.20	1,800	2,259.00	2,350.80
Over 30.5 and not over 31.5	2,010	2,389.44	1,820	2,294.30	2,389.16
Over 31.5 and not over 32.5	2,040	2,431.68	1,840	2,329.60	2,427.52
Over 32.5 and not over 33.5	2,070	2,473.92	1,860	2,364.90	2,465.88
Over 33.5 and not over 34.5	2,100	2,516.16	1,880	2,400.20	2,504.24
Over 34.5 and not over 35.5	2,130	2,558.40	1,900	2,435.50	2,542.60
Over 35.5 and not over 36.5	2,160	2,600.64	1,920	2,470.80	2,580.96
Over 36.5 and not over 37.5	2,190	2,642.88	1,940	2,506.10	2,619.32
Over 37.5 and not over 38.5	2,220	2,685.12	1,960	2,541.40	2,657.68
Over 38.5 and not over 39.5	2,250	2,727.36	1,980	2,576.70	2,696.04
Over 39.5 and not over 40.5	2,280	2,769.60	2,000	2,612.00	2,734.40
Over 40.5 and not over 41.5	3,310	2,811.84	2,020	2,647.30	2,772.76
Over 41.5 and not over 42.5	2,340	2,854.08	2,040	2,682.60	2,811.12
Over 42.5 and not over 43.5	2,370	2,896.32	2,060	2,717.90	2,849.48
Over 43.5 and not over 44.5	2,400	2,938.56	2,080	2,753.20	2,887.84
Over 44.5 and not over 45.5	2,430	2,980.80	2,100	2,788.50	2,926.20
Over 45.5 and not over 46.5	2,460	3,023.04	2,120	2,823.80	2,964.56
Over 46.5 and not over 47.5	2,490	3,065.28	2,140	2,859.10	3,002.92
Over 47.5 and not over 48.5	2,520	3,107.52	2,160	2,894.40	3,041.28
Over 48.5 and not over 49.5	2,550	3,149.76	2,180	2,929.70	3,079.64
Over 49.5 and not over 50.5	2,580	3,192.00	2,200	2,965.00	3,118.00
Over 50.5 and not over 51.5	2,610	3,234.24	2,220	3,000.30	3,156.36
Over 51.5 and not over 52.5	2,640	3,276.48	2,240	3,035.60	3,194.72
Over 52.5 and not over 53.5	2,670	3,318.72	2,260	3,070.90	3,233.08
Over 53.5 and not over 54.5	2,700	3,360.96	2,280	3,106.20	3,271.44
Over 54.5 and not over 55.5	2,730	3,403.20	2,300	3,141.50	3,309.80

Statement showing present and proposed salaries and equipment-maintenance allowance for Rural Delivery Service—Continued

