responsibility of publicly owned parks, pools, and beaches under national industrial codes; to the Committee on Banking and Currency.

4582. By Mr. LINDSAY: Petition of the New York Mercantile Exchange, New York City, objecting to certain features of S. 3326; to the Committee on Interstate and Foreign Commerce.

4583. Also, telegram from Adelaide J. Huff, Brooklyn, N.Y., opposing the passage of the Vinson bill (H.R. 9068); to the Committee on Naval Affairs.

4584. Also, petition of the Associated General Contractors of America, Inc., Washington, D.C., endorsing the Cartwright bill (H.R. 8781) for highway funds; to the Committee on Roads.

4585. Also, petition of the New York State Association of Highway Engineers, Rochester, N.Y., urging support and passage of the Cartwright bill (H.R. 8781); to the Committee on Roads.

4586. Also, petition of Joseph Byrne, New York City, opposing the stock exchange regulatory bill as passed by the House; to the Committee on Interstate and Foreign Commerce.

4587. By Mr. McLEOD: Petition of approximately 95 citizens of Grayville, Ill., urging the immediate enactment of the McLeod bank depositors pay-off bill; to the Committee on Rules.

4588. Also, petition of approximately 8,000 citizens of Detroit, Mich., forwarded by the Detroit Times, urging the immediate enactment of the McLeod bank depositors pay-off bill; to the Committee on Rules.

4589. Also, petition of approximately 25,000 citizens of the State of Ohio, forwarded by the Cleveland News, Cleveland, Ohio, urging the immediate enactment of the McLeod bank depositors pay-off bill; to the Committee on Rules.

4590. By Mr. SMITH of Washington: Petition containing approximately 550 names of residents in southwestern section of State of Washington in support of the Townsend old-age revolving pension fund; to the Committee on Labor.

4591. By Mr. RUDD: Petition of Catholic Central Verein of America, New Jersey branch, Union City, N.J., favoring the passage of the Rudd bill (H.R. 8977) to amend the Radio Act of 1927, approved February 23, 1927; to the Committee on Merchant Marine, Radio, and Fisheries.

4592. Also, petition of the Associated General Contractors of America, Inc., favoring the passage of the Cartwright bill (H.R. 8781); to the Committee on Roads.

4593. Also, petition of New York Mercantile Exchange, New York City, opposing certain features of Senate bill 3326; to the Committee on Interstate and Foreign Commerce.

4594. Also, petition of the New York State Association of Highway Engineers, Rochester chapter, favoring the passage of the Cartwright bill (H.R. 8781); to the Committee on Roads.

4595. By the SPEAKER: Petition of Henry C. Carr and others, urging the adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4596. Also, petition of the Altar Sodality of St. Edmunds Parish, Watseka, Ill., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4597. Also, petition of St. Edmunds Parish, Watseka, Ill., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4598. Also, petition of Catholic Daughters of America, Beloit, Kans., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4599. Also, petition of Catholic Chinese Social Center, San Francisco, Calif., urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

SENATE

THURSDAY, MAY 10, 1934

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

O God, the King of Glory, who, though enshrined in mystery, dost ever reveal Thyself in the wondrous sacrament of love: Vouchsafe unto us at this morning hour a glimpse of the invisible which hovers like a consecration over the gross world of sense, touching its homely nature with the unearthly gleam of a divine beauty, that our work may be transfigured as we pursue the quest of Thy eternal purpose.

Implant in us the spirit of reverence for that order whereby past is knit to present, and give us each day a deeper sense of fellowship, that we may become a united people, a holy nation crowned with righteousness and courage, and march breast forward to the city of our God. We ask it in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day of Wednesday, May 9, when, on motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

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

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from California [Mr. McADOO] is absent because of illness; that the Senator from Georgia [Mr. RUSSELL] is absent on account of a death in his family, and that the Senator from Louisiana [Mr. LONG] is necessarily detained from the Senate.

Mr. HEBERT. I wish to announce the unavoidable absence of the Senator from Pennsylvania [Mr. REED], the Senator from Indiana [Mr. ROBINSON], and the Senator from Maine [Mr. WHITE]. I ask that this announcement shall stand for the day.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 752. An act to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards; and

S. 2671. An act repealing certain sections of the Revised Code of Laws of the United States relating to the Indians.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The message also announced that the House had passed a bill (H.R. 9123) to authorize the Secretary of War to lend War Department equipment for use at the Sixteenth National Convention of the American Legion at Miami, Fla., during the month of October 1934, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

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

S. 2313. An act providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska;

S. 2566. An act authorizing the conveyance of certain lands to the State of Nebraska;

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"; 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.

PURCHASE OF VEHICLES FROM EMERGENCY RECOVERY FUNDS

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, transmitting, in response to Senate Resolution 217 (submitted by Mr. DICKINSON and agreed to Apr. 25, 1934), a report concerning purchases of passenger-carrying vehicles out of emergency recovery funds, which, with the accompanying papers, was ordered to lie on the table.

GASOLINE PRICES (S.DOC. NO. 178)

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Trade Commission, transmitting, pursuant to Senate Resolution 166 (submitted by Mr. BORAH and agreed to Feb. 2, 1934), directing the Federal Trade Commission to investigate price fixing in the steel industry and increases in gasoline prices, a report relative to increase in the price of gasoline during the last 6 months, and what the increase of price means to the users of gasoline throughout the country in the way of additional cost, which, with the accompanying report, was ordered to lie on the table and to be printed.

SUGAR REPORT OF TARIFF COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the United States Tariff Commission, transmitting printed copy of a report sent to the President by the Commission in an investigation for the purposes of section 336 of the Tariff Act of 1930 with respect to sugar (with supplemental report on molasses and sugar sirups), instituted upon applications from interested parties, together with copy of notice issued by the Commission concerning the action of the President thereon, which, with the accompanying papers, was referred to the Committee on Finance.

PETITIONS

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from Howard W. Raines, of Baltimore, Md., praying for the prompt passage of the bill (H.R. 1) to provide for controlled expansion of the currency and the immediate payment to veterans of the face value of their adjusted-service certificates, which was referred to the Committee on Finance.

Mr. ROBINSON of Arkansas presented a letter from James L. Cooke, chairman of the Territorial Democratic convention, Honolulu, Hawaii, enclosing a resolution adopted by that convention favoring full extension to the Territory of Hawaii of the operations of the Federal Deposit Insurance Corporation, guaranteeing bank deposits up to $2,500, which, with the accompanying paper, was referred to the Committee on Territories and Insular Affairs.

REPORTS OF COMMITTEES

Mr. THOMAS of Oklahoma, from the Committee on Appropriations, to which was referred the bill (H.R. 9061) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes, reported it with amendments and submitted a report (No. 930) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 3491) authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain, and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N.Dak., reported it with an amendment and submitted a report (No. 964) thereon.

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

S. 3493. An act to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved February 13, 1931 (Rept. No. 965);

H.R. 8241. An act to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers, in the county of Allegheny, Pa. (Rept. No. 931);

H.R. 8714. An act to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S.C. (Rept. No. 932);

H.R. 8937. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Delphi, Ind. (Rept. No. 933);

H.R. 8951. An act authorizing the city of Shawneetown, Ill., to construct, maintain, and operate a toll bridge across the Ohio River at or near a point between Washington Avenue and Monroe Street, in said city of Shawneetown, and a point opposite thereto in the county of Union and State of Kentucky (Rept. No. 934);

H.R. 9000. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Holtwood, Lancaster County (Rept. No. 935);

H.R. 9065. An act granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at Turners Falls, Mass. (Rept. No. 936);

H.R. 9257. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Bainbridge, Lancaster County, and Manchester, York County (Rept. No. 937); and

H.R. 9271. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Millersburg, Dauphin County, Pa. (Rept. No. 938).

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 1947) to provide for the creation of the St. Croix Island National Monument located near the mouth of the St. Croix River in the State of Maine, and for other purposes, reported it with amendments and submitted a report (No. 939) thereon.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (S. 3096) for the relief of John T. Garity, reported it without amendment and submitted a report (No. 940) thereon.

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (S. 2619) for the relief of E. Clarence Ice, reported it with amendments and submitted a report (No. 941) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 2272) for the relief of Bert Moore, reported it with amendments and submitted a report (No. 942) thereon.

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

S. 3366. An act for the relief of C. O. Meyer (Rept. No. 943); and

H.R. 3056. An act for the relief of James B. Conner (Rept. No. 944).

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 1158. An act for the relief of Annie I. Hissey (Rept. No. 945);

H.R. 1933. An act for the relief of Philip F. Hambsch (Rept. No. 946);

H.R. 2322. An act for the relief of C. K. Morris (Rept. No. 947);

H.R. 2438. An act for the relief of Ruby F. Voiles (Rept. No. 948);

H.R. 3161. An act for the relief of Henry Harrison Griffith (Rept. No. 949); and

H.R. 7289. An act for the relief of H. A. Soderberg (Rept. No. 950).

Mr. CAPPER also, from the Committee on Claims, to which was referred the bill (H.R. 2418) for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners, reported it with an amendment and submitted a report (No. 951) thereon.

He also, from the same committee, to which was referred the bill (H.R. 2414) for the relief of Emerson C. Salisbury, reported it with amendments and submitted a report (No. 952) thereon.

Mr. WHITE, from the Committee on Claims, to which was referred the bill (S. 3486) for the relief of George L. Rulison, reported it with an amendment and submitted a report (No. 953) thereon.

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

H.R. 1977. An act for the relief of R. A. Hunsinger (Rept. No. 954);

H.R. 3295. An act for the relief of the estate of White B. Miller (Rept. No. 955);

H.R. 3300. An act for the relief of George B. Beaver (Rept. No. 956);

H.R. 3302. An act for the relief of John Merrill (Rept. No. 957); and

H.R. 4690. An act for the relief of Eula K. Lee (Rept. No. 958).

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

H.R. 2433. An act for the relief of Anna H. Jones (Rept. No. 959); and

H.R. 7168. An act for making compensation to the estate of Nellie Lamson (Rept. No. 960).

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3307. An act for the relief of W. H. Le Duc (Rept. No. 961);

H.R. 1943. An act for the relief of A. H. Powell (Rept. No. 962); and

H.R. 2054. An act for the relief of John S. Cathcart (Rept. No. 963).

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which were referred the following bills, reported them each without amendment and submitted a report, as indicated:

S. 2868. An act to remove inequities in the law governing eligibility for promotion to the position of chief clerk in the Railway Mail Service; and

H.R. 5477. An act to fix the rates of postage on certain periodicals exceeding 8 ounces in weight (Rept. No. 966).

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 3544) to extend further the operation of an act of Congress approved January 26, 1933 (47 Stat. 776) entitled "An act relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects", reported it without amendment and submitted a report (No. 967) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 9th instant that committee presented to the President of the United States the following enrolled bills:

S. 285. An act to authorize the addition of certain lands to the Ochoco National Forest, Oreg.;

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. 1506. An act to amend the United States mining laws applicable to the Mount Hood National Forest within the State of Oregon;

S. 1810. An act to amend the act authorizing the issuance of the Spanish War Service Medal;

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. 2901. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of the State of Arkansas into the Union;

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.; and

S. 3355. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundredth anniversary of the birth of Daniel Boone.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. McNARY:

A bill (S. 3583) for the relief of Roy Alvey Jones; to the Committee on Military Affairs.

By Mr. SMITH:

A bill (S. 3584) to amend the Agricultural Adjustment Act, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. LEWIS:

A bill (S. 3585) for the relief of Josephine Matson; to the Committee on Claims.

By Mr. ROBINSON of Arkansas:

A bill (S. 3586) for the relief of George A. Fox; to the Committee on Naval Affairs.

By Mr. WHEELER:

A bill (S. 3587) to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children; to the Committee on Indian Affairs.

By Mr. NORRIS:

A joint resolution (S.J.Res. 115) to provide for the continuation of the investigation authorized by Senate Resolution 83, Seventieth Congress, first session; to the Committee on Interstate Commerce.

HOUSE BILL REFERRED

The bill (H.R. 9123) to authorize the Secretary of War to lend War Department equipment for use at the Sixteenth National Convention of the American Legion, at Miami, Fla., during the month of October 1934, was read twice by its title and referred to the Committee on Military Affairs.

REGULATION OF SECURITIES EXCHANGES—AMENDMENTS

Mr. KEAN and Mr. STEIWER each submitted an amendment and Mr. HEBERT submitted 14 amendments, intended to be proposed by them, respectively, to 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, which were severally ordered to lie on the table and to be printed.

ALLEGED PRICE FIXING AND MONOPOLISTIC PRACTICES IN THE CEMENT INDUSTRY

Mr. SHIPSTEAD submitted a resolution (S.Res. 238), which was ordered to lie on the table, as follows:

Whereas certain public officials, Federal and State, and others have complained of certain practices generally prevailing in the cement industry and their inability to purchase cement for purposes of governmentally financed and other construction at other than identical delivered prices quoted by all cement producers, and such officials and others have questioned the reasonableness, fairness, and legality of such practices; and

Whereas the cement industry has adopted a code governing trade practices in such industry: Now, therefore, be it

Resolved, That the Federal Trade Commission be, and the same is hereby, directed to make an investigation concerning alleged price-fixing and monopolistic practices within the cement industry with a view to determining particularly:

1. Whether and to what extent the industry is indulging in price-fixing and monopolistic practices as a result of or in connection with its code of fair competition.

2. The reasons for and the results of the practice of making all sales of cement at delivered prices only.

3. The reasons for and the results of the general practice of arriving at such delivered prices by the use of all-rail transportation although other and cheaper means of transportation exists.

4. The factors which make up such delivered prices, including (a) actual transportation costs; (b) fictitious delivery charges, if any; (c) actual prices received and the relation between them and the cost of producing and selling cement.

5. Whether and to what extent price discrimination is practiced against purchasers of cement in the same or different localities.

6. The origin and development of the methods of merchandising employed in the cement industry and their actual and potential effect upon prices and competitive conditions.

7. Whether and to what extent the cement industry is interested in or is controlled by the members of any other industry.

The Commission shall report to the Senate as soon as practicable the result of its investigation, together with its recommendations. If such report shall be completed during any recess of the Congress, it shall be transmitted to the Secretary of the Senate and the Clerk of the House of Representatives and, upon its receipt by such officers, shall be printed as a document.

MESSAGES FROM THE PRESIDENT

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

TENDENCIES OF ADMINISTRATION POLICIES

Mr. DICKINSON. Mr. President, I ask unanimous consent to insert in the RECORD a resolution signed by a regent of the Daughters of the American Revolution, a commander of the Veterans of Foreign Wars, and members of other patriotic organizations based upon an editorial in the Los Angeles Times entitled "The Trek to Moscow."

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

[From the Los Angeles Times, Apr. 20, 1934]

THE TREK TO MOSCOW

As was significantly predicted in advance by those in control of it, the "investigation" of the Wirt charges of communistic tendencies in the United States Government has been ended with a shrug of contempt for the honest if inept effort of the Gary educator to throw the spotlight on as dangerous a condition as has ever existed in this country.

The Wirt inquiry has been a farce, but not in the sense in which Speaker RAINEY and the well-named BULWINKLE so referred to it.

In spite of the best efforts of the committee minority to bring out the really significant facts, the BULWINKLE majority steamrollered everything but the superficialities which everyone knew beforehand to be of no real importance.