Miles	Present		Proposed		
	Salary	Salary plus equipment maintenance at 4 cents	Salary	Salary plus equipment maintenance at 5 cents	Salary plus equipment maintenance at 6 cents
Over 55.5 and not over 56.5	$2,760	$3,445.44	$2,320	$3,176.80	$3,348.16
Over 56.5 and not over 57.5	2,790	3,487.68	2,340	3,212.10	3,386.52
Over 57.5 and not over 58.5	2,820	3,529.92	2,360	3,247.40	3,424.88
Over 58.5 and not over 59.5	2,850	3,572.16	2,380	3,282.70	3,463.24
Over 59.5 and not over 60.5	2,880	3,614.40	2,400	3,318.00	3,501.60
Over 60.5 and not over 61.5	2,910	3,656.64	2,420	3,353.30	3,539.96
Over 61.5 and not over 62.5	2,940	3,698.88	2,440	3,388.60	3,578.32
Over 62.5 and not over 63.5	2,970	3,741.12	2,460	3,423.90	3,616.68
Over 63.5 and not over 64.5	3,000	3,783.36	2,480	3,459.20	3,655.04
Over 64.5 and not over 65.5	3,030	3,825.60	2,500	3,494.50	3,693.40
Over 65.5 and not over 66.5	3,060	3,867.84	2,520	3,529.80	3,731.76
Over 66.5 and not over 67.5	3,090	3,910.08	2,540	3,565.10	3,770.12
Over 67.5 and not over 68.5	3,120	3,952.32	2,560	3,600.40	3,808.48
Over 68.5 and not over 69.5	3,150	3,994.56	2,580	3,635.70	3,846.84
Over 69.5 and not over 70.5	3,180	4,036.80	2,600	3,671.00	3,885.20
Over 70.5 and not over 71.5	3,210	4,079.04	2,620	3,706.30	3,923.56
Over 71.5 and not over 72.5	3,240	4,121.28	2,640	3,741.60	3,961.92
Over 72.5 and not over 73.5	3,270	4,163.52	2,660	3,776.90	4,000.28
Over 73.5 and not over 74.5	3,300	4,205.76	2,680	3,812.20	4,038.64
Over 74.5 and not over 75.5	3,330	4,248.00	2,700	3,847.50	4,077.00
Over 75.5 and not over 76.5	3,360	4,290.24	2,720	3,882.80	4,115.36
Over 76.5 and not over 77.5	3,390	4,332.48	2,740	3,918.10	4,153.72
Over 77.5 and not over 78.5	3,420	4,374.72	2,760	3,953.40	4,192.08
Over 78.5 and not over 79.5	3,450	4,416.96	2,780	3,988.70	4,230.44
Over 79.5 and not over 80.5	3,480	4,459.20	2,800	4,024.00	4,268.80
Over 80.5 and not over 81.5	3,510	4,501.44	2,820	4,059.30	4,307.16
Over 81.5 and not over 82.5	3,540	4,543.68	2,840	4,094.60	4,345.52
Over 82.5 and not over 83.5	3,570	4,585.92	2,860	4,129.90	4,383.88
Over 83.5 and not over 84.5	3,600	4,628.16	2,880	4,165.20	4,422.24
Over 84.5 and not over 85.5	3,630	4,670.40	2,900	4,200.50	4,460.60
Over 85.5 and not over 86.5	3,660	4,712.64	2,920	4,235.80	4,498.96
Over 86.5 and not over 87.5	3,690	4,754.88	2,940	4,271.10	4,537.32
Over 87.5 and not over 88.5	3,720	4,797.12	2,960	4,306.40	4,575.68
Over 88.5 and not over 89.5	3,750	4,839.36	2,980	4,341.70	4,614.04
Over 89.5 and not over 90.5	3,780	4,881.60	3,000	4,377.00	4,652.40
Over 90.5 and not over 91.5	3,810	4,923.84	3,020	4,412.30	4,690.76

Mr. CULKIN. Mr. Speaker, there is no type of Government employee upon whose faithful, efficient service the comfort and convenience of the public more depends, than the rural carrier. He is like a soldier and must see that the mail goes through irrespective of sunshine or storm.

This bill, H.R. 8919, adjusts the salaries of rural letter carriers and makes provision for their equipment-maintenance allowance. No group was more savagely hit by the Economy Act than the rural letter carriers. They were caught going and coming. They were at the mercy of the departmental head who was intent upon making a record and were made the subject of repeated changes in their salary and allowances. This bill fixes their status. The salary of a carrier in the Rural Free Delivery Service, serving a rural route of 30 miles, 6 days a week, will be $1,800. It should be kept in mind that this is actually a reduction in base pay.

If there is additional mileage he shall receive $20 per mile per annum or major fraction thereof. This measure fixes the mileage allowance for equipment and maintenance at 6 cents per mile. The statute insures permanence of this provision, for such allowance cannot be changed except by act of Congress. It provides that no consolidation of rural routes shall be made otherwise than on account of the resignation, death, retirement, or dismissal on charges of carriers in the rural mail service. This last provision removes the ever-present fear of retirement from the service.

It gives them an added mileage allowance which in my judgment is actually inadequate.

CLIMATE A FACTOR

The status of the rural letter carrier has been clouded by the fact that many of those administering the laws have never felt the rigorous and extreme weather that is typical of our climate in the northern States, both east and west. In my section of New York there are 5 months of solid winter, with the thermometer below zero much of the time. Snow, accompanied by windstorms of gale force, are frequent and these storms often continue over a period of days. On many of the roads the ordinary motor method of transportation has to be abandoned and horses have to be supplied by the

carrier under his arrangement with the Government. These horses have to be maintained by the carrier during the open season or he has to rent in the emergency. Roads are blocked with a coating of snow many feet deep. Drifts attain the height of 15 to 20 feet. All the perils and none of the glory of arctic exploration are present in the performance of duty by the rural carriers. I have no hesitancy in saying that the allowance of 6 cents per mile in the northern latitudes is not sufficient. I would gladly vote to make it 8 cents per mile.

But I am for this bill because it does partial justice to a group of faithful public servants. It does partial justice to a group of veteran employees who, during the rigors and perils of the northern winter, face the storms unflinchingly and bring the newspapers, supplies, and comforts of civilization to those who dwell in the open spaces.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Goss indefinitely, on account of illness in family.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 250. An act for the relief of Fred Herrick; to the Committee on Claims.