The real issue for determination by the inquiry was whether or not the American Government, in its policies and in the character of its administration advisers, is headed toward the left—what the press of Europe refers to as the "Yankee trek to Moscow"—on the road of radicalism, socialism, and finally communism. Not a syllable of evidence pertinent to that issue was allowed to go into the record. Not a word of the admitted socialistic and communistic sympathies, associations, writings, and beliefs of the dozen or more principals among the President's professariat of advisers—sometimes miscalled the "brain trust." Not a word of the fact that, under the guidance of these radicals, the Democratic Party's own program as set forth in its 1932 platform and pledges has been junked and that of the Socialist Party substituted and executed. Not a word of the contemptuous sneer of Prof. Rexford G. Tugwell, "brain truster" in chief and champion of communism, for Americans who still believe in the United States Constitution—a faith which Professor Tugwell designates as "unreasoning hysteria." Not a word of the picture of a communistic United States drawn in the writings of Prof. A. A. Berle, Jr., another of the "kitchen cabinet." Not a word of the membership in the American Civil Liberties Union and other radical organizations and groups of Tugwell, Assistant Secretary of Agriculture; Prof. Leo Wolman, Labor Strike Board; Prof. Paul H. Douglas of the N.R.A.; Prof. Albert Taussig, N.R.A.; Jerome Frank, general counsel for the A.A.A.; James M. Landis, Federal Trade Commission; Dr. Frederic C. Howe, A.A.A.; Clarence Darrow, N.R.A. board chairman; Henry T. Hunt, former Socialist mayor, now of the P.W.A.; Nathan R. Margold, Interior Department; Sidney Hillman, Labor Advisory Board; Robert Marshall, Bureau of Indian Affairs; William E. Dodd, Ambassador to Germany; Rose Schneiderman, noted New York radical, now of the N.R.A.; and others. Not a word of the millionaire Communist and Lenin messenger, William C. Bullitt, who engineered the recognition of Soviet Russia and is now our Ambassador to that country. Not a word of the pro-Soviet Mordecai Ezekiel, Tugwell's second-in-command. Not a word of Bullitt's sponsorship in the State Department by Prof. Raymond Moley, one of the President's nearest advisers. Not a word of the socialistic policies and dictatorship forced upon the country by these men and their associates, as radical a group as is to be found outside of Moscow.

It is high time for this country to take account of stock, to balance its ledgers, to inventory the alarming drift toward the left, which increasingly characterizes our affairs, governmental, financial, and social, under the influence of this group.

Unless remedial steps are quickly taken to control a menace more real than many understand, we will soon have traveled so far in that direction that the way back will be lost in a crazy patchwork of tangled paths.

In California we have ample evidence of the activities of a group of well-paid, well-organized agitators, fed and supported by the United States Government, at the height of their subversive efforts to destroy our agricultural and industrial systems by means of strikes and sabotage. These can be dealt with by direct force when necessity supersedes all other methods, but in Washington there has insidiously crept into camp an enemy whose operations strike far deeper and which may not be so simply rooted out because it has made itself the motive force of the very Government.

This is not a political question. The issue is not one between Republicans and Democrats or between the "ins" and the "outs." It is one of Americanism versus communism—or whatever other name the powers of radicalism see fit to give it.

A distinguished southern Democrat, prominent in the counsels of his party since 1886 and an enthusiastic supporter of the Roosevelt candidacy, was invited recently to become a member of the American Alliance, an anti-Communist organization. His reply to this invitation, not written for publication, is fairly indicative of the state of mind to which conservative members of the party and honest believers in the Roosevelt platform now find themselves.

"If the Democratic Party", says this man, "had declared for the things that our party is now doing in Washington, how many States do you suppose it would have carried? Suppose the platform had declared for the killing of pigs, the plowing under of cotton, the plowing under of wheat, the deliberate debasing of our currency, the teaching that the way to have a return to prosperity is to work as little as possible, spend more than we have, and borrow what we cannot repay; the recognition of Russia, the proposed reduction of the foreign debt, the running of all private business by various commissions and bureaus in Washington, the enormous increase in the public debt, etc., etc. It probably would not have carried one State.

"So what is the use of having any more organizations protesting against the spread of communism in the United States? Communism is not much worse than what is now being done in Washington."

The mandates upon which the President and his party were swept into power by an unprecedented vote have not only been ignored and repudiated but the very reverse of what was promised is coming to pass.

Consider briefly a few of the things that have been done during the momentous period since the present administration came into being:

A concerted plan to set up an industrial dictatorship and to break down amicable relations between employer and employee has been established. Wherever and whenever possible capital has been penalized, initiative rebuked, and private business brought under Government control. The liberty of the individual to conduct his own affairs and to direct his own finances has been arbitrarily curtailed. Currency has been destabilized, the gold standard abandoned, unlimited inflation threatened. Merchants are told what prices they may charge, how long they may keep their shops open, and upon what terms they may employ help. Farmers are told how much they may plant and of what. Private investments have been ruthlessly wiped out, private property confiscated, and private rights violated, as witness the wrecking, overnight, of the world's finest airway system of transportation, without due process of law, and with penalties provided for seeking court redress. Confidence has been undermined and the credit structure brought under Government control to such an extent that many a small business man has been wiped out. The fundamental guaranties of the Constitution and the Bill of Rights have been infringed. Economic ruin through the boycott of any business man presuming to resist universal Government regimentation is urged by the Government itself. More than $2,000,000,000 of private savings have been confiscated by the Government through the seizure of gold and the subsequent devaluation of the dollar. A system of taxation avowedly based on the socialistic theory of the redistribution of wealth has been enacted into law.

Public ownership of utilities and natural resources is being pushed as rapidly as possible. A large percentage of the people have been made directly dependent upon the Government. Nationalization has already gone far. Pension rolls are increased until they are little more than dole rolls. A great and growing debt, with its concomitant of almost confiscatory taxation, rests like a wet blanket over the country. With the recognition of Russia, Communist propaganda flooded the United States. Los Angeles is alive with it. Socialization of banks has been all but achieved. Railroads, communications, and other of our great industries upon which the wealth and prosperity of the country are largely based are earmarked for early Government control. "Controlled public opinion" is aimed at through increasing Government censorship of news.

Without realizing its danger to the full the United States today is facing the greatest emergency in all her history. We have been led very far along the road to real communism. American institutions, based upon the well-tried foundation of self-government, each standing upon its own feet, subject to the immutable law of supply and demand and going on to success or failure by reason of merit or lack of it, are in danger. It is high time to be up and doing or the coterie of little men, the professors now sitting at the right hand of the throne in Washington, will spread their red vaccine of death and destruction to all forms of national and individual progress.

It is no longer a question of partisan politics with which the people of this country are confronted; no longer a matter between Republicans and Democrats, or even among Republicans, Democrats, and Socialists. It is one to which the whole body of Americans must give their sober thought followed by concerted action so clear cut and definite in its presentation that the word will penetrate even the solid walls of class hatred which the minions of destruction have been so energetically rearing.

[Resolution]

Whereas it is evident to well-informed and thoughtful people that the present administration is tending toward radicalism in its most concrete forms and is being led by advisors having for their object fundamental changes in our constitutional form of government, and that such leadership, if continued, will result in the destruction of the Government under which our people have enjoyed freedom and prosperity for upwards of 150 years; and

Whereas the most insidious propaganda directed by advisors of the administration is permeating our educational institutions and influencing the youth of our land, inciting them to acts subversive of patriotism and the welfare of our country; and

Whereas nothing has been done by the Government of the United States to carry out the recommendations of the Fish congressional committee, unanimously adopted by the House of Representatives more than 3 years ago, but that instead encouragement appears to have been given to revolutionary activities by the recognition of the Soviet Government and the sympathetic attitude of many of our officials occupying high positions in Government: Therefore be it

Resolved, That we commend the efforts of all groups and individuals who sound a warning of danger following such radical changes in our Government and institutions, and we especially commend the editorial in the Los Angeles Times of April 20, 1934, entitled, "The Trek to Moscow", and request our Representative in Congress to read said editorial upon the floor of the House of Representatives and have the same incorporated in the CONGRESSIONAL RECORD; and we respectfully urge him to introduce at once, and endeavor to secure the passage of, legislation directed toward the carrying out of the recommendations of the said Fish report.

Be it further resolved, That a copy of this resolution be sent to Hon. GEORGE BURNHAM, our Representative in Congress.

Daughters of the American Revolution, San Diego County. Mrs. John H. Crippen, regent; Veterans of Foreign Wars, George N. Speer, county council commander; American Legion, George W. Fisher, commander twenty-second district; Disabled American Veterans, Carl W. Switters, commander Disabled American Veterans of the World War; Allen H. Woleghn, president San Diego chapter, Sons of American Revolution; Better America Federation, San Diego chapter, Henry C. Gardiner, president; League Against Communism, San Diego post, headquarters, C. Tennant Lee, chairman; The Forty and Eight, Dale D. Hurst, chef de gare, San Diego Voiture 732.

SAN DIEGO, CALIF., *April 23, 1934*.

POLICIES OF THE ADMINISTRATION

Mr. PATTERSON. Mr. President, I ask unanimous consent to have inserted in the RECORD a very able editorial entitled "Righteousness at Washington", appearing in the Springfield (Mo.) Leader, an independent newspaper in southern Missouri, dated May 5, 1934.

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

[From the Springfield Leader, May 5, 1934]

RIGHTEOUSNESS AT WASHINGTON

President Roosevelt, hearing that the Chamber of Commerce of the United States was preparing a resolution criticizing certain policies of his administration, hurriedly dispatched a message to the chamber's executive declaring "It is time to stop crying 'wolf' and to cooperate in working for recovery and for the continued elimination of evil conditions of the past."

This attitude of the administration, so forcefully expressed in the President's note to the chamber of commerce, has been the cause of wide-spread resentment. Mr. Roosevelt very clearly says that to criticize him or any of his policies is treason and a deliberate attempt to hamper recovery. He draws about himself the cloak of righteousness, and proclaims that anyone who does not agree with him is wrong. He is to be permitted to lead us where he may, to any end he may wish, and we may not suggest we prefer to travel another road to another destiny without being accused of endeavoring to plunge the country into darkness.

It might have been said truthfully, when Mr. Roosevelt began his tenure of office, that to maliciously hamper him was unpatriotic. He was entitled to a fair start. But no one is going to concede that a President may pursue his 4-year term promulgating policies that constituted felonies a few months ago, turning our constitutional government upside down, without those who disagree being permitted to lift their voices in protest.

We do not deny Mr. Roosevelt's self-confessed righteousness, but we do deny that righteousness always makes right. Righteousness is a man's estimation of himself and the statement from him that he is infallible does not make him so. The simple fact that Mr. Roosevelt is endeavoring to show us the way out of a depression, as many other Presidents have been called upon to do, does not give to him the privilege of denouncing all those who do not agree with him as traitors. Invariably the issue upon which a President is chosen and upon which he retains his office is one of economics. Throughout our history it has been good times versus hard times. It is of such stuff that political campaigns are made; whether it be the tariff, farm relief, free silver, railroad or banking legislation as we have known them down the years, the essence of every political action has been the improvement of the economic conditions of the people.

It illy becomes Mr. Roosevelt or his party to upbraid their critics. Looking back a few years we find that they did not choose to remain silent when one Herbert Hoover sought to relieve a depression descending upon us and, if we remember aright, a Congress that might have given aid withheld it.

We think it wicked for any political organization to assail another's policies or to hamper recovery purely for the sake of political expediency. And we think it equally wicked for anyone to remain silent when he believes men in authority are leading our Nation toward some dark abyss. We place no halo upon the brow of Mr. Roosevelt or his "brain trusters", nor do we agree with them in their self-satisfaction that they can do no wrong. To the contrary, we feel that many of their policies will prove destructive and that it is our duty, the duty of the chamber of commerce, and of all others who believe as we do to plainly say so. The President should not seek to stifle such criticism, but he should receive it gladly and weigh it carefully. There is a possibility that he and Rexford and the rest are wrong, and that those whom he charges with crying "wolf" are right.

It might be noted that the chamber of commerce respectfully heard the President's message read and promptly adopted the resolutions prepared.

THE CALENDAR

The VICE PRESIDENT. Under the unanimous-consent agreement previously entered into the calendar is in order. The clerk will state the first order of business.

BILLS PASSED OVER

The bill (S. 882) to provide for the more effective supervision of foreign commercial transactions, and for other purposes, was announced as first in order.

Mr. ROBINSON of Arkansas. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 506) conferring upon the President the power to reduce subsidies, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 583) relating to the classified civil service was announced as next in order.

Mr. VANDENBERG. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 316) relating to the qualifications of practitioners of law in the District of Columbia was announced as next in order.

Mr. COPELAND. Over.

The VICE PRESIDENT. The bill will be passed over.

LICENSING OF REAL-ESTATE BROKERS IN THE DISTRICT

The bill (S. 867) to define, regulate, and license real-estate brokers and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes, was announced as next in order.

Mr. KING. Mr. President, there have been brought to the attention of the Committee on the District of Columbia many alleged abuses on the part of vendors of real estate, or at least those pretending to represent them. It was claimed that as a result of such representations, and too often misrepresentations, by persons who were real-estate agents or claimed to be real-estate agents, many innocent persons were seriously injured, if not defrauded. The matter was fully considered by the Commissioners and by reputable real-estate brokers and dealers. The bill was prepared by the Commissioners and the corporation counsel, considered by the committee, and unanimously reported. It merely provides for licensing of real-estate dealers.

Mr. ROBINSON of Arkansas. What fee are the dealers required to pay?

Mr. KING. As I recall, the fee is $15.

The VICE PRESIDENT. 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 the District of Columbia with amendments, in section 5, on page 10, line 24, to strike out "$2,500" and insert "$5,000"; in line 25, to strike out "$1,000" and insert "$2,000"; and on page 11, after line 22, to insert the following:

Nothing in this act shall be construed to impose upon the surety on any such bond a greater liability than the total amount thereof or the amount remaining unextinguished by any prior recovery or recoveries as the case may be.

No suit or action against the surety on any such bond shall be brought later than 1 year from the accrual of the cause of action thereon. The surety may terminate its liability under such bond by giving 30 days' written notice thereof, served either personally or by registered mail, to the principal and to the Commission; and upon giving such notice the surety shall be discharged from all liability under such bond for any act or omission of the principal occurring after the expiration of 30 days from the date of service of such notice. Unless on or before the expiration of such period the principal shall duly file a new bond in like amount and conditioned as the original in substitution of the bond so terminated, the license of the principal shall likewise terminate upon the expiration of such period. Upon making any payment on account of its bond, the surety shall immediately notify the Commission.

So as to make the bill read:

Be it enacted, etc.,

ENACTMENT AND PROHIBITION CLAUSE

SECTION 1. That on and after 90 days from the date of enactment of this act it shall be unlawful in the District of Columbia for any person, firm, partnership, copartnership, association, or corporation to act as a real-estate broker or real-estate salesman, or to advertise or assume to act as such, without a license issued by the Real Estate Commission of the District of Columbia.

DEFINITIONS AND EXCEPTIONS

SEC. 2. Whenever used in this act, "real-estate broker" means any person, firm, association, partnership, or corporation who, for another and for a fee, commission, or other valuable consideration, lists for sale, sells, exchanges, buys, rents, or leases, or offers or attempts to negotiate a sale, exchange, purchase, lease, or rental of an estate or interest in real estate, or collects or offers or attempts to collect rent or income for the use of real estate, or negotiates or offers or attempts to negotiate a loan secured or to be secured by a mortgage, deed of trust, or other encumbrance upon or transfer of real estate: *Provided, however,* That this definition shall not apply to the sale of space for advertising of real estate in any newspaper, magazine, or other publication.