S. 2046. An act to provide relief for disbursing officers of the Army in certain cases; to the Committee on Military Affairs.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 40 minutes p.m.) the House adjourned until tomorrow, Friday, April 27, 1934, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

423. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the legislative establishment, under the Architect of the Capitol, fiscal year 1935, in the sum of $463,250 (H.Doc. No. 315); to the Committee on Appropriations and ordered to be printed.

424. A communication from the President of the United States, transmitting estimates of appropriation submitted by the War Department to pay claims for damages to privately owned property by collision with river and harbor vessels in the sum of $1,833.10 (H.Doc. No. 316); to the Committee on Appropriations and ordered to be printed.

425. A communication from the President of the United States, transmitting schedules of claims allowed by the General Accounting Office pursuant to Private Act No. 20, Seventy-third Congress, approved February 26, 1934, amounting to $8,246 (H.Doc. No. 317); to the Committee on Appropriations and ordered to be printed.

426. A communication from the President of the United States, transmitting an estimate of appropriation covering a claim amounting to $10.25 allowed by the General Accounting Office, and certified under certificate of settlement no. 0157024 (H.Doc. No. 318); to the Committee on Appropriations and ordered to be printed.

427. A communication from the President of the United States, transmitting an estimate of appropriations submitted by the War Department to pay claims for damages to privately owned property arising in the Philippine Islands in the sum of $45.50 (H.Doc. No. 319); to the Committee on Appropriations, and ordered to be printed.

428. A communication from the President of the United States, transmitting schedules covering certain claims allowed by the General Accounting Office, as shown by certificates of settlement transmitted to the Treasury Department for payment, in the sum of $17,853.30 (H.Doc. No. 320); to the Committee on Appropriations and ordered to be printed.

429. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the Treasury Department for the fiscal year 1932, amounting to $3,000, together with drafts of proposed provisions pertaining to existing appropriations (H.Doc. No. 321); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII,

Mr. COLLINS of California: Committee on Indian Affairs. S. 1887. An act to authorize the change of homestead designations on allotted Indian lands; without amendment (Rept. No. 1367). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLLINS of California: Committee on Indian Affairs. S. 2876. An act to provide for the transfer of national-forest lands to the Zuni Reservation, N.Mex., exchanges, and consolidation of holdings; without amendment (Rept. No. 1368). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLLINS of California: Committee on Indian Affairs. S. 1882. An act to authorize the Secretary of the Interior to issue patents for lots to Indians within the Indian village of Taholah, on the Quinaielt Indian Reservation, Wash.; without amendment (Rept. No. 1369). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLLINS of California: Committee on Indian Affairs. S. 1874. An act relative to leasing restricted lands of Indians of the Five Civilized Tribes of Oklahoma, and for other purposes; without amendment (Rept. No. 1370). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLLINS of California: Committee on Indian Affairs. S. 2425. An act to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927; without amendment (Rept. No. 1372). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLLINS of California: Committee on Indian Affairs. S. 723. An act to amend the act of March 13, 1924 (43 Stat.L. 21), so as to permit the Flathead, Kootenai, and Upper Pend d'Oreille Tribes or Nations of Indians to file suit thereunder; without amendment (Rept. No. 1374). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLLINS of California: Committee on Indian Affairs. S. 847. An act for the relief of the Nez Perce Tribe of Indians; with amendment (Rept. No. 1375). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SEGER: Committee on Claims. H.R. 514. A bill for the relief of the estate of Milton L. Baxter; with amendment (Rept. No. 1337). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H.R. 742. A bill for the relief of Fanny Reuter Shafer; without amendment (Rept. No. 1338). Referred to the Committee of the Whole House.

Mr. O'BRIEN: Committee on Claims. H.R. 1196. A bill for the relief of Henry Raley; with amendment (Rept. No. 1339). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. H.R. 2711. A bill for the relief of the Yellow Drivurself Co.; with amendment (Rept. No. 1340). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H.R. 3856. A bill for the relief of Bertha Ingmire; with amend-

ment (Rept. No. 1341). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H.R. 3866. A bill for the relief of Erik Nylen; with amendment (Rept. No. 1342). Referred to the Committee of the Whole House.

Mrs. CLARKE of New York: Committee on Claims. H.R. 4073. A bill for the relief of Margaret Sloane; with amendment (Rept. No. 1343). Referred to the Committee of the Whole House.

Mr. BLANCHARD: Committee on Claims. H.R. 4916. A bill for the relief of Virginia Houghton; with amendment (Rept. No. 1344). Referred to the Committee of the Whole House.