"Real-estate salesman" means a person employed by a licensed real-estate broker to list for sale, sell, or offer for sale, to buy or offer to buy, or to negotiate the purchase or sale or exchange of real estate, or to negotiate a loan on real estate, or to lease or rent, or offer to lease, rent, or place for rent any real estate, or collect or offer or attempt to collect rent or income for the use of real estate, for or in behalf of such real-estate broker.

Persons employed by a licensed real-estate broker in a clerical capacity, as collectors, or in similar subordinate and administrative positions shall not be required to obtain licenses. The Real Estate Commission created under this act shall have power to make rules and regulations governing this exemption.

One act for a compensation or valuable consideration of buying or selling real estate for or of another, or offering for another to buy, sell, or exchange real estate, or leasing, renting, or offering to lease or rent real estate, except as herein specifically excepted, shall constitute the person, firm, partnership, copartnership, association, or corporation performing, or offering or attempting to perform any of the acts enumerated herein, a real-estate broker or a real-estate salesman within the meaning of this act.

The provisions of this act shall not apply to receivers, referees, administrators, executors, guardians, or other persons appointed or acting under the judgment or order of any court; or public officers while performing their official duty, or attorneys at law in the ordinary practice of their profession.

CREATION OF COMMISSION

SEC. 3. There is hereby created the Real Estate Commission of the District of Columbia. The Commissioners of the District of Columbia within 30 days after the enactment of this act shall appoint two persons, not more than one of whom shall have been actively engaged in or closely connected with the business or vocation of real-estate broker or real-estate salesman within 5 years immediately prior to appointment, who shall serve as members of said Real Estate Commission of the District of Columbia. In addition thereto, the assessor of the District of Columbia shall serve, ex officio, as a member of said Real Estate Commission, but without added compensation for his services as such. One member of said Commission shall be appointed for a term of 1 year; one member shall be appointed for a term of 2 years, and until their successors are appointed and qualified; thereafter the term of the members of said Commission shall be for 3 years and until their successors are appointed and qualified. Members to fill vacancies shall be appointed for the unexpired term. The Commissioners of the District of Columbia may remove members of the Real Estate Commission at any time for cause.

The Real Estate Commission immediately upon the qualification of the member appointed in each year shall organize by selecting from its members a chairman, and may do all things necessary and convenient for carrying into effect the provisions of this act and may from time to time promulgate necessary rules, regulations, and forms.

Each member of the Commission, except the ex officio member, shall receive as full compensation for each day the greater part of which is actually devoted to the work of said Commission the sum of $15, but no member shall receive in any 1 year a greater sum than $2,000.

The Commissioners of the District of Columbia shall provide for the use of the Real Estate Commission such office space, furniture, stationery, fuel, light, and other proper conveniences as shall be reasonably necessary for carrying out the provisions of this act.

The Real Estate Commission shall employ, and at its discretion, discharge, a secretary and such assistants as shall be deemed necessary to discharge the duties imposed by the provisions of this act, and it shall prescribe their duties and fix their compensation.

The Commission shall adopt a seal with such design as it may prescribe engraved thereon by which it shall authenticate its proceedings. Copies of all records and papers in the office of the Commission, duly certified and authenticated by the seal of said Commission, shall be received in evidence in all courts equally and with like effect as the original. The Commission shall keep a record of all its proceedings and a complete stenographic record of all hearings authorized under this act.

All records kept in the office of the Commission under authority of this act shall be open to public inspection under reasonable rules and regulations to be prescribed by the Commission.

All fees, charges, fines, and penalties collected by the Commission under the provisions of this act shall be paid at least weekly to the collector of taxes for the District of Columbia for deposit in the Treasury of the United States to the credit of the District of Columbia: *Provided,* That the Commission may refund any

such fees or charges erroneously collected out of any undeposited collections in its possession.

The annual estimates of appropriations for the government of the District of Columbia for the fiscal year 1932 and succeeding fiscal years shall include estimates of appropriations for the operation and maintenance of such offices.

QUALIFICATIONS FOR LICENSE

SEC. 4. No license under the provisions of this act shall be issued to any person who has not attained the age of 21 years, nor to any person who cannot read, write, and understand the English language; nor until the Commission has received satisfactory proof that the applicant is trustworthy and competent to transact the business of a real-estate broker or real-estate salesman in such a manner as to safeguard the interests of the public.

In determining competency, the Commission shall require proof that the applicant for a broker's license has a fair understanding of the general purposes and general legal effect of deeds, mortgages, land contracts of sale and leases, a general and fair understanding of the obligations between principal and agent, as well as of the provisions of this act. Such proof of competency to act as broker shall not be required of any applicant who shall furnish proof of 2 years' experience as real-estate broker, real-estate salesman, or 2 years' employment in connection with the real-estate business in the District of Columbia.

No license shall be issued to any person, firm, partnership, copartnership, association, or corporation whose application has been rejected in the District of Columbia or any State within 3 months prior to date of application, or whose real-estate license has been revoked in the District of Columbia or any State within 1 year prior to date of application.

APPLICATION FOR LICENSE

SEC. 5. Every applicant for a license under the provisions of this act shall apply therefor in writing upon blanks furnished by the Real Estate Commission.

The application of every person for a real-estate broker's license or a real-estate salesman's license shall be accompanied by the recommendation of at least two residents of the District of Columbia, real-estate owners, who have owned real estate in the District of Columbia for a period of at least 1 year and who are not related to the applicant but who have personally known the applicant for a period of at least 6 months prior to the date of application, which recommendation shall certify that the applicant bears a good reputation for honesty, truthfulness, fair dealing, and competency, and recommend that a license be granted to the applicant.

The application of every firm, partnership, copartnership, association, or corporation for a real-estate broker's license shall state the location of the place or places for which said license is desired and set forth the period of time, if any, which said applicant has been engaged in the real-estate business, together with a complete list of all former places where the applicant may have been engaged in any business for a period of 30 days or more during the 5 years preceding date of application, accounting for such entire period. Such applications shall also state the name and residence of each individual member or officer of said applicant who actively participates in the brokerage business thereof.

The application of every individual member or officer of a firm, partnership, copartnership, association, or corporation for a real-estate broker's license shall state the full name and residence address of the applicant and the full name and business address of the firm, partnership, copartnership, association, or corporation with which he is or will be associated, the length of time he has been so associated, and in what capacity. Such application shall also state the period of time, if any, during which said applicant has been engaged in the real-estate business, together with a complete list of all former places where the applicant may have resided and all former places where the applicant may have been engaged in any business for a period of 30 days or more during the 5 years preceding date of application, accounting for such entire period.

The application of each person for an individual real-estate broker's license shall state the full name of the applicant, his business address, and residence address. Such application shall also state the period of time, if any, during which said applicant has been engaged in the real-estate business, together with a complete list of all former places where the applicant may have resided and all former places where the applicant may have been engaged in any business for a period of 30 days or more during the 5 years preceding the date of application, accounting for such entire period.

The application of every person for a real-estate salesman's license shall state the full name of the applicant, his residence address, and the name and business address of the real-estate broker by whom he is or will be employed. Such application shall also state the period of time, if any, during which said applicant has been engaged in the real-estate business, together with a complete list of all former places where the applicant may have resided and all former places where the applicant may have been engaged in any business for a period of 30 days or more during the 5 years preceding the date of application, accounting for such entire period. Such application shall be accompanied by a written statement by the broker by whom the applicant is employed or is about to be employed, stating that in his opinion the applicant is honest, truthful, and of good reputation, and recommending that the license be granted to the applicant.

Every application for a license under the provisions of this act shall be sworn to by the applicant and shall be accompanied by the license fee herein prescribed. In the event that the Commission does not issue the license the fee shall be returned to the applicant.

Every application for a license shall be accompanied by a bond in the sum of $5,000 in the case of a broker and $2,000 in the case of a salesman, running to the District of Columbia, executed by two good and sufficient sureties, to be approved by the Commission, or executed by a surety company duly authorized to do business in the District of Columbia: *Provided, however,* That no bond shall be required of any firm, partnership, copartnership, association, or corporation when the application of every member or officer of such firm, partnership, copartnership, association, or corporation actively participating in the brokerage business thereof is accompanied by a bond as provided for in this section. Said bond shall be in form approved by the Commission, and conditioned that the applicant shall conduct himself and his business in accordance with the requirements of this act; and for his failure so to do any person aggrieved thereby shall have, in addition to his right of action against the principal thereof, a right to bring suit against the surety on said bond either alone or jointly with the principal thereon, and to recover in an amount not exceeding the penalty of the bond any damages sustained by reason of any act, representations, transaction, or conduct of the principal which may be prohibited by this act or enumerated as one of the causes for suspension or revocation of a license granted hereunder.

Nothing in this act shall be construed to impose upon the surety on any such bond a greater liability than the total amount thereof or the amount remaining unextinguished by any prior recovery or recoveries as the case may be.

No suit or action against the surety on any such bond shall be brought later than 1 year from the accrual of the cause of action thereon. The surety may terminate its liability under such bond by giving 30 days' written notice thereof, served either personally or by registered mail, to the principal and to the Commission; and upon giving such notice the surety shall be discharged from all liability under such bond for any act or omission of the principal occurring after the expiration of 30 days from the date of service of such notice. Unless on or before the expiration of such period the principal shall duly file a new bond in like amount and conditioned as the original in substitution of the bond so terminated, the license of the principal shall likewise terminate upon the expiration of such period. Upon making any payment on account of its bond, the surety shall immediately notify the Commission.

The Commission, with due regard to the paramount interest of the public, may require other reasonable proof of the honesty, truthfulness, and integrity of the applicant.

The Commission is expressly vested with the power and authority to make and enforce any and all such reasonable rules and regulations connected with the application for any license as shall be deemed necessary to administer and enforce the provisions of this act.

PROCEDURE WHEN LICENSE IS REFUSED APPLICANT

SEC. 6. The Commission, after an application in proper form has been filed, shall, before refusing to issue a license, set the application down for a hearing and determination as hereinafter provided in section 9.

DETAILS RELATING TO LICENSE

SEC. 7. The Commission shall issue to each licensee a license in such form and size as shall be prescribed by the Commission. Every license shall show the name and address of the licensee, and if licensee is a member or officer of a firm, partnership, copartnership, association, or corporation, the full name and address of such firm, partnership, copartnership, association, or corporation shall also be shown on said license. Licenses issued to real-estate salesmen shall in addition show the name and address of the real-estate broker by whom the said salesman is or will be employed. Each license shall have imprinted thereon the seal of the Commission, and in addition to the foregoing shall contain such matter as shall be prescribed by the Commission. The license of each real-estate salesman shall be delivered or mailed to the real-estate broker by whom such real-estate salesman is employed and shall be kept in the custody and control of such broker. It shall be the duty of each real-estate broker to conspicuously display his license in his place of business.

At any time within 6 months, but not thereafter, after the issuance of an original license the Commission may, upon its own motion, and shall, upon the verified complaint, in writing, of any person, provided such complaint, or such complaint together with evidence, documentary or otherwise, presented therewith, shall make out a prima facie case that the licensee is unworthy to hold such license, notify the licensee, in writing, that the question of his honesty, competency, truthfulness, and integrity will be reopened and determined de novo. Such written notice may be served by delivery thereof personally to the licensee or by mailing same by registered mail to the last known business address of the licensee. Thereupon the Commission may require and procure further proof of the licensee's trustworthiness and competency, and if such proof shall not be satisfactory such license shall be recalled and shall thereafter be null and void. Upon the recall of any such license it shall be the duty of the licensee to surrender to the Commission such license.

The fee for an original real-estate broker's license and every renewal thereof shall be $15.

No fee shall be charged for any original license or renewal thereof issued to any firm, partnership, copartnership, association,

or corporation all of whose members or officers actively participating in the brokerage business thereof have been issued a broker's license.

The fee for an original real-estate salesman's license and every annual renewal thereof shall be $5.

Every license shall expire on the 1st day of July of each year except that the original or initial licenses, first issued under the provisions of this act, shall expire on the 1st day of July 1933, subject, however, to revocation as hereinbefore provided.

The Commission shall issue a new license for each ensuing year, in the absence of any reason or condition which might warrant the refusal of the granting of a license, upon receipt of the written request of the applicant and the annual fee therefor, as herein required. The revocation of a broker's license shall automatically suspend every real-estate salesman's license granted to any person by virtue of his employment by the broker whose license has been revoked, pending a change of employer and the issuance of a new license. Such new license shall be issued without charge, if granted during the same license year in which the original license is granted.

No person, firm, partnership, copartnership, association, or corporation engaged in the business or acting in the capacity of a real-estate broker or a real-estate salesman within the District of Columbia shall bring or maintain any action in the courts of the District of Columbia for the collection of compensation for any services performed as a real-estate broker or a real-estate salesman or enforcement of any contract relating to real estate without alleging and proving that such person, firm, partnership, copartnership, association, or corporation was a duly licensed real-estate broker or real-estate salesman at the time the alleged cause of action arose.

Every real-estate broker shall maintain a place of business in the District of Columbia. If a real-estate broker maintains more than one place of business within the District of Columbia, a duplicate license shall be issued to such broker for each branch office maintained; and there shall be no fee charged for any such duplicate license.

Notice in writing shall be given to the Commission by each licensee of any change of principal business location, whereupon the Commission shall issue a new license for the unexpired period without charge. The change of business location without notification to the Commission shall automatically cancel the license theretofore issued.

When any real-estate salesman shall be discharged or shall terminate his employment with the real-estate broker by whom he is employed, it shall be the duty of such real-estate broker to immediately deliver or mail by registered mail to the Commission such real-estate salesman's license. The real-estate broker shall, at the time of delivering or mailing such real-estate salesman's license to the Commission, address a communication by registered mail to the last known residence address of such real-estate salesman, which communication shall advise such real-estate salesman that his license has been delivered or mailed to the Commission. A copy of such communication to the real-estate salesman shall accompany the license when mailed or delivered to the Commission. It shall be unlawful for any real-estate salesman to perform any of the acts contemplated by this act, either directly or indirectly, under authority of said license from and after 3 days following such delivery or mailing of the said license by said broker to the Commission.

There shall be no additional fee for the reissuance of a salesman's license necessitated by the change of employers, nor shall such change work a revocation or require a renewal of the salesman's bond.

SUSPENSION OR REVOCATION OF LICENSE FOR CAUSES ENUMERATED

SEC. 8. The Commission may, upon its own motion, and shall, upon the verified complaint in writing of any person, provided such complaint or such complaint together with evidence, documentary or otherwise, presented in connection therewith, make out a prima facie case, investigate the conduct of any real-estate broker or real-estate salesman, or any person who shall assume to act in either such capacity within the District of Columbia, and shall have the power to suspend or to revoke any license issued under the provisions of this act, at any time where the licensee has by false or fraudulent representation obtained a license; or where the licensee, in performing or attempting to perform any of the acts mentioned herein, has—

(a) Made any substantial misrepresentation;

(b) Made any false promises of a character likely to influence, persuade, or induce;

(c) Pursued a continued and flagrant course of misrepresentation, or making of false promises through agents or salesmen, or advertising or otherwise;

(d) Acted for more than one party in a transaction without the knowledge of all parties for whom he acts;

(e) Accepted a commission or valuable consideration as a real-estate salesman for the performance of any of the acts specified in this act from any person, except an employer who is a licensed real-estate broker;

(f) Represented or attempted to represent a real-estate broker other than the employer without the express knowledge and consent of the employer;

(g) Failed, within a reasonable time, to account for or to remit any money, valuable documents, or other property coming into his possession which belong to others;

(h) Demonstrated such unworthiness or incompetency to act as a real-estate broker or salesman as to endanger the interests of the public;

(i) Paid or offered to pay a commission or valuable consideration to any person for acts or services in violation of this act, with knowledge of such violation or where reasonable diligence has not been exercised to acquire such knowledge; or

(j) Been guilty of any other conduct, whether of the same or a different character from that hereinbefore specified, which constitutes fraudulent or dishonest dealing.

PROVISION FOR HEARING BEFORE APPLICATION IS REFUSED OR LICENSE SUSPENDED OR REVOKED

SEC. 9. The Commission shall, before denying an application for license, or before suspending or revoking any license, set the matter down for a public hearing, and at least 10 days prior to the date set for the hearing it shall notify the applicant or licensee in writing of any charges made and shall afford said applicant or licensee an opportunity to be heard in person or by counsel in reference thereto. Such written notice may be served by delivery of same personally to the applicant or licensee or by mailing same by registered mail to the last-known business address of such applicant or licensee. If said applicant or licensee be a salesman, the Commission shall also notify the broker employing him, or whose employ he is about to enter, by mailing notice by registered mail to the broker's last-known address. The hearing on such charges shall be at such time and place as the Commission shall prescribe. The Commission shall have the power to subpena and bring before it any person in the District of Columbia, or take testimony of any such person by deposition in the same manner and with the same fees and mileage as prescribed by law in judicial procedure in the Supreme Court of the District of Columbia in civil cases. It shall also have the power to require the production of books, records, papers, and documents by subpena or otherwise. Any party to any hearing before the Commission shall have the right to the attendance of witnesses in his behalf at such hearing upon making request therefor to the Commission and designating the person or persons sought to be subpenaed. If the Commission shall determine that any applicant is not qualified to receive a license, a license shall not be granted to said applicant; and if the Commission shall determine that any licensee is guilty of a violation of any of the provisions of this act, his or its licenses shall be suspended or revoked. All evidence before and findings of fact made by the Commission and questions of law involved in any final decision or determination of the Commission shall be subject to review by the Supreme Court of the District of Columbia upon a writ of certiorari, mandamus, or by any other method permissible under the rules and practices of said court or the laws of the District of Columbia, and the said court may make such further orders with respect thereto as justice may require: *Provided, however,* That application is made by the aggrieved party to the court within 30 days after any determination by the Commission or within 60 days after formal request shall be made upon it for action. Such application shall operate as a stay of any action or finding of the Commission revoking or suspending a license, and until final decision by the Supreme Court of the District of Columbia such licensee shall have the right to continue in business.

An appeal may be taken from the judgment of the said court on any such appeal on the same terms and conditions as an appeal is taken in civil actions.

NONRESIDENT BROKERS AND SALESMEN

SEC. 10. A nonresident of the District of Columbia may become a real-estate broker or a real-estate salesman in the District of Columbia by conforming to all of the conditions of this act, except that the application of such person for a license need not be accompanied by the recommendation of real-estate owners in the District of Columbia prescribed in paragraph 2 of section 5 of this act, but in lieu thereof the Commission shall require the filing of like recommendations by similarly qualified real-estate owners of property in the State, Territory, or county of such applicant's residence.

(2) The Commission may recognize, in lieu of the recommendation and statements otherwise required by this act to accompany an application for a license, the valid and existing license issued to a nonresident to act as a real-estate broker or salesman by any State having a law for the licensing of such brokers and salesmen similar to this act upon payment of the license fee prescribed by this act and the filing by the applicant with the Commission of a duly authenticated copy of applicant's license issued by such State: *Provided, however,* That every nonresident applicant shall file an irrevocable consent that suits and actions may be commenced against such applicant in the proper courts of the District of Columbia by the service of any process or pleadings authorized by the laws of the United States applying to the District of Columbia on the secretary of the Commission, said consent stipulating and agreeing that such service of such process or pleadings on said secretary shall be taken and held in all courts to be as valid and binding as if due or personal service had been made upon said applicant in the District of Columbia. Said instrument containing such consent shall be duly acknowledged and if made by a corporation shall be authenticated by the seal thereof. All such applications, except from individuals, shall be accompanied by a duly certified copy of the resolution of the proper officers or managing board authorizing the proper officer to execute the same. In case any process or pleadings mentioned in the act are served upon the secretary of the Commission, it shall be by duplicate copies, one of which shall be filed in the office of the Commission and the other immediately forwarded by registered mail to the residence address given by the applicant against which said process or pleadings are directed: *And provided further,* That every nonresident of

the District of Columbia shall file a bond in form and contents the same as is required of applicants under section 5 of this act.

POWER TO OBTAIN EVIDENCE

SEC. 11. Each member of the Commission and its duly authorized representatives may administer oaths to witnesses.

In case of the refusal of any person to comply with any subpena issued hereunder or to testify to any matter regarding which he may lawfully be interrogated, the Supreme Court of the District of Columbia or any judge thereof, on application of any member of the Commission, shall issue an order requiring such person to comply with such subpena and to testify or either, and any failure to obey such order of the court may be punished by the court as a contempt thereof.

OTHERS EXEMPT

SEC. 12. It shall not be necessary for any trustee or auctioneer acting under authority of a power of sale in a mortgage, deed of trust, or similar instrument securing the payment of a bona fide debt, nor any bank, trust company, building-and-loan association, or any land-mortgage or farm-loan association, organized under the laws of the United States, when engaged in the transaction of business within the scope of its corporate powers and provided by law, to obtain a license under this act.

PUBLICATION OF LIST OF LICENSEES

SEC. 13. The Commission shall publish at least annually a list of the names and addresses of all licensees licensed by it under the provisions of this act and of all persons whose license has been suspended or revoked within 1 year, together with a succinct report of its work during the year. Such list shall be mailed by the Commission to any person in the District of Columbia upon request.

FRAUDULENT TRANSFERS OR LOANS

SEC. 14. It shall be unlawful for any person, copartnership, association, or corporation to enter into or become a party to any contract, agreement, or understanding, or in any manner whatsoever to consider, combine, conspire, or act with another or others, (a) to execute a deed conveying real property in the District of Columbia that is not a bona fide sale but is instead a simulated sale of such property, executed for the purpose and with the intent of misleading others as to the value of such property, and which in fact does so mislead and/or defraud others, to their detriment; or (b) to execute a mortgage or deed of trust upon real property situated in the District of Columbia that does not in fact represent security for a bona fide indebtedness, but which is in reality a simulated transaction, executed for the purpose and with the intent of misleading or deceiving others as to the value of the property and which does mislead, deceive, or defraud others to their detriment.

CONVICTION OF CRIME

SEC. 15. Where during the term of any license issued by the Commission the licensee shall be convicted in a court of competent jurisdiction in the District of Columbia or any State (including Federal courts) of forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud, or other like offense or offenses and a duly certified or exemplified copy of the record in such proceedings shall be filed with the Commission, the Commission shall revoke forthwith the license by it theretofore issued to the licensee so convicted.

In the event that any licensee shall be indicted in the District of Columbia or any State or Territory (including Federal courts) for forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud, or other like offense and a certified copy of the indictment be filed with the Commission, or other proper evidence thereof be to it given, the Commission shall have authority, in its discretion, to suspend the license issued to such licensee pending trial upon such indictment.

No license shall be issued by the Commission to any person known by it to have been, within 5 years theretofore, convicted of forgery, embezzlement, obtaining money under false pretenses, extortion criminal conspiracy to defraud, or other like offense or offenses, or to any copartnership of which such person is a member, or to any association or corporation of which said person is an officer, director, or employee, or in which as a stockholder such person has or exercises a controlling interest either directly or indirectly. In the event of the revocation or suspension of the license issued to any member of a copartnership, or to any officer of an association or corporation, the license issued to such copartnership, association, or corporation, shall be revoked by the Commission, unless, within a time fixed by the Commission, where a copartnership, the connection therewith of the member whose license has been revoked shall be severed and his interest in the copartnership and his share in its activities brought to an end, or where an association or corporation, the offending officer shall be discharged and shall have no further participation in its activity.

PENALTIES

SEC. 16. Any person or corporation violating any provision of this act shall upon conviction thereof, if a person, be punished by a fine of not more than $500, or by imprisonment for a term not to exceed 6 months, or by both such fine and imprisonment, in the discretion of the court; and, if a corporation, be punished by a fine of not more than $1,000. Any officer, director, employee, or agent of a corporation, or member, employee, or agent of a firm, partnership, copartnership, or association, who shall personally participate in or be accessory to any violation of this act by such firm, partnership, copartnership, association, or corporation, shall be subject to the penalties herein prescribed for individuals.

This act shall not be construed to release any person, partnership, association, or corporation from civil liability or criminal prosecution under the laws applying to the District of Columbia.

All prosecutions for violation of this act shall be begun in the police court of the District of Columbia in the name of the District of Columbia and under the direction and charge of the corporation counsel of the District of Columbia. The corporation counsel of the District of Columbia and his assistants shall also be counsel for the Commission in all suits to which it may be a party, and shall advise the Commission and at its request attend any and all hearings which it may hold in the performance of its duties hereunder.

SAVING CLAUSE

SEC. 17. If any section, subsection, sentence, clause, phrase, or requirement of this act is, for any reason, held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions thereof. The Congress of the United States hereby declares that it would have passed this act, and each section, subsection, sentence, clause, phrase, and requirement thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or requirements be declared unconstitutional or invalid.

REPEALING CLAUSE

SEC. 18. All laws or parts of laws in conflict with this act be, and the same are hereby, repealed.

SEC. 19. This act, except as otherwise provided herein, shall take effect on and after 90 days from the date of its enactment.

The amendments were agreed to.

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

BILLS AND JOINT RESOLUTION PASSED OVER

The joint resolution (S.J.Res. 29) proposing an amendment to the Constitution of the United States providing for the popular election of President and Vice President of the United States was announced as next in order.

Mr. McNARY. Owing to the absence of the Senator from Pennsylvania [Mr. REED], and at his request, I desire to object to the present consideration of Senate Joint Resolution 29, and the next succeeding measure, the bill (S. 2359) to provide for the disposition of unclaimed deposits in national banks.

The VICE PRESIDENT. On objection, the joint resolution and the bill will be passed over.

The bill (S. 2500) to aid in relieving the existing national emergency through the free distribution to the needy of cotton and cotton products was announced as next in order.

Mr. VANDENBERG and Mr. FESS. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2018) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

Mr. VANDENBERG. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

WILSON G. BINGHAM

The bill (H.R. 2632) for the relief of Wilson G. Bingham was announced as next in order.

Mr. KING. Let the bill go over.

Mr. BROWN. Mr. President, the Senator from Kentucky [Mr. LOGAN] reported the bill from the Committee on Military Affairs.

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

Mr. KING. I asked that it go over.

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

Mr. KING. Certainly.

Mr. LOGAN. The bill has been on the calendar for some time. The House passed a bill authorizing the War Department to assemble a board to consider the case of this officer and report as to whether he should be reinstated. The War Department recommended against his reinstatement, but did state that he was entitled to consideration. The bill as reported by the Senate Committee on Military Affairs is in accordance with recommendation of the War Department itself, or at least it suggested the form of bill and said it would have no objection to it. We followed that recommendation.

If the Senator from New Hampshire desires the passage of the House bill without the Senate committee amendments, I

have no objection to it, and I do not think the committee will have any objection.

The VICE PRESIDENT. If the Senate should reject the amendments reported by the Senate Committee on Military Affairs, then the bill would be passed in the form in which it passed the House.

Mr. LOGAN. Then I have no objection to the rejection of the Senate committee amendments and the passage of the House bill.

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

Mr. KING. I object.

The VICE PRESIDENT. The Senator from Utah objects, and the bill will be passed over.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 2411) to amend the Emergency Railroad Transportation Act, 1933, was announced as next in order.

Mr. VANDENBERG. Over.

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (S.J.Res. 31) consenting that certain States may sue the United States and providing for trial on the merits in any suit brought hereunder by a State to recover direct taxes alleged to have been illegally collected by the United States during the fiscal years ending June 30, 1866, 1867, and 1868, and vesting the right in each State to sue in its own name, was announced as next in order.

Mr. VANDENBERG. Over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 2783) to amend section 5219 of the Revised Statutes, as amended (relating to State taxation of national-banking associations) was announced as next in order.

Mr. CAREY. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2800) 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, was announced as next in order.

Mr. COPELAND. Mr. President, I ask that the bill may go over without prejudice. There are certain amendments being considered by the committee.

The VICE PRESIDENT. The bill will be passed over.

PREVENTION OF USE OF FEDERAL PATRONAGE IN ELECTIONS

The Senate considered the bill (S. 1884) to prevent the use of Federal official patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends, which had been reported from the Committee on the Judiciary with amendments, in section 1, on page 1, line 5, to strike out the word "committeeman"; in section 2, in line 6, to strike out the words "primary, caucus, or other organization"; and in line 11, after the word "fine", to insert the words "not more than"; and, on page 2, to strike out lines 2, 3, and 4, as follows:

And shall bar him from holding any office, elective or appointive, under the Government of the United States for a period of 5 years.

So as to make the bill read:

Be it enacted, etc., That no person holding an appointive office of trust or profit under the Government of the United States shall be officer, delegate, or alternate of any political convention, having for its aim the nomination or election of any candidate, avowed or unavowed, for President or Vice President of the United States.

SEC. 2. Violations of section 1 hereof shall be punishable by a fine not more than $1,000 and by loss of the official position of such person committing such violation.

The amendments were agreed to.

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

FEDERAL CREDIT UNION SYSTEM

The bill (S. 1639) to establish a Federal Credit Union System, to establish a further market for securities of the United States, and to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States, was considered.

The VICE PRESIDENT. All amendments to the bill have been heretofore agreed to. The question is on the engrossment and third reading of the bill.

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

The bill was read the third time and passed, as follows:

Be it enacted, etc., That this act may be cited as the "Federal Credit Union Act."

DEFINITIONS

SEC. 2. A Federal Credit Union is hereby defined as a cooperative society organized in accordance with the provisions of this act for the purpose of promoting thrift among its members and creating a source of credit for provident or productive purposes. A Federal Central Credit Union is hereby defined as a central organization of credit unions formed in accordance with the provisions of this act.

PART I

FEDERAL CREDIT UNION ORGANIZATION

SEC. 3. Any seven or more persons who are actual residents of or do business or are employed within the Federal Reserve district designated in the organization certificate and who desire to form a Federal Credit Union shall subscribe before some officer competent to administer oaths an organization certificate which shall specifically state:

(1) The name of the association, which shall include the words "Federal Credit Union."

(2) The location of the proposed Federal Credit Union, including the name of the Federal Reserve district and the city or town within said district within which it proposes to do business.

(3) The names and addresses of the subscribers to the certificate and the number of shares subscribed by each.

(4) The par value of the shares which shall not exceed $10 each.

(5) The proposed field of membership, specified in detail.

(6) The term of the Federal Credit Union's existence, which may be perpetual.

POWER OF THE DIRECTORS OF BANKS FOR COOPERATIVES TO ISSUE CHARTERS HEREUNDER

SEC. 4. The organization certificate shall be presented to the board of directors of the banks for cooperatives in the Federal Reserve district indicated in the organization certificate who shall determine (1) whether or not the certificate conforms with the provisions of this act; (2) the general character and fitness of the subscribers; (3) the advisability of establishing a Federal Credit Union in the proposed field of membership. The directors of said bank for cooperatives shall within 30 days of the receipt of said certificate determine whether or not to approve it and shall thereupon notify the subscribers to said certificate of their decision.