Mr. BLANCHARD: Committee on Claims. H.R. 4917. A bill for the relief of Mary V. Spear; with amendment (Rept. No. 1345). Referred to the Committee of the Whole House.

Mr. BLANCHARD: Committee on Claims. H.R. 4918. A bill for the relief of Alice E. Broas; with amendment (Rept. No. 1346). Referred to the Committee of the Whole House.

Mr. BROWN of Kentucky: Committee on Claims. H.R. 6112. A bill for the relief of Grace Schultz; with amendment (Rept. No. 1347). Referred to the Committee of the Whole House.

Mr. BROWN of Kentucky: Committee on Claims. H.R. 6392. A bill for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co.; with amendment (Rept. No. 1348). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on Claims. H.R. 6649. A bill for the relief of Henry C. Zeller and Edward G. Zeller with respect to the maintenance of suit against the United States for the recovery of any income tax paid to the United States for the fiscal year beginning October 1, 1916, and ending September 30, 1917, in excess of the amount of tax lawfully due for such period; without amendment (Rept. No. 1349). Referred to the Committee of the Whole House.

Mr. OWEN: Committee on Claims. H.R. 6887. A bill for the relief of J. H. Taylor & Son; with amendment (Rept. No. 1350). Referred to the Committee of the Whole House.

Mr. ELLZEY of Mississippi: Committee on Claims. H.R. 7615. A bill to provide for the payment of a claim of the Ingram-Day Lumber Co. arising out of the sale of special ship timbers used in the construction of ships for the United States Shipping Board Emergency Fleet Corporation; with amendment (Rept. No. 1351). Referred to the Committee of the Whole House.

Mrs. CLARKE of New York: Committee on Claims. H.R. 8456. A bill for the relief of Ettie A. Shepard; with amendment (Rept. No. 1352). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 9032. A bill for the relief of Mary F. Crim; without amendment (Rept. No. 1353). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 9128. A bill for the relief of Bruce Bros. Grain Co.; with amendment (Rept. No. 1354). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 9250. A bill for the relief of Ralph E. Wooley; without amendment (Rept. No. 1355). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. S. 826. An act for the relief of the Tampa Marine Co., a corporation, of Tampa, Fla.; without amendment (Rept. No. 1356). Referred to the Committee of the Whole House.

Mr. BROWN of Kentucky: Committee on Claims. S. 1118. An act for the relief of George J. Bloxham; without amendment (Rept. No. 1357). Referred to the Committee of the Whole House.

Mr. BROWN of Kentucky: Committee on Claims. S. 1119. An act for the relief of Fred A. Robinson; without amendment (Rept. No. 1358). Referred to the Committee of the Whole House.

Mr. BLANCHARD: Committee on Claims. S. 1526. An act for the relief of Ann Engle; without amendment (Rept. No. 1359). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 1600. An act for the relief of S. G. Mortimer; without amendment (Rept. No. 1360). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 1753. An act for the relief of Marcella Leahy McNerney; with amendment (Rept. No. 1361). Referred to the Committee of the Whole House.

Mr. OWEN: Committee on Claims. S. 2233. An act for the relief of Mildred F. Stamm; with amendment (Rept. No. 1362). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2561. An act for the relief of Robert R. Prann; with amendment (Rept. No. 1363). Referred to the Committee of the Whole House.

Mr. THOM: Committee on Claims. S. 2620. An act for the relief of N. W. Carrington and J. E. Mitchell; with amendment (Rept. No. 1364). Referred to the Committee of the Whole House.

Mr. THOM: Committee on Claims. S. 2627. An act for the relief of Arvin C. Sands; with amendments (Rept. No. 1365). Referred to the Committee of the Whole House.

Mr. OWEN: Committee on Claims. S. 2672. An act for the relief of Mabel S. Parker; without amendment (Rept. No. 1366). Referred to the Committee of the Whole House.

Mr. COFFIN: Committee on Military Affairs. H.R. 437. A bill for the relief of Charles Davis; with amendment (Rept. No. 1371). Referred to the Committee of the Whole House.

Mr. COLLINS of California: Committee on Indian Affairs. S. 838. An act for the relief of Anson H. Pease; without amendment (Rept. No. 1373). 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. JOHNSON of West Virginia: A bill (H.R. 9355) to increase the postage charge for the return of dead letters and to provide for the collection of a registry fee upon such letters when containing money; to the Committee on the Post Office and Post Roads.

By Mr. COFFIN: A bill (H.R. 9356) to amend section 36 of the Emergency Farm Mortgage Act of 1933, and amendments thereto, relating to the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

By Mr. CHAPMAN: A bill (H.R. 9357) to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes; to the Committee on the Public Lands.