SEC. 5. If the decision is favorable, the certificate, with the approval of said board of directors noted thereon, shall be returned to the subscribers after due record of said approval has been filed by said directors with the records of the bank for cooperatives in the Federal Reserve district within which the proposed Federal Credit Union is located, at which time a filing fee of $10 shall be paid by said subscribers to said bank for cooperatives to be deposited by said bank in the Treasury to the credit of the United States. At such time as the approved certificate is so filed and the bylaws hereinafter provided for are approved, the subscribers and their successors shall thereupon become a body corporate and as such shall, subject to the limitations herein contained, be vested with all of the powers and charged with all the liabilities conferred and imposed by this act upon corporations organized thereunder as Federal Credit Unions. If the decision of said directors should be unfavorable, an appeal may be had to the governor of the Farm Credit Administration, whose decision shall be final.

SUPERVISION BY THE COMPTROLLER OF THE CURRENCY

SEC. 6. Federal Credit Unions shall be under the supervision of the Comptroller of the Currency. They shall report to him at least once annually on or before the 1st day of February in each year on blanks supplied by said Comptroller of the Currency. Additional reports may be required. Federal Credit Unions shall be examined at least once annually by said Comptroller of the Currency, but the cost of said examination shall not exceed a basic fee of $5.03 per $1,000 of assets per annum: *Provided, however*, That if a Federal Credit Union has assets of less than $25,000, the said Comptroller of the Currency may accept the audit of a practicing public accountant in the place of such examination: *Provided further*, That within 30 days of the conclusion of each fiscal year as defined herein said Federal Credit Union shall pay a fee of $10 to said board of directors as a license fee for the subsequent year: *And provided further*, That the said directors of the said bank for cooperatives may suspend or revoke the approval of the organization certificate of any Federal Credit Union upon proof of bankruptcy or insolvency of any such Federal Credit Union or upon conviction of a violation of any provision of this act or of any law or regulation of the State within which the Federal Credit Union operates or of the United States.

POWERS

SEC. 7. A Federal Credit Union shall have succession in its corporate name during its existence and shall have power—

(1) To make contracts.

(2) To adopt a corporate name and to sue and to be sued in such name.

(3) To adopt and use a common seal and alter the same at pleasure.

(4) To purchase, hold, and dispose of property necessary to enable the Federal Credit Union to carry on its operations.

(5) To make loans to its members for provident or productive purposes upon such terms and conditions as this act and the bylaws provide and as the credit committee may approve at rates of interest not exceeding 1 percent a month on unpaid balances, inclusive of all charges incident to making the loan: *Provided*, That no loan to a director, officer, or member of a committee shall exceed the amount of his holdings in the Federal Credit Union in shares and deposits; nor shall any such director, officer, or committee member endorse for borrowers. A borrower may prior to maturity repay his loan in whole or in part on any business day.

(6) To receive from its members payments on shares and on deposits.

(7) To invest its funds (a) in loans exclusively to members; (b) in securities of the United States of America; (c) in the way and manner hereinafter indicated in the shares of a Federal Central Credit Union located in the State in which the Federal Credit Union is operating.

(8) To make deposits in national banks, in postal savings banks to the limit permitted by law, in Federal Central Credit Unions as hereinafter defined, and in State banks, trust companies, and mutual savings banks operating in accordance with the laws of the State in which the Federal Credit Union does business.

(9) To borrow (from any source) in an aggregate amount not exceeding 50 percent of its paid-in and unimpaired capital.

(10) To fine members for failure to meet promptly their obligations to the Federal Credit Union in the way and manner provided in the bylaws.

(11) To impress a lien upon the shares, deposits, and dividends of any member to the extent of any loan made to him and any dues or fines payable by him.

BYLAWS

SEC. 8. At the time of presenting the organization certificate the incorporators shall submit to the said board of directors of the said Federal Reserve bank proposed bylaws which shall be prepared on a standard form as approved for Federal Credit Unions operating under provisions of this act by the Comptroller of the Currency. In order to simplify the organization of credit unions the said Comptroller of the Currency shall, upon the passage of this act, cause to be prepared a form of certificate of organization and a form of bylaws, consistent with this act, which may be used by credit union incorporators for their guidance, and on written application of any seven residents of a district, shall supply them without charge with a blank certificate of organization and a copy of said form of suggested bylaws.

MEMBERSHIP

SEC. 9. Federal Credit Union membership shall consist of the incorporators and such other persons and organizations as may be elected to membership and subscribe to at least one share, pay the initial installment thereon and the entrance fee; except that Federal Credit Union membership shall be limited to groups having a common bond of occupation, or association, or to groups within a well-defined neighborhood, small community, or rural district.

MEMBERS' MEETINGS

SEC. 10. The fiscal year of all Federal Credit Unions shall end December 31. The annual meeting of the Federal Credit Union shall be held at such time during the month of the following January and at such place as the bylaws shall prescribe. Special meetings may be held in the manner indicated in the bylaws. No member shall be entitled to vote by proxy, but a member other than a natural person may vote through an agent delegated for the purpose. No member shall, irrespective of the number of shares held by him, have more than one vote. All offices of a Federal Credit Union shall be within the Federal Reserve district within which it is organized.

MANAGEMENT

SEC. 11. (a) The business affairs of a Federal Credit Union shall be managed by a board of not less than 5 directors, a credit committee of not less than 3 members, and a supervisory committee of 3 members, to be elected at the annual meeting and to hold office for such terms, respectively, as the bylaws may provide and until successors qualify. A record of the names and addresses of the members of the board and committees and officers shall be filed with the bank for cooperatives of the Federal Reserve district within which the Federal Credit Union operates within 10 days after their election. No member of the board or of either committee shall, as such, be compensated: *Provided*, That no person shall be elected to the board or to either committee unless he be duly elected to membership as provided in section 9 of this act.

(b) Officers.—At their first meeting after the annual meeting the directors shall elect from their own number a president, a vice president, a clerk, and a treasurer, who shall be the executive officers of the corporation. The offices of clerk and treasurer may be held by the same person. The duties of the officers shall be as determined by the bylaws, except that the treasurer shall be the general manager of the corporation.

(c) Directors.—The board of directors shall meet at least once a month and shall have the general direction of the affairs of the corporation. They shall act upon applications for membership; fix the amount of the surety bond required of any officer having custody of funds; recommend the declaration of dividends; determine interest rates on loans: *Provided, however*, That the interest rate on loans shall not be in excess of the maximum amount fixed by the provisions of this act; fill vacancies in the board and in the credit committee until successors to be elected at the next annual meeting have qualified; have charge of investments other than loans to members; determine from time to time the maximum individual share holding and the maximum individual loan which may be made with and without security, except that no loan in excess of $50 shall be made without adequate security. For the purposes of this subdivision an assignment of shares or the endorsement of a note shall be deemed security.

(d) Credit committee.—The credit committee shall hold such meetings as the business of the Federal Credit Union may require and not less frequently than once a month, of which meetings due notice shall be given to members of the committee by the treasurer, to consider applications for loans to members of the corporation, and no loan shall be made unless all of the members of the committee who are present when the application is considered and a majority of all the committee approve the loan. Applications for loans shall be made on forms prepared by such committee, which shall set forth the purpose for which the loan is desired, the security, if any, and such other data as may be required.

(e) Supervisory committee.—The supervisory committee shall make an examination of the affairs of the Federal Credit Union at least quarterly, including an audit of its books, shall make an annual audit and a report to be submitted at the annual meeting of the corporation; by a unanimous vote may suspend any officer of the corporation, or any member of the credit committee or of the board of directors until the next members' meeting, which said meeting shall, however, be held within 7 days of said suspension, at which meeting said suspension shall be acted upon by the members; and, by a majority vote, may call a special meeting of the shareholders to consider any violation of this act or of the bylaws, or any practice of the corporation deemed by the committee to be unsafe and unauthorized. The said committee shall fill vacancies in its own membership until successors to be elected at the next annual meeting have qualified: *Provided, however*, That before the treasurer shall enter upon his duties he shall give bond with good and sufficient security, in an amount and character to be determined from time to time by the board of directors conditioned upon the faithful performance of his trust, and approved by the governor of the Federal Reserve bank within the district in which the credit union operates. The supervisory committee shall cause to be verified from time to time, and not less frequently than once every 2 years, the passbooks of the members with the records of the treasurer.

RESERVES

SEC. 12. All entrance fees and fines provided by the bylaws and, before the declaration of any dividend, 20 percent of the net earnings of each year shall be set aside as a reserve fund against possible bad loans, which funds shall be kept liquid and intact and not distributed except in case of liquidation.

DIVIDENDS

SEC. 13. At the annual meeting a dividend may be declared from net earnings on recommendation of the board of directors, which dividend shall be paid on all paid-up shares outstanding at the end of the preceding fiscal year. Shares which became fully paid up during such year shall be entitled to a proportional part of said dividend calculated from the 1st day of the month following such payment in full.

EXPULSION AND WITHDRAWAL

SEC. 14. A member may be expelled by a two-thirds vote of the members of a Federal Credit Union present at a special meeting called for such purpose, but only after an opportunity has been given him to be heard. The Federal Credit Union may require 60 days' notice of intention to withdraw shares and 30 days' notice of intention to withdraw deposits, which period of notice may be extended if in the opinion of the board of directors the best interests of the Federal Credit Union require and for such longer time as the said governor of the Federal Reserve bank in the district in which the Federal Credit Union operates may permit. Expulsion or withdrawal shall not operate to relieve a member from any liability to the Federal Credit Union. All amounts paid in on shares or deposits by expelled or withdrawing members prior to their expulsion or withdrawal shall be paid to them in order of their withdrawal or expulsion, but only as funds become available and after deducting any amounts due from such members to the Federal Credit Union.

MINORS

SEC. 15. Shares may be issued and deposits received in the name of a minor or in trust in such manner as the bylaws may provide. The name of the beneficiary shall be disclosed to the Federal Credit Union.

RESTRICTION ON THE USE OF THE WORDS "FEDERAL CREDIT UNION"

SEC. 16. It shall be unlawful for any individual, partnership, association, or corporation, except corporations organized in accordance with the provisions of this act, to transact business

under any name or title containing the words in combination "Federal Credit Union" or "Federal Central Credit Union", or other words indicating that the business is transacted pursuant to the authority of this act of Congress. This section shall not, however, apply to credit unions organized and operating in accordance with the terms of State credit union laws. Any individual, partnership, association, or corporation violating this section shall, upon conviction thereof, be subject to a fine of not more than $10 for each day during which the violation continues.

PART II

FEDERAL CENTRAL CREDIT UNIONS

SEC. 17. For the purpose of forming a Federal Central Credit Union any 25 credit unions operating within a State, including Federal Credit Unions organized in accordance with the provisions of this act and State credit unions operating in accordance with the terms of State laws which permit said credit unions to have membership in a Federal Central Credit Union, may submit before some officer competent to administer oaths an organization certificate which shall state specifically:

(1) The name of the association, which shall include the words "Federal Central Credit Union" preceded by the name of the State in which the credit unions which present the certificate operate.

(2) The names and addresses of the credit unions presenting the certificate and the number of shares subscribed by each, which shall be not less than 10 shares, payable in cash on authorization to do business.

(3) The par value of the shares, which shall be $50.

(4) The term of said Federal Central Credit Union, which may be perpetual.

There shall be but one Federal Central Credit Union in each State.

All credit unions in a State which comply with the conditions herein contained shall be eligible to membership in the Federal Central Credit Union of that State.

METHODS OF ORGANIZATION

SEC. 18. The organization certificate, properly executed as aforesaid, shall be presented to the board of directors of the bank for cooperatives in the Federal Reserve district in which said Federal Central Credit Union is to be located, for approval or disapproval. The said board of directors shall, within 30 days of the receipt thereof, approve it or disapprove it, and shall notify the subscribers to the certificate of its decision. If said decision is favorable, it shall return the certificate with its approval noted thereon to the subscribers, who shall thereupon file the said approved certificate with the office of the bank for cooperatives in the Federal Reserve district in which is located the city or town in which the principal office of the said Federal Central Credit Union is to be located, at which time said subscribers shall pay a fee of $100 to the said bank for cooperatives for deposit by said bank in the Treasury to the credit of the United States. During the month of January in each year thereafter following the completion of the first full fiscal year of the said Federal Central Credit Union, a similar fee of $100 shall be paid to the said bank for cooperatives for deposit by it in the Treasury to the credit of the United States. Federal Central Credit Unions shall be examined at least once annually by the Comptroller of the Currency and shall pay the actual cost of said examination. Federal Central Credit Unions shall report at least once annually to the Comptroller of the Currency on forms supplied by him for that purpose, and more frequent reports may be required by said Comptroller.

POWERS

SEC. 19. A Federal Central Credit Union shall have succession in its corporate name during its existence and shall have power—

(1) To make contracts.

(2) To adopt a corporate name and to sue and to be sued in said name.

(3) To adopt and use a common seal and alter the same at pleasure.

(4) To purchase, hold, and dispose of property necessary to enable it to carry on its operations.

(5) To receive from its members payments on shares, including an original cash subscription from each subscribing member of not less than $500 and installments on not more than 10 additional shares per individual member, payable on such installment basis as the directors may determine.

(6) To receive deposits from its members in such fashion as the bylaws may provide.

(7) To make loans to its own members within the individual borrowing power of each borrowing credit union in each case as established by this act or by State law and to accept as security for such loans such collateral as the board of directors in the individual case may require, including the right to discount the notes of the borrowing credit union received from its members: *Provided*, That no loan shall be made unless the fair market value of the security offered or the total amount of personal notes offered for discount equal at least twice the amount of the loan: *Provided further*, That a borrowing member credit union may at any time borrow the amount of its share holdings and deposits in the Federal Central Credit Union with no other security than an assignment of said shares and deposits: *And provided further*, That the rate of interest charged on loans shall be determined from time to time by the board of directors of the Federal Central Credit Union and in no case shall exceed the prevailing rate paid on deposits in said Federal Central Credit Union by more than 1 percent per annum.

(8) To pay interest on deposits from member credit unions at a rate which shall not exceed 5 percent per annum and to pay dividends on its shares at a rate which shall not exceed 6 percent per annum.

(9) To invest its funds in the securities of the United States.

(10) To make deposits in national banks, postal savings banks, Federal Reserve banks, and in State banks, mutual savings banks and trust companies located in the State in which said Federal Central Credit Union has its principal office.

(11) To borrow from any source in an aggregate amount which shall not exceed 50 percent of its paid-in and unimpaired capital and surplus: *Provided*, That the total of rediscounts as provided in subsection (8) hereof and amounts borrowed shall at no time together exceed 50 percent of said paid-in and unimpaired capital and surplus.

(12) To impress a lien upon the shares and dividends and deposits and deposit interest of any member to the extent of any loan made it and any dues and fines payable by it.

BYLAWS

SEC. 20. At the time of presenting the organization certificate the incorporators shall submit to the board of directors of the bank for cooperatives in the Federal Reserve district in which said Federal Central Credit Union is to be located proposed bylaws which shall be prepared on a standard form as approved for Federal Central Credit Unions operating in accordance with this act by the said board of directors of said bank for cooperatives. In order to simplify the organization of Federal Central Credit Unions the said board of directors of said bank for cooperatives shall, upon the passage of this act, cause to be prepared a form of organization certificate and a form of bylaws consistent with this act which they shall supply to credit unions for their guidance in the organization of Federal Central Credit Unions.

MEMBERSHIP

SEC. 21. Membership in a Federal Central Credit Union shall consist of the credit unions within the State within which it operates which are eligible to membership and comply with the conditions of membership as herein set forth. All Federal Credit Unions in any State in which a Federal Central Credit Union is in process of organization or has been organized may join it upon compliance with the terms of this act, as may all credit unions organized in accordance with State laws in said State if said State laws permit said membership in a Federal Central Credit Union and the said State credit union has the approval of the board of directors of the bank for cooperatives in the Federal Reserve district within which it operates after said board of directors shall have determined on examination that said State credit union is in satisfactory condition.

MEMBERS' MEETINGS

SEC. 22. The fiscal year of all Federal Central Credit Unions shall end December 31 of each year. The annual meeting of the said Federal Central Credit Union shall be held at such time during the month of the following January and at such place as the bylaws shall prescribe. Special meetings shall be held in the manner indicated in the bylaws. No member credit union shall have more than one vote, which shall be cast at meetings by a delegate duly authorized by said member credit union as its representative, and there shall be no proxy voting. All offices of a Federal Central Credit Union shall be located in the State within which it is organized.

MANAGEMENT

SEC. 23. The business affairs of a Federal Central Credit Union shall be managed by a board of not less than 11 directors and a supervisory committee of 3 members, to be elected at the annual meeting and to hold office for such terms respectively as the bylaws may provide and until successors qualify, except that the subscribers to the organization certificate shall elect from the membership of the credit unions which they represent the first board which shall serve until the first annual meeting following said organization meeting. No credit union may have more than one of its members on the board of directors at any one time. Two months prior to the annual meeting in each year the clerk of the board of directors of a Federal Central Credit Union shall notify each member credit union of the date, hour, and place of the next annual meeting as determined by the board of directors and the number of vacancies to be filled, if any, on the board of directors and the supervisory committee, requesting each credit union to nominate one of its members to a vacancy on said board or committee if no one of its members is a member of said board or committee whose term does not expire at said annual meeting. Elections at the annual meetings shall be by ballot and shall be confined to nominees named in the way and manner above indicated: *Provided, however*, That if there is not a sufficient number of such nominees to fill existing vacancies, nominations completing the necessary number may be made from the floor. A record of the names and addresses of the members of the board and of the supervisory committee elected shall be filed with the bank for cooperatives in the Federal Reserve district within which said Federal Central Credit Union has its principal office within 10 days after said election. No member of said board or of said committee shall as such be compensated, but the actual expenses of a member of said board of directors or of said supervisory committee incurred in attending meetings may be refunded to said member.

The board of directors shall have the general direction of the affairs of the association, including the matter of determining

loans. They shall fix the amount of the surety bond which they shall require of any officer or employee having custody of funds; recommend the declaration of dividends within the limit herein contained; determine the interest rates on loans to members and the interest rate to be paid on deposits, both within the limits herein indicated; fill vacancies in the board until successors to be elected at the next annual meeting have qualified; elect from their own number the officers; have charge of all investments within the limitations herein set forth; determine from time to time the maximum amount which may be loaned to any one member which loans shall be made on an application form prepared by said board of directors which application shall set forth the purpose of the loan, the terms and security offered, together with a certified copy of the vote of the board of directors of the borrowing credit union authorizing acceptance of said loan and the authority required by any State law or this act as a condition precedent to the right of a credit union to borrow in the way and manner provided, together with a statement that the total amount owed by the borrowing credit union including the proposed loan does not exceed the borrowing limit of the credit union as established by State law or by this act.

At their first meeting, which shall be held within not less than 10 days after the annual meeting of the membership, the directors shall elect from their own number a president, a vice president, a clerk, and a treasurer, who shall be the executive officers of the said Federal Central Credit Union, who shall hold office for the terms indicated in the bylaws and until successors are elected and qualify. The duties of the officers shall be as provided by the bylaws, except that the treasurer shall be general manager. The officers may be compensated in such amounts as the directors may from time to time determine within the limits set each year by the members at their annual meeting. The supervisory committee shall make or cause to be made an examination of the affairs of the Federal Central Credit Union at least quarterly, including an audit of its books; shall make an annual audit and a report to be submitted at the annual meeting of the corporation; may by a unanimous vote suspend any officer of the corporation or any member of the board of directors until the next members' meeting, which said meeting shall, however, be held within 15 days of said suspension, at which meeting said suspension shall be acted upon by the members; and, by a majority vote, may call a special meeting of the members to consider any violation of this act or of the bylaws, or any practice of the corporation deemed by the committee to be unsafe or unauthorized. The said committee shall fill vacancies in its own membership until successors to be elected at the next annual meeting have qualified: *Provided, however*, That before the treasurer shall enter upon his duties he shall give a surety bond in an amount and character to be determined from time to time by the board of directors, conditioned upon the faithful performance of his trust and approved by the board of directors of the bank for cooperatives within the Federal Reserve district in which the Federal Central Credit Union operates.

REPORTS

SEC. 24. The Federal Central Credit Union shall make such reports from time to time as may be required by the Comptroller of the Treasury or by the board of directors of the bank for cooperatives in the Federal Reserve district within which it operates.

RESERVES

SEC. 25. Each credit union on joining a Federal Central Credit Union shall pay an entrance fee of $10. The entrance fees, together with all fines and, before the declaration of a dividend each year as hereinafter provided, 20 percent of the net earnings of each year, shall be set aside as a reserve fund against possible bad loans, which fund shall be kept liquid and intact and not distributed except in case of liquidation. To this fund shall also be added at the end of each fiscal year all undivided earnings.

DIVIDENDS

SEC. 26. At the annual meeting of the membership a dividend may be declared out of net earnings within the limits hereinbefore indicated. Said dividends shall be paid on all paid-up shares outstanding at the end of the preceding fiscal year. Shares which became fully paid up during such year shall be entitled to a proportional part of said dividend calculated from the 1st day of the month following such payment in full.

EXPULSION AND WITHDRAWAL

SEC. 27. A member of a Federal Central Credit Union may be expelled by a two-thirds vote of the members of the Federal Central Credit Union at a special meeting called for such purpose, but only after an opportunity has been given to be heard. The Federal Central Credit Union may require 60 days' notice of the intention of a member credit union to withdraw shares, which withdrawal may be permitted to a minimum of 10 shares per member and may require 30 days' notice of the intention of a member credit union to withdraw deposits. The period of withdrawal notice may in either case be extended by said board of directors if in their opinion the best interests of the Federal Central Credit Union require and for such longer time as the board of directors of the bank for cooperatives in the Federal Reserve district in which the said Federal Central Credit Union has its principal office may permit. Expulsion or withdrawal shall not operate to relieve a member credit union from any liability to the Federal Central Credit Union. All amounts paid in on such shares or deposits by expelled or withdrawing member credit unions prior to their expulsion or withdrawal shall be paid to them in order of their withdrawal or expulsion, but only as funds become available and after deducting any amounts due from such member credit unions to the Federal Central Credit Union.

RESERVATION OF RIGHT TO ALTER

SEC. 28. Congress reserves the right to alter, amend, or repeal this act or any part thereof, or any charter or certificate of incorporation issued pursuant to the provisions of this act.

BILLS PASSED OVER

The bill (S. 2334) authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans., was announced as next in order.

Mr. BULKLEY. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H.R. 7581) to authorize a board composed of the President, the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of Agriculture to negotiate with foreign buyers with the view of selling American agricultural surplus products at the world market price and to accept in payment therefor silver coin or bullion at such value as may be agreed upon which shall not exceed 25 percent above the world market price of silver, and to authorize the Secretary of the Treasury to issue silver certificates based upon the agreed value of such silver bullion or coin in payment for the products sold, and for other purposes, was announced as next in order.

Mr. McNARY. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1978) to assure to persons within the jurisdiction of every State the equal protection of laws, and to punish the crime of lynching, was announced as next in order.

Mr. GEORGE. Over.

The VICE PRESIDENT. The bill will be passed over.

Mr. McNARY. Mr. President, may I inquire who made the objection to Senate bill 1978?

The VICE PRESIDENT. The Chair is advised that the Senator from Georgia [Mr. GEORGE] objected to the present consideration of the bill, and the bill has been passed over.

MURIEL CRICHTON

The Senate proceeded to consider the bill (S. 3264) for the relief of Muriel Crichton, which had been reported from the Committee on Claims with an amendment to insert 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 is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Muriel Crichton, of Washington, D.C., the sum of $10,000, in full and final settlement of all claims for hospitalization and medical and other charges and expenses, and for pain, suffering, and damage to her person, resulting from an injury suffered by her as the result of being knocked down by an employee of the Senate at or near the east door of the Senate Chamber on March 28, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

JOINT RESOLUTION AND BILL PASSED OVER

The joint resolution (S.J.Res. 7) proposing an amendment to the Constitution of the United States relative to taxes on certain incomes was announced as next in order.

Mr. ROBINSON of Arkansas. Let that go over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 493) to protect labor in its old age was announced as next in order.

Mr. GIBSON. Over.

The VICE PRESIDENT. The bill will be passed over.

CHARLES A. BROWN

The bill (H.R. 4274) for the relief of Charles A. Brown was considered, ordered to a third reading, read the third time, and passed.

BILLS 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.

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. McNARY. Let that go over.

The VICE PRESIDENT. The bill will be 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.

The VICE PRESIDENT. This bill is the unfinished business.

Mr. COUZENS. Let it go over.

The VICE PRESIDENT. The bill will be 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. ROBINSON of Arkansas. Mr. President, I should like to have an explanation of this bill. I see that it was introduced by the Senator from Delaware [Mr. HASTINGS] and reported from the Committee on the Judiciary by the Senator from Kentucky [Mr. LOGAN].

Mr. WALSH. I ask that the bill be passed over.

The VICE PRESIDENT. The bill will be passed over.

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. ROBINSON of Arkansas. Mr. President, I ask the Senator from Mississippi [Mr. STEPHENS], who reported the bill, to explain what changes the bill makes in existing law.

Mr. STEPHENS. Mr. President, I have just come into the Chamber.

Mr. ROBINSON of Arkansas. I ask that the bill be passed over for the present without prejudice.

The VICE PRESIDENT. The bill will be passed over without prejudice.

ELIZABETH T. CLOUD

The bill (H.R. 190) for the relief of Elizabeth T. Cloud was considered, ordered to a third reading, read the third time, and passed.

SNARE & TRIEST CO.

The bill (S. 1760) for the relief of the Snare & Triest Co., now Frederick Snare Corporation, was announced as next in order.

Mr. KING. Mr. President, let us have an explanation of this bill. It carries an appropriation of $88,000.

Mr. COPELAND. Mr. President, if the Senator will look at the long paragraph at the top of page 2 of the report on this bill, he will find a very full explanation of the bill. The plans of a breakwater, for which there was an estimated contract price of $1,705,000, exceeded the amount actually appropriated in the act, which was $1,000,000.

Mr. McKELLAR. Mr. President, did the Department recommend the bill?

Mr. COPELAND (reading):

The Navy Department will interpose no objections to the enactment of the bill—

The Senator will find that statement on page 11—

should the Congress see fit to authorize the readjudication of the case as proposed.

Mr. KING. May I say to the Senator that this does not seem to be a readjudication. It is a direct appropriation, as I understand.

Mr. COPELAND. There is an amendment at the end of the bill, as the Senator will see if he will read it.

Mr. KING. Mr. President, it does not seem to me that this is a readjudication. It is a direct appropriation. I have no objection to an amendment that will send the matter to the Court of Claims, or, if necessary, set up a special commission; but a direct appropriation after the bill has been adversely reported upon by the Department, or, at any rate, has not been recommended, does not seem to me proper.

Mr. COUZENS. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

HAROLD SORENSON

The bill (S. 1822) for the relief of Harold Sorenson was announced as next in order.

Mr. McKELLAR. Mr. President, will the Senator from Vermont explain the bill?

Mr. GIBSON. Mr. President, Harold Sorenson, the claimant, was a major in the Construction Department of the United States Army. He had to do with letting contracts for the construction of some work in connection with Camp Grafton, in North Dakota. The work was carried out, but it was claimed that he exceeded the time limit stated in his instructions. The War Department reports that—

Notwithstanding the apparent lack of care in the observance of applicable regulations on Major Sorenson's part, it is believed that his action was taken in good faith; and it is deemed certain that the additional work performed at his direction, without proper authority, would have had to be carried out long since, at Federal expense, in any event.

Favorable consideration of the bill for Major Sorenson's relief is therefore recommended.

Mr. ROBINSON of Arkansas. Mr. President, I note in the communication of the Comptroller General the following statement:

There being no showing of any authority from the Militia Bureau, War Department, for the expenditure, nor any authority in the adjutant general of the State of North Dakota to expend Federal funds by requiring this work to be done at Camp Grafton, situated upon State land, this office disallowed credit in the settlement of the account of Disbursing Officer Sorenson for the $1,518.91 paid by him to the contractor.

For the United States to pay this bill for $1,518.91 for improvements made on State land at the instance of the adjutant general of the State may establish a precedent for similar unauthorized and illegal transactions. Disbursing Officer Sorenson, who made the payment of the $1,518.91 to the contractor, and is now responsible therefor to the United States under his bond, could have protected himself by submitting to this office the voucher in advance of payment, for a decision as to its legality. In lieu of doing so he elected to make the payment and assume responsibility therefor.

The price paid for the work appears to have been reasonable. Other than as indicated no objection is offered.

Under that report from the Comptroller General I do not believe this bill ought to be passed with the limited consideration that can now be given. I ask that it go over.

The VICE PRESIDENT. The bill will be passed over.

Mr. NYE subsequently said: I ask unanimous consent to recur to Senate bill 1822, Order of Business 888. The Senator from Arkansas has consented to withdraw his objection to it.

Mr. ROBINSON of Arkansas. Mr. President, I have examined the report, and find that the payment is unqualifiedly recommended by the Secretary of War. I have no objection to the consideration of the bill.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there objection to the request of the Senator from North Dakota?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General is authorized and directed to credit the accounts of Harold Sorenson, major,

United States property and disbursing officer, North Dakota National Guard, in the amount of $1,518.91, representing the credit disallowed in such accounts by reason of the payment of such sum by such Harold Sorenson during the year 1926, out of funds of the United States, for certain work in connection with the construction of a water-supply system near Camp Grafton, N.Dak., pursuant to obligations incurred after the termination of the authority for such obligations.

DEPOSITS OF MONEYS OF PHILIPPINE GOVERNMENT

The bill (S. 3439) relating to deposits in the United States of public moneys of the government of the Philippine Islands 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 is authorized to accept, upon such terms and conditions as he may from time to time prescribe, deposits of public moneys of the government of the Philippine Islands and to pay out of any funds in the Treasury not otherwise appropriated interest on any or all of such deposits other than demand deposits, at such rate or rates, not in excess of 2 percent per annum, as the Secretary of the Treasury may from time to time prescribe.

JOE G. M'INERNEY

The bill (H.R. 5542) for the relief of Joe G. McInerney was announced as next in order.

Mr. McKELLAR. Mr. President, will the Senator from Mississippi [Mr. STEPHENS] explain the bill? I find a report from the Secretary of the Treasury against the passage of the bill. I read from the report:

In view of the nature of the discharge of Jos. McInerney I do not feel that I can give my approval to the bill under notice.

That is signed by the Secretary of the Treasury. I am wondering why the bill was reported.

Mr. STEPHENS. Mr. President, it is true that the language read by the Senator from Tennessee was used by the Secretary of the Treasury; but there are no records available that show the cause of this discharge. Statements were made by persons who were in service with this particular man, and they gave him a very high recommendation, stating that he had been for many years a good citizen.