By Mr. DOCKWEILER: A bill (H.R. 9358) to authorize the issuance of a medal to members of the Army of Occupation of Germany; to the Committee on Military Affairs.

By Mrs. NORTON: A bill (H.R. 9359) to provide for the regulation of the business of making small loans in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. TRUAX: A bill (H.R. 9360) to authorize and empower the Reconstruction Finance Corporation to make personal loans secured by promissory notes of the borrower with one or more comakers; to the Committee on Banking and Currency.

By Mrs. NORTON: A bill (H.R. 9361) to authorize the Secretary of the Interior to build a stadium at the end of East Capitol Street, and for other purposes; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 9362) to amend the act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia", approved February 27, 1929; to the Committee on the District of Columbia.

By Mr. CROWE: A bill (H.R. 9363) to clarify the provisions of section 19 of the Immigration Act of February 5, 1917, to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. SCHULTE: A bill (H.R. 9364) to provide for legalizing the residence in the United States of certain classes of aliens; to the Committee on Immigration and Naturalization.

By Mr. WEIDEMAN: A bill (H.R. 9365) to extend nonquota status to certain relatives and to limit the class of aliens entitled to first preference in the issuance of immigration visas; to the Committee on Immigration and Naturalization.

By Mr. COLMER: A bill (H.R. 9366) to amend section 8 of the Immigration Act of February 5, 1917 (39 Stat. 874); to the Committee on Immigration and Naturalization.

By Mr. WEIDEMAN: A bill (H.R. 9367) to provide a penalty upon vessels arriving in the United States having on board stowaways; to the Committee on Immigration and Naturalization.

By Mr. STEAGALL: A bill (H.R. 9368) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes; to the Committee on Banking and Currency.

By Mr. WALTER: A bill (H.R. 9369) to prevent shipment of machine guns, submachine guns, sawed-off shotguns, and bullet-proof vests in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN: A bill (H.R. 9370) to authorize an appropriation of money to facilitate the apprehension of certain persons charged with crime; to the Committee on the Judiciary.

By Mr. DIMOND: A bill (H.R. 9371) to authorize the incorporated town of Douglas City, Alaska, to undertake certain municipal public works, including construction, reconstruction, enlargement, extension, and improvements of its water-supply system; and construction, reconstruction, enlargement, extension, and improvements to sewers, and for such purposes to issue bonds in any sum not exceeding $40,000; to the Committee on the Territories.

By Mr. RAYBURN: Resolution (H.Res. 363) for the consideration of H.R. 9323, a bill to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BURKE of California: A bill (H.R. 9372) for the relief of John J. Sweeney; to the Committee on Naval Affairs.

By Mr. HANCOCK of North Carolina: A bill (H.R. 9373) for the relief of John Y. Stokes; to the Committee on Military Affairs.

By Mr. HOEPPEL: A bill (H.R. 9374) for the relief of Vincent Ford; to the Committee on Military Affairs.

By Mr. JENKINS of Ohio: A bill (H.R. 9375) for the relief of the Mohawk Coal Co.; to the Committee on Claims.

By Mr. KINZER: A bill (H.R. 9376) granting an increase of pension to Anna B. Miller; to the Committee on Invalid Pensions.

By Mr. LEE of Missouri: A bill (H.R. 9377) for the relief of Rock White; to the Committee on Military Affairs.

By Mr. McCORMACK: A bill (H.R. 9378) for the relief of Walter M. Cass; to the Committee on Naval Affairs.

Also, a bill (H.R. 9379) for the relief of Charles J. LaFarge; to the Committee on Naval Affairs.

By Mr. MEAD: A bill (H.R. 9380) for the relief of Mary Czap; to the Committee on Claims.

By Mr. O'CONNOR: A bill (H.R. 9381) for the relief of Max Geissler; to the Committee on Claims.

By Mr. REECE: A bill (H.R. 9382) granting a pension to Elmer J. Rush; to the Committee on Pensions.

Also, a bill (H.R. 9383) granting a pension to Annie Hankal; to the Committee on Pensions.

By Mr. TARVER: A bill (H.R. 9384) for the relief of Luther M. Turpin and Amanda Turpin; to the Committee on Claims.

PETITIONS, ETC.

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

4281. By Mr. BOYLAN: Letter from the Workers Unemployed Union of the Hudson Guild Local No. 4, New York City, favoring the passage of House bill 7598, to provide for the establishment of unemployment and social insurance, and for other purposes; to the Committee on Labor.

4282. Also, letter from Rand McNally & Co., New York City, opposing the Wagner Disputes Act; to the Committee on Labor.

4283. By Mr. BRUNNER: Petition of the St. Raymond's Holy Name Society, East Rockaway, N.Y., in support of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4284. By Mr. CONNERY: Petition of the Revere City Council, Revere, Mass., favoring passage of the McLeod bill, which would guarantee payment of frozen assets in closed banks; to the Committee on Banking and Currency.

4285. Also, petition of the Bricklayers and Masons Union, No. 10, of Lawrence, Mass., favoring the passage of the Wagner-Lewis unemployment insurance bill; to the Committee on Labor.

4286. By Mr. CULKIN: Petition of the mayor and Common Council, of the city of Oswego, N.Y., together with 34 other business men and industrialists of that city, urging the immediate passage of legislation providing direct loans to industry by the Government; to the Committee on Banking and Currency.

4287. By Mr. HEALEY: Petition of the City Council of the City of Cambridge, Mass., favoring the McLeod bill; to the Committee on Banking and Currency.

4288. Also, petition of the city council of the city of Cambridge, Mass., favoring the Wagner-Costigan antilynch bill; to the Committee on the Judiciary.

4289. By Mr. HOWARD: Petition of H. McKim, of Adams, Nebr., and many other producers of livestock in Nebraska, urging the passage of Senate bill 3064; to the Committee on Agriculture.

4290. By Mr. KELLY of Pennsylvania: Petition of 356 citizens of McKeesport, Pa., and vicinity, protesting against curtailment of Postal Service; to the Committee on the Post Offices and Post Roads.

4291. By Mr. KENNEY: Petition in the nature of a resolution of the members of Westwood Council, Knights of Columbus, of the city of Westwood, State of New Jersey, calling upon 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 nonprofit-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.

4292. Also, petition in the nature of a resolution of the executive board of the New Jersey State League of Municipalities, respectfully petitioning and urging upon the President of the United States and the Members of the Congress thereof that additional funds be made available to the Federal Emergency Relief Administration, in order to enable it to adequately care for the relief needs of unemployed citizens prior to the next regular session of Congress, and that the Federal Government be urged to formulate a long-time relief program because of the fact that it is now apparent that the problem of unemployment relief is not temporary and it is impossible for local governments to intelligently plan relief activities on any long-time basis under the present system of constantly changing Federal relief policies; to the Committee on Appropriations.

4293. Also, petition in the nature of a resolution of the members of Westwood Council, Knights of Columbus, of

Westwood, N.J., calling upon our Senators and Representative 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 of 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.

4294. Also, petition in the nature of a resolution of the members of the Junior Holy Name Society of the Parish of Edgewater, N.J., calling upon our Senators and Representative 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.

4295. Also, petition in the nature of a resolution of the members of St. Theresa's Parish, of Cresskill, N.J., calling upon our Senators and Representative 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 the radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

4296. Also, petition in the nature of a resolution of members of the Senior Holy Name Society of the Parish of Edgewater, N.J., calling upon our Senators and Representative 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.

4297. Also, petition in the nature of a resolution of the executive board of the New Jersey State League of Municipalities, urging upon the Federal Government to provide funds to bear the cost of unfinished approved projects as begun under the Civil Works Administration program; to the Committee on Appropriations.

4298. Also, petition in the nature of a resolution of the Phil Sheridan Council, No. 2229, Knights of Columbus, of Ridgefield Park, N.J., in council assembled, endorsing the amendments as presented by Father Harney, and instructing the grand knight to so advise the President of the United States, Franklin Delano Roosevelt, the White House, and our representatives to the Congress, to wit, the Honorable HAMILTON KEAN and W. WARREN BARBOUR, of the Senate, and the Honorable EDWARD A. KENNEY, of the House of Representatives (the amendments referred to pertain to Senate bill 2910—this bill devised to accord to human welfare and other nonprofit agencies a fair proportion of radio time and location); to the Committee on Merchant Marine, Radio, and Fisheries.

4299. Also, petition in the nature of a resolution of the Federation of Holy Name Societies of the Diocese of Newark, N.J., representing its membership in calling upon our Senators and Representatives in Congress to support the amendment of 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 of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

4300. Also, petition in the nature of a resolution of the members of St. Joseph's Parish, of Demarest, N.J., calling upon our Senators and Representative 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.

4301. Also, petition in the nature of a resolution of the members of Jersey City Council, No. 137, Knights of Columbus, commending the program of radio station WLWL as being thoroughly representative of radio's highest purpose—namely, to serve public interest, convenience, and necessity—and that we place ourselves on record as approving the radio station WLWL's struggle against monopolistic commercial interests, and dedicate ourselves to support with every means at our command the efforts of an agency which has been productive of so much good will, tolerance, and enlightenment; to the Committee on Merchant Marine, Radio, and Fisheries.