I recall that this little incident was brought to my notice: On one occasion 2 years ago it became necessary to reduce the personnel 30 percent, and the men were relieved from service and dishonorably discharged. There was not a thing in the world in their records to justify such action. I took up the matter with the proper department and was informed as to the reason for the discharge of this part of the personnel, and it was stated that there was nothing adverse to the records of the men. Just why that course was pursued I do not know; but one of the men interested in this particular matter stated that after this man had been discharged he had a conversation with his superior officer, who spoke of him in the highest terms. There was nothing to indicate that he had ever been charged with anything which might be regarded as dishonorable conduct.

This matter was discussed at some length in the committee, and the whole case was gone into; and after the discussion it was determined by the vote of every member present that a favorable report should be made, despite the objection of the Secretary.

So far as I am concerned, I feel that this man's record should be changed. The bill does not carry any back pay, pension, allowances, or anything of the kind. The Senator from South Carolina [Mr. SMITH] wrote a letter in regard to the matter. I see him in the Chamber now. He states in the letter that he does not have any facts other than those set out in the House of Representatives. However, a statement under oath has been made by this man. I think there is no doubt that this is a proper bill.

I have nothing further to say.

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

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

CROMLINE CREEK, N.Y.

The Senate proceeded to consider the bill (S. 3408) to provide for a preliminary examination of Cromline Creek in the State of New York, with a view to the control of its floods, which had been reported from the Committee on Commerce with an amendment, on page 1, line 6, to strike out "the cost thereof to be paid from the annual appropriation of the War Department" and to insert "in accordance with the provisions of section 3 of an act entitled 'An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes', approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors", so as to make the bill read:

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

The amendment was agreed to.

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

CARLO DE LUCA

The bill (S. 2806) to confer jurisdiction on the Court of Claims to hear and determine the claim of Carlo de Luca was announced as next in order.

Mr. KING. Mr. President, may I ask the Senator from Kentucky [Mr. LOGAN] whether this alleged breach of contract, if it was a breach, occurred immediately after the war?

Mr. LOGAN. Mr. President, this case is a rather peculiar one. This man De Luca was treated differently from everyone else who had contracts with the Government at the time. The Government requisitioned his contracts under an agreement that they should pay him the amount he had actually expended in carrying out the contracts, and also that they should make fair and just compensation for incidental expenses which were mentioned. Under the plan the War Department had in effect, they paid whatever expenses the contractors had been out, and then paid 75 percent of the additional expenses claimed, and allowed them to litigate the balance. But they were very arbitrary with this claimant. He was an Italian subject, was not in this country, and for that reason he was unable to collect, or have a hearing on his claim for incidental expenses. They offered him $20,000 on each boat, arbitrarily, and told him to take that or nothing. They were about to sue him on his primary obligation for the money he used in reconditioning the boats, so he accepted. Now he simply asks to be allowed to go into the Court of Claims.

Mr. McKELLAR. I was about to ask if this bill merely proposes to let him go to the Court of Claims?

Mr. LOGAN. Yes; to litigate his claim.

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

There being no objection, the Senate proceeded to consider the bill, which was 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 is hereby, given jurisdiction to hear and determine the claim of Carlo de Luca, and to award him just compensation for losses and damages, if any, which he may have suffered through action of the United States Shipping Board Emergency Fleet Corporation in commandeering or requisitioning two certain contracts dated June 25, 1917, which the said Carlo de Luca owned and which he had with the Standard Shipbuilding Corporation of New York for the construction and delivery of two certain ships designated as "hulls 12 and 13"; and to enter decree or judgment against the United States for such just compensation, if any, notwithstanding the bars or defenses of any alleged settlement or adjustment heretofore made or of res judicata, lapse of time, laches, or any statute of limitation: *Provided, however*, That the United States shall be given credit for any sum heretofore paid the said Carlo de Luca by reason of said action of the United States Shipping Board and/or the United States Shipping Board Emergency Fleet Corporation.

SEC. 2. Such claim may, under section 1 of this act, be instituted at any time within 4 months from the approval of this act. Pro-

ceedings in any suit brought in the Court of Claims under this act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

MORSE DRYDOCK & REPAIR CO.

The bill (S. 3280) to carry out the findings of the Court of Claims in the claim of the Morse Drydock & Repair Co. was announced as next in order.

Mr. McKELLAR. Mr. President, we must have an explanation of this bill. A very large amount of money is called for.

Mr. WAGNER. Mr. President, let the bill go over temporarily. I have just come into the Chamber.

The VICE PRESIDENT. The bill will be passed over temporarily.

Mr. WAGNER subsequently said: Mr. President, may we return to Senate bill 3280, Order of Business 895, to which the Senator from Tennessee [Mr. McKELLAR] objected? He has consented to withdraw his objection.

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senator from New York asks unanimous consent to return to Senate bill 3280. Is there objection?

Mr. McKELLAR. I have no objection to returning to the bill. I find that while the sum is a large one, the amount involved in the bill has already been authorized by the Court of Claims. Under those circumstances, of course the bill should be passed.

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

There being no objection, the Senate proceeded to consider the bill, which 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 to the Morse Dry Dock & Repair Co., a corporation organized and existing under the laws of the State of New York, out of any money in the Treasury not otherwise appropriated, the sum of $331,879.25, as reimbursement for repairing and reconditioning the steamships *Princess Matoika, Pocahontas, Susquehanna, Potomac, America*, and *George Washington*, as found by the Court of Claims and reported in Senate Document No. 141, Seventy-third Congress, second session.

MARIE LOUISE BELANGER

The Senate proceeded to consider the bill (S. 2872) for the relief of Marie Louise Belanger, which had been reported from the Committee on Claims with an amendment 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 is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 in full settlement of all claims of Marie Louise Belanger against the Government on account of the death of her husband, Alfred Belanger, caused by an explosion in the meter house of the Federal Hospital for Defective Delinquents, at Springfield, Mo., on September 15, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

Mr. ROBINSON of Arkansas. Mr. President, I understand the liability that is being recognized in this bill grows out of an explosion which occurred under the responsibility of the Government. Is that correct?

Mr. GIBSON. That is correct.

Mr. ROBINSON of Arkansas. The report of the Assistant Attorney General states:

Under these circumstances, it appears there would be little doubt as to the Government's liability if it could be held answerable in tort for the acts of its agents.

I see no objection.

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

STELLA D. WICKERSHAM

The Senate proceeded to consider the bill (S. 2873) for the relief of Stella D. Wickersham, which had been reported from the Committee on Claims with an amendment 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 is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 in full settlement of all claims of Stella D. Wickersham against the Government on account of the death of her husband, Robert L. Wickersham, caused by an explosion in the meter house of the Federal Hospital for Defective Delinquents, at Springfield, Mo., on September 15, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

INDEMNITY BONDS FOR NATIONAL BANKS

The bill (S. 2915) requiring national banks to obtain indemnity bonds from State qualified bonding companies, was announced as next in order.

Mr. NcNARY. Mr. President, the senior Senator from Delaware [Mr. HASTINGS] desires to be present when this bill is presented to the Senate, and, in his absence, I ask that it go over.

Mr. BULKLEY. Mr. President, I move that the bill be referred to the Committee on Banking and Currency.

The VICE PRESIDENT. Under the rule, if objection is made, the bill must go over.

Mr. BULKLEY. I ask the Senator from Oregon to withdraw his objection.

Mr. McNARY. Mr. President, the rule would not permit such a motion anyway. We are considering unobjected bills on the calendar.

Mr. KING. The motion would be resisted.

Mr. COUZENS. Mr. President, it could be done by unanimous consent. This is a matter in which the Committee on Banking and Currency is very much interested, and I think by unanimous consent the bill should be referred to that committee. We can do it by unanimous consent.

Mr. McNARY. But not by motion.

Mr. COUZENS. I ask unanimous consent that the bill be taken from the calendar and referred to the Committee on Banking and Currency.

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

Mr. NEELY. Mr. President, I vigorously object. This bill is similar to one that has long been buried in the Committee on Banking and Currency. The pending measure was, without any suggestion on my part, properly referred to the Committee on the Judiciary. A subcommittee of that committee held hearings on the bill. The printed record of those hearings has been available to the Members of the Senate for more than a week. The bill is on the calendar and should be passed.

The VICE PRESIDENT. Objection is made.

Mr. GLASS. Mr. President, I may say a word about this matter. I think it will be universally conceded in the Senate that this is an unprecedented performance. The bill, as appears on the face of it, belongs within the jurisdiction of the Committee on Banking and Currency and not in any sense within the jurisdiction of the Committee on the Judiciary. Not only that, but the Banking and Currency subcommittee, of which I happen to be chairman, held preliminary hearings on the bill, and while they were engaged in its consideration a similar bill was introduced and referred to a committee which has no jurisdiction whatsoever of matters of this kind.

I did not know that had been done. We had scores of telegrams from banks all over the country protesting against the bill, and letters pointing out in detail the very severe injustice that would be done if the bill, in the form in which it is now presented, should be enacted into law. We assured the protestants that formal hearings would be held by the Committee on Banking and Currency if it should appear that the bill needed any modification.

Not only that, but a member of the subcommittee, the junior Senator from California [Mr. McADOO], made a personal investigation, and reported to the subcommittee of the Committee on Banking and Currency that, in the form in which the bill is now presented, it was doubtful whether there were more than two or three insurance companies in the United States sufficiently solvent to insure the losses from mismanagement or otherwise of national banks.

The subcommittee of the Committee on Banking and Currency, and the committee itself, to which this bill was referred, and where it is now, feel under obligation, if the bill is to be considered right away, to invite these gentlemen here, as we promised to do, in order that they may make their formal and detailed protests against the bill.

Mr. ASHURST. Mr. President, it is not necessary for me or anyone else to defend the Senate Committee on the Judiciary. Each member thereof is able to defend himself. My learned friend the Senator from Virginia [Mr. GLASS] laments that the bill now being discussed was referred to the Committee on the Judiciary.

If any other Senator had used the word "performance" as it was employed by the Senator from Virginia, I should have passed it by, but the Senator from Virginia, being a master of language, is able by one word to attach an epithet when he chooses. By his ripe and rare scholarship he is able to stigmatize a matter with a word, and I do not particularly like the way he used the word "performance." [Laughter.]

Mr. GLASS. Very well, Mr. President; I ask to have the word obliterated from my remarks. [Laughter.]

Mr. ASHURST. That would result in the obliteration of my remarks, so I would have to object. [Laughter.]

Mr. President, the last thing the Senate Committee on the Judiciary desires is more jurisdiction. I hold in my hand our committee calendar. We are not more assiduous and more industrious than the members of other committees, but I lay it down that I, as a healthy man, and members of my committee, as healthy gentlemen, are working to the point of pain and heavy pressure on the Committee on the Judiciary.

I want it understood, therefore, that the Senate Committee on the Judiciary did not seek jurisdiction of this bill. It was introduced in the regular way, openly, by the able Senator from West Virginia [Mr. NEELY] and was referred to the Committee on the Judiciary. In accordance with our rule—I suppose the rule is a hundred years old—the bill was referred to a subcommittee, with instructions to that subcommittee to employ a stenographer and to hear all persons who wished to be heard.

The record shows that there were hearings. The subcommittee consisted of Senators NEELY, VAN NUYS, and ROBINSON of Indiana. The hearings were printed. After the subcommittee made its report on the bill, there was an able discussion on it in the main committee. Therefore, with due deference to my able friend, he is not justified in catapulting over the country the idea that some "performance" took place respecting this bill.

Mr. GLASS. Mr. President——

Mr. ASHURST. Just a moment and I will yield. I want the country and the Senate to know that the Judiciary Committee treated this bill in the regular way, discussed it at length, and held hearings. If jurisdiction should not have been lodged with us in the first instance, the move should have been made promptly to have the bill referred to another committee.

Moreover, only last Monday a suggestion was made in the Judiciary Committee that we did not have jurisdiction of a claims bill, and, by unanimous vote, we sent the bill to the Committee on Claims, indicating that we are not seeking jurisdiction.

Last year a certain bill was introduced which went to the Judiciary Committee. It related, we thought, to foreign affairs, and we sent the bill back for reference to the Committee on Foreign Affairs. However, we could see no reason why the Senate Committee on the Judiciary should not take cognizance of the bill now under discussion.

I beg my worthy friend from Virginia to believe me when I say again that if any other Senator had used the word "performance" I should not have risen, because no other Senator is capable of that remarkable use of language which can attach to one word the meaning and the import that my learned friend from Virginia can attach to a word.

Mr. GLASS. I appeal to the distinguished Senator from Arizona, who so far exceeds me in the ability to use words, to tell me just what word he has in his remarkable vocabulary to describe an activity of that sort. Suppose a bill relating——

Mr. ROBINSON of Arkansas. Mr. President, I demand the regular order.

The VICE PRESIDENT. The Senator from Arkansas demands the regular order. Objection has been heard, and the bill will be passed over.

Mr. FLETCHER. Mr. President, before we pass to the next bill on the calendar, permit me to make a brief statement in connection with this matter which I think I should make now.

I introduced in the Senate a bill of similar import to the one now being discussed, and it was referred to the Committee on Banking and Currency. We have a subcommittee of the Committee on Banking and Currency dealing with national banks and legislation pertaining to national banks, of which the Senator from Virginia [Mr. GLASS] is chairman. The bill was referred to the Committee on Banking and Currency, and by that committee referred to the subcommittee I have mentioned. Afterward the bill now under discussion was introduced and referred to the Committee on the Judiciary. That was clearly a mistake. It should never have been done.

If the Banking and Currency Committee has any jurisdiction at all, it has jurisdiction of such matters as contained in this bill. The bill which I originally introduced is still before the subcommittee of the Senate Committee on Banking and Currency. I have no personal interest in the present personalities of explanations and desire to take no part in the discussion other than to show the history of the bill. Undoubtedly a mistake was made when the bill was referred to the Judiciary Committee. Now the question is whether the bill should go to the Committee on Banking and Currency as suggested by the Senator from Ohio [Mr. BULKLEY]. However, the bill has gone over. I simply wanted to make the explanation for the RECORD.

SALE OF REAL ESTATE UNDER COURT ORDER

Mr. STEPHENS. Mr. President, a moment ago the Senator from Arkansas [Mr. ROBINSON] asked that House bill 1567 go over in order that I have an opportunity to read the report. I ask unanimous consent to return to the consideration of that bill.

Mr. ROBINSON of Arkansas. I have no objection.

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

There being no objection, the Senate proceeded to consider 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.

Mr. ROBINSON of Arkansas. What is the change which the bill makes in existing law?

Mr. STEPHENS. The change is simply to permit real estate to be sold at private sale. The sale is safeguarded by the first provision, which requires the court to appoint three appraisers, and provides that the price agreed upon

shall not be less than two thirds of the appraised value. It is stated in the report by several judges, and known to be a fact, I am sure, by many of us, that very frequently when property is put up at public sale it brings a very small price, and yet the sale is confirmed unless some person offers more, and unless that happens, of course, the owner of the property obtains a very small sum for his property.

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

Mr. STEPHENS. I yield.

Mr. ROBINSON of Arkansas. Is not what the bill proposes in violation of the custom which at present prevails in every jurisdiction, both State and national?

Mr. STEPHENS. It is stated in a letter from a judge:

> This authority has for many years been vested in the judges of the State court.

I have not run down the statutes of the various States. I took it for granted that this judge was correct in his statement.

The bill has the approval of the Attorney General, and has passed the House. It seems to me that it might be quite helpful in many cases for negotiations to be made with reference to a private sale, and that in many instances perhaps more will be received for the real estate than if the property is offered at public sale.