4302. By Mr. LEHR: Memorial of the Jackson Association of Life Underwriters, at its annual meeting in Jackson, Mich., commending the President of the United States for resisting the pressure in favor of unsound monetary policies and as favoring the continuation of a sound currency; to the Committee on Coinage, Weights, and Measures.

4303. Also, petition of the Southern Association of Congregational and Christian Churches of Michigan, favoring legislation for the nationalization of all munition and arms manufacturing plants, thus taking out of the realm of private profit the matter of national defense; to the Committee on Military Affairs.

4304. By Mr. LINDSAY: Petition of Anne M. Flood and nine others, all of Brooklyn, N.Y., urging the passage of the Ickes-Collier program for the betterment of conditions among the American Indians; to the Committee on Indian Affairs.

4305. Also, petition of the Air Preheater Corporation, New York City, opposing the passage of House bill 8720 in its present form; to the Committee on Interstate and Foreign Commerce.

4306. Also, petition of the National Association of Railroad and Utilities Commissioners, Washington, D.C., urging the enactment of Senate bill 752 in its original form; to the Committee on Interstate and Foreign Commerce.

4307. By Mr. LUDLOW. Petition of residents of Indianapolis, Ind., protesting against discriminatory operation of busses and trucks, and requesting the enactment of regulatory measures; to the Committee on Interstate and Foreign Commerce.

4308. By Mr. McCORMACK: Petition of the city council of the city of Cambridge, Mass., endorsing the Costigan-Wagner bill, the so-called "antilynch bill"; to the Committee on the Judiciary.

4309. Also, petition of the city council of the city of Cambridge, Mass., urging early and favorable consideration of the McLeod bank bill; to the Committee on Banking and Currency.

4310. By Mr. RICH: Petition of citizens of Williamsport, Pa., favoring the passage of the McLeod banking bill; to the Committee on Banking and Currency.

4311. By Mr. RUDD: Petition of the Superheater Co., New York City, favoring certain modifications to the stock-exchange bill (H.R. 8720); to the Committee on Interstate and Foreign Commerce.

4312. Also, petition of Anne M. Flood and nine other citizens, of Brooklyn, N.Y., favoring the Ickes-Collier program for the betterment of conditions among the American Indians; to the Committee on Indian Affairs.

4313. By Mr. SABATH: Petition of the National Alliance of Bohemian Catholics, urging support of Senate bill 2910 to provide 25-percent allotment of radio facilities to non-

profit-making organizations; to the Committee on Merchant Marine, Radio, and Fisheries.

4314. By Mr. WOLCOTT: Memorial of the township commission of Erin Township, Macomb County, Mich., urging the passage of the McLeod bill (H.R. 7908) for the relief of bank depositors; to the Committee on Banking and Currency.

4315. By the SPEAKER: Petition of Pontiac, Mich., urging passage of the McLeod bank bill; to the Committee on Banking and Currency.

4316. Also, petition of the American Society for Pharmacology and Experimental Therapeutics, urging passage of Senate bill 2800; to the Committee on Interstate and Foreign Commerce.

4317. Also, petition of Bellwood, Ill., urging the issuance of $30,000,000,000 and the method by which same should be placed in circulation; to the Committee on Ways and Means.

4318. Also, petition of St. John the Baptist Parish, of Newport and Middleville, N.Y., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4319. Also, petition of St. Francis Parish, of North Adams, Mass., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4320. Also, petition of St. Anne's Sodality of St. Matthew's Parish, of Milwaukee, Wis., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4321. Also, petition of St. Mary's Parish, of Mount Vernon, Ill., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4322. Also, petition of St. Matthew's Benevolent Society, of St. Paul, Minn., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

SENATE

FRIDAY, APRIL 27, 1934

(Legislative day of Thursday, Apr. 26, 1934)

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

MEMORIAL SERVICES FOR DECEASED SENATORS AND REPRESENTATIVES

Mr. ROBINSON of Arkansas. Mr. President, in the Hall of the House of Representatives, that body convening at noon today, memorial services will be held in memory of 10 deceased Members of the House and 4 former Members of this body who died during their terms of service, the Honorable THOMAS J. WALSH, late a Senator from the State of Montana; the Honorable ROBERT B. HOWELL, late a Senator from the State of Nebraska; the Honorable PORTER H. DALE, late a Senator from the State of Vermont; and the Honorable JOHN B. KENDRICK, late a Senator from the State of Wyoming.

I ask unanimous consent that the Senate take a recess until the hour of 1:15 p.m. today in order that Senators may be afforded the opportunity of attending the ceremonies.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Thereupon, at 12 o'clock and 2 minutes p.m., the Senate took a recess until 1:15 p.m.

At the expiration of the recess the Senate reassembled, and the President pro tempore took the chair.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Interstate Commerce:

STATE OF NEW YORK,
IN SENATE,
Albany, April 12, 1934.

By Mr. Burchill

Whereas the Missionary Society of St. Paul the Apostle, a domestic corporation of the State of New York, owns and operates, in the city of New York, Radio Station WLWL; and

Whereas such radio station is maintained for rendering religious, educational, cultural, and social service; and

Whereas in July 1925 the Department of Commerce granted to the said Missionary Society of St. Paul the Apostle a class b commercial license, no. 1829, to broadcast with 5,000-watt power and with unlimited time; and

Whereas on the 13th day of October 1926, due to a request from the Department of Commerce, the Radio Station WLWL changed its frequency from 1,040 to 780 under license no. 1829 with the enjoyment of unlimited time; and

Whereas said license no. 1829 was renewed without change on January 22, 1927; and

Whereas the Federal Radio Commission was created in February 1927 and said commission requested all stations to designate the minimum number of hours necessary to their existence; and

Whereas Radio Station WLWL specified the evening hours of 7:30 to 9:30 on Sunday and 8 p.m. to 11 p.m. on week days, Monday to Saturday inclusive, with 1 hour Thursday mornings; and

Whereas the Federal Radio Commission notified Radio Station WLWL that it would have to broadcast on a 1020 frequency instead of 780 frequency and Radio Station WLWL appealed from said ruling, and on June 8, 1927, was assigned to an 810 frequency; and

Whereas on June 10, 1927 the Federal Radio Commission caused Radio Station WLWL to share the frequency 810 with a commercial Station WMCA; and

Whereas the hours on the air to be enjoyed by Radio Station WLWL were to be fixed by the commercial Station WMCA; and

Whereas in September 1928 the Federal Radio Commission assigned Radio Station WLWL to 1,100 frequency, together with the commercial Station WPG of Atlantic City; and

Whereas Station WLWL was assigned 15½ broadcasting-hours per week and WPG was assigned 110½ broadcasting-hours per week; and

Whereas the license of WPG was renewed despite the fact that, in violation of the rulings of the Commission, it had leased not only all its broadcasting hours, but had surrendered control over the programs and operations of its station to the Columbia Broadcasting System; and

Whereas there are 30 radio stations in the United States classified as educational, enjoying a total of 817 hours and 40 minutes of broadcasting time each week, or an average of 4 hours per day for each station; and

Whereas the broadcasting time assigned to educational radio stations amounts to but 2½ percent of all broadcasting time; and

Whereas it is the proud boast of the United States that its people are devoted to the cause of education and to freedom in the exercise of religious beliefs: Now, therefore, be it

Resolved (if the assembly concur), That the Congress of the United States be, and it is hereby memorialized, to enact with all convenient speed, such measures as may be necessary to increase the broadcasting time of educational and religious associations to one quarter of all the radio-broadcasting facilities; and be it further

Resolved (if the assembly concur), That Radio Station WLWL, owned and operated by the Missionary Society of St. Paul the Apostle, in the city of New York, State of New York, be granted a reasonable extension of its broadcasting time; and be it further

Resolved (if the assembly concur), That a copy of this resolution be submitted to the Secretary of the United States Senate and the Clerk of the House of Representatives, and to each Senator and Member of the House of Representatives elected from the State of New York, and that the latter be urged to use their best offices to procure the enactment of such legislation as will accomplish the purpose of this resolution.

By order of the senate.

MARGUERITE O'CONNELL, *Clerk.*

In assembly, April 18, 1934.
Concurred in without amendment.
By order of the assembly.

FRED W. HAMMOND, *Clerk.*

The PRESIDENT pro tempore also laid before the Senate the following concurrent resolution of the Legislature of the State of New York, which was referred to the Special Committee on Conservation of Wild Life Resources:

STATE OF NEW YORK,
IN SENATE,
Albany, April 20, 1934.

By Mr. Nunan

Whereas President Roosevelt's Committee on Wild Life Restoration has submitted a report embodying suggestions for action by the Federal Government to restore and enlarge the wild-life resources of the Nation; and

Whereas this report has been received with virtually unanimous praise from conservationists from every part of the State of New York and elsewhere throughout the United States; and

Whereas the conservation commissioner of the State of New York, after close examination of the report, has endorsed it enthusiastically: Therefore be it