Mr. McKELLAR. Mr. President, does the law of the State of Mississippi permit such sale? The law of the State of Tennessee does not. Of course, I am not familiar with the laws of all States, but I know of no State in which such a practice is permitted.

Mr. STEPHENS. I am not at all sure that it is permitted in the State of Mississippi, but I was accepting the view of the Attorney General, and I was accepting the statement of the judge I referred to, Judge F. P. Shoonmaker, of Pittsburgh, Pa., one of the Federal judges. There are letters also from two other Federal judges favoring the bill.

I have no personal interest in the bill, and I care nothing about it, but in view of the fact that the Attorney General favored it, that the House favored it, and that the arguments presented for the bill had merit, it seemed to me it might be well to pass it.

Mr. DILL. Is it proposed to give such authority to any United States court anywhere in the country?

Mr. STEPHENS. Yes; the bill relates to any Federal court.

Mr. BLACK. May I ask when the Attorney General made the report? Has the bill gone to the present Attorney General for consideration?

Mr. STEPHENS. This language is contained in the House report:

> The bill has the approval of the Attorney General.

I have not seen that report. I took it for granted, of course, that the House committee made a correct statement about the approval of the Attorney General. It is probable, however, I will say, since I have looked at the dates of the letters from the judges that it might have been the former Attorney General who made the report—Attorney General Mitchell.

Mr. BLACK. Mr. President personally, I should prefer to have the bill go over so as to get the views of the present Attorney General.

Mr. McNARY. Mr. President, this bill seems to have stirred up considerable controversy which is delaying the orderly procedure. I ask that it go over.

Mr. STEPHENS. Mr. President, if the Senator from Oregon will pardon me, I will say to him that I was going to accede to the request of the Senator from Alabama [Mr. BLACK] that the bill go over.

Mr. McNARY. Very well. My suggestion is that if there shall be further debate with reference to the bill, I shall ask for the regular order.

Mr. STEPHENS. I do not ask for further debate. I ask that the bill go over.

The PRESIDING OFFICER (Mr. CLARK in the chair). The bill will be passed over.

PUBLIC-SCHOOL FACILITIES FOR YAKIMA RESERVATION

The Senate proceeded to consider the bill (S. 2506) to provide funds for cooperation with White Swan School District No. 88, Yakima County, Wash., for extension of public school buildings to be available for Indian children of the Yakima Reservation, which had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 3, after the words "to be", to strike out the words "expended, from any moneys now available for construction under provisions of the National Industrial Recovery Act, approved June 16, 1933" and to insert in lieu thereof "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 $50,000 for the purpose of cooperating with White Swan School District, No. 88, Yakima County, Wash., for extension and improvement of public-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 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.

DISPOSITION OF SURPLUS REAL ESTATE OF THE WAR DEPARTMENT

The bill (S. 3457) to authorize the Secretary of War to sell or dispose of certain surplus real estate of the War Department was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

> *Be it enacted, etc.*, That in accordance with, and under the applicable provisions and conditions of, an act entitled "An act authorizing the use for permanent construction at military posts of the proceeds from the sale of surplus War Department real property, and authorizing the sale of certain military reservations, and for other purposes", approved March 12, 1926 (44 Stat. 203), except that the net proceeds derived from any sales made under the authority contained in this act shall be covered into the Treasury as "miscellaneous receipts", the Secretary of War is hereby authorized to dispose of the several tracts or parcels of real property hereinafter designated, or portions thereof, upon determination by him that said tracts or parcels, or portions thereof, are no longer needed for military purposes:
>
> Confederate lot, Greenlawn Cemetery, Indianapolis, Ind.; tract designated no. 2 of Confederate Cemetery, Point Lookout, Md.; Balls Bluff National Cemetery, Va.; Soldiers' lot, Camp Dennison, Ohio.
>
> SEC. 2. That the Secretary of War is hereby authorized and directed to discontinue the national cemetery at Balls Bluff, Va., established under the provisions of section 18 of the act of Congress, approved June 17, 1862 (12 Stat. 596), and the Secretary of War is further authorized to disinter and remove to the nearest national cemetery the remains of the soldiers buried in said cemetery.

BILL PASSED OVER

The bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, may we have an explanation of that bill?

Mr. COUZENS. Mr. President, the Senator from Virginia [Mr. GLASS] is not in the Chamber at the moment, and I think the bill should go over until he is here. I ask that the bill go over for the present.

The PRESIDING OFFICER. The bill will be passed over.

DONATION OF LAND TO THE TOWN OF BOURNE, MASS.

The bill (H.R. 503) to authorize the donation of certain land to the town of Bourne, Mass., was considered, ordered to a third reading, read the third time, and passed.

PATRICK J. SULLIVAN

The bill (S. 522) for the relief of Patrick J. Sullivan was announced as next in order.

Mr. KING. Over.

Mr. COOLIDGE. Mr. President, will the Senator withhold his objection for a moment?

Mr. KING. I may say to the Senator that on examining the report submitted by Brigadier General McKinley I find

that the soldier was charged with a number of offenses and was tried by courts martial.

After due consideration of the case by the court, including the consideration of evidence of five previous convictions by summary courts martial for absence without leave and drunkenness—

He was found guilty and was sentenced to be dishonorably discharged for the offense, and also to be confined at hard labor for 3 months.

Mr. COOLIDGE. Mr. President, Mr. Sullivan served one term of 3 years in the military service very acceptably, and was honorably discharged with character very good. Within a week he again joined the military service and served for another 3 years. Within a few days after the expiration of that enlistment he reenlisted and served in another organization of the military service for something like 2 years and 10 months. In all he was in the military service for something over 8 years and 10 months. He became involved in some trifling difficulties with the commanding officer two or three times in connection with small matters that did not seem to amount to much. I had a long letter which he sent me in which he classified these little difficulties. For instance, he was told to do a certain thing by one officer and then another officer came along and told him to do another thing. He stated that he thought he ought to go by the directions given him by the last officer. There were little things such as that.

Mr. KING. Does the Senator consider that the findings of courts martial upon five occasions of offenses such as absence without leave and drunkenness are small matters? Those may be trifling matters in the Army, but I am just calling attention to the findings of the courts martial.

Mr. COOLIDGE. The committee took this matter up. They have rather ruled, generally speaking, that if a man was in the service and was honorably discharged and later got into some difficulty such as in this case——

Mr. KING. And then was dishonorably discharged.

Mr. COOLIDGE. They would give him an honorable discharge. In connection with this bill, for which the committee voted unanimously, there was added a proviso, as follows:

And provided further, That the rights, privileges, and benefits conferred upon Patrick J. Sullivan by reason of the enactment of this act shall be limited to admission to a soldier's home under the regulations governing such admissions.

Mr. KING. If it is limited to that purpose, I shall make no objection.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 11, after the word "act", to insert an additional proviso, 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 Patrick J. Sullivan, who was a member of Battery A, Third Regiment United States Field Artillery, 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 13th day of November, 1910: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act: *And provided further*, That the rights, privileges, and benefits conferred upon Patrick J. Sullivan by reason of the enactment of this act shall be limited to admission to a soldiers' home under the regulations governing such admissions.

The amendment was agreed to.

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

HARRY L. REAVES

The bill (S. 2938) for the relief of Harry L. Reaves was announced as next in order.

Mr. KING. Over.

Mr. SHEPPARD. Mr. President, may I say to the Senator from Utah that this bill merely gives this officer the right to make application for benefit under the Emergency Officers' Retirement Act of May 24, 1928. He had a claim pending with the Veterans' Administration and thought that claim covered the matter of benefits under the emergency officers' retirement act, and did not make his application under that act until after the prescribed time had expired. He has a splendid war record, and the committee feeling that he was not responsible for having delayed his application, felt that he should be given the right to make it at this time.

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

There being no objection, the bill was considered, ordered to be engrossed for 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 extend the benefits of the act entitled "An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War", approved May 24, 1928, to Harry L. Reaves, former captain, Eleventh Regiment United States Infantry. The application of the said Harry L. Reaves for the benefits of such act of May 24, 1928, shall be filed with the Veterans' Administration within 6 months from the date of the approval of this act.

PREVENTION OF USURY IN THE DISTRICT

The Senate proceeded to consider the bill (S. 587) to amend section 1180 of the Code of Law for the District of Columbia with respect to usury, which had been reported from the Committee on the District of Columbia, with amendments.

Mr. McKELLAR. Mr. President, will the Senator from Utah state what the bill proposes to do?

Mr. KING. Mr. President, many complaints were brought to the Commissioners and by the Commissioners and citizens to the Senate District Committee concerning the usurious charges made by the lenders of money to residents of the District of Columbia, the interest charge, in many instances, being 50 percent. This bill was prepared by the Commissioners and submitted for the consideration of the committee, and, as stated by Mr. Hazen——

Mr. McKELLAR. Mr. President, I have no objection to the bill.

The PRESIDING OFFICER. The amendments reported by the committee will be stated.

The amendments of the committee were, on page 2, line 9, after the word "interest", to insert "on loans, the face amount of which is less than $100"; in line 11, after the word "amount", to insert "not in excess of 10 percent"; in line 20, after the word "loan", to strike out "and any accelerated period or prepayment, and any bona fide rower shall be computed for the contract term and not for any accelerated period or prepayment" and insert "and any bona fide commission. In like manner, the fees, expenses, and commission actually paid or incurred and deemed to be reasonable shall not exceed 8 percent on loans in excess of $100 but not in excess of $200, and 6 percent on loans in excess of $200. In any prosecution or suit arising out of any such transaction the burden shall be upon the lender to establish the absence of knowledge of any such payment and to establish the reasonableness of any such excepted payment"; on page 3, line 9, after the word "receive", to insert "compounded interest or"; in line 12, after the word "annum", to insert "on unpaid balances for the period loaned"; in line 19, after the word "imprisonment", to insert "and prosecutions for violations of this act shall be conducted by the office of the Corporation Counsel in the police court of the District of Columbia", so as to make the bill read:

Be it enacted, etc., That section 1180 of the act entitled "An act to establish a code of law for the District of Columbia", approved March 3, 1901, as amended, is amended to read as follows:

"SEC. 1180. What is usury: If pursuant to any arrangement, understanding, or agreement whatsoever, made with the knowledge of the lender, either as a part of the contract of borrowing or collateral thereto, and whether made at, before, or after the time the loan is made, there shall be paid by or at the expense of the borrower to the lender, his or its broker, officer, director, or agent, any commission, bonus, fee, premium, penalty, or other charge, compensation, or gratuity, whatsoever, whether in money, credit, or other thing of value as consideration, compensation, or inducement for obtaining any loan or any renewal, extension, or forbearance thereof, any such payment shall be deemed a part of the interest charged on such loan: *Provided, however*, That for the pur-

poses of this section interest on loans, the face amount of which is less than $100, shall not be deemed to include such reasonable amount not in excess of 10 percent as shall be actually applied in payment of the reasonable expense of inspecting any security offered in connection with said loan, or investigation of the responsibility of the applicant, the reasonable expense of procuring or extending any abstract of title or certificate of title insurance covering such security, the amount actually paid for the examination of any such abstract or title insurance certificate, or the cost of the preparation, execution, and recording of any papers necessary in consummating such loan and any bona fide commission. In like manner, the fees, expenses, and commission actually paid or incurred and deemed to be reasonable shall not exceed 8 percent on loans in excess of $100 but not in excess of $200, and 6 percent on loans in excess of $200. In any prosecution, or suit arising out of any such transaction, the burden shall be upon the lender to establish the absence of knowledge of any such payment and to establish the reasonableness of any such excepted payment. If any person or corporation shall contract within the District of Columbia, directly or indirectly, on behalf of themselves or otherwise, either verbally, to take or receive compounded interest or a greater rate of interest than 6 percent per annum, or in writing, to take or receive a greater rate of interest than 8 percent per annum on unpaid balances for the period loaned, the creditor shall forfeit the whole of the interest so contracted to be received; and any person or corporation so contracting shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than $500 or by imprisonment of not more than 6 months, or by both such fine and imprisonment, and prosecutions for violations of this act shall be conducted by the office of the corporation counsel in the police court of the District of Columbia: *Provided*, That nothing in this chapter contained shall be held to repeal or affect the act of Congress approved February 4, 1913, relating to the business of loaning money on security."

The amendments were agreed to.

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

OIL AND GAS ON FORT MORGAN MILITARY RESERVATION, ALA.

The bill (H.R. 8208) to provide for the exploitation of oil, gas, and other minerals on the lands comprising Fort Morgan Military Reservation, Ala., was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF LAW RELATIVE TO CITIZENSHIP AND NATURALIZATION

The bill (H.R. 3673) to amend the law relative to citizenship and naturalization, and for other purposes, was announced as next in order.

Mr. THOMAS of Utah. Over.

Mr. COPELAND. Mr. President, I hope the Senator will withhold his objection for a moment. I know he desires to offer an amendment which is a friendly amendment. Personally I am very much in opposition to it, and I hope the Senate will vote it down. The Senator, I am sure, is not objecting to the passage of the bill on its merits, but simply that in form he thinks there should be an amendment. I hope the Senate will consider his amendment and vote it down.

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

There being no objection, the Senate proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That section 1993 of the Revised Statutes is amended to read as follows:

"SEC. 1993. Any child hereafter born out of the limits and jurisdiction of the United States, whose father or mother or both at the time of the birth of such child is a citizen of the United States, is declared to be a citizen of the United States; but the rights of citizenship shall not descend to any such child unless the citizen father or citizen mother, as the case may be, has resided in the United States previous to the birth of such child and unless the child, in cases where one of the parents is an alien, comes to the United States and resides therein for at least 5 years continuously immediately previous to his eighteenth birthday, and unless, within 6 months after the child's twenty-first birthday, he or she shall take an oath of allegiance to the United States of America as prescribed by the Bureau of Naturalization."

SEC. 2. Section 5 of the act entitled "An act in reference to the expatriation of citizens and their protection abroad", approved March 2, 1907, as amended, is amended to read as follows:

"SEC. 5. That a child born without the United States of alien parents shall be deemed a citizen of the United States by virtue of the naturalization of or resumption of American citizenship by the father or the mother: *Provided*, That such naturalization or resumption shall take place during the minority of such child: *And provided further*, That the citizenship of such minor child shall begin 5 years after the time such minor child begins to reside permanently in the United States."

SEC. 3. A citizen of the United States may upon marriage to a foreigner make a formal renunciation of his or her United States citizenship before a court having jurisdiction over naturalization of aliens, but no citizen may make such renunciation in time of war, and if war shall be declared within one year after such renunciation then such renunciation shall be void.

SEC. 4. Section 2 of the act entitled "An act relative to the naturalization and citizenship of married women", approved September 22, 1922, is amended to read as follows:

"SEC. 2. That an alien who marries a citizen of the United States, after the passage of this act, as here amended, or an alien whose husband or wife is naturalized after the passage of this act, as here amended, shall not become a citizen of the United States by reason of such marriage or naturalization; but, if eligible to citizenship, he or she may be naturalized upon full and complete compliance with all requirements of the naturalization laws, with the following exceptions:

"(a) No declaration of intention shall be required.

"(b) In lieu of the 5-year period of residence within the United States and the 1-year period of residence within the State or Territory where the naturalization court is held, he or she shall have resided continuously in the United States, Hawaii, Alaska, or Puerto Rico for at least 3 years immediately preceding the filing of the petition."

SEC. 5. The following acts and parts of acts, respectively, are repealed: The act entitled "An act providing for the naturalization of the wife and minor children of insane aliens, making homestead entries under the land laws of the United States", approved February 24, 1911; subdivision "Sixth" of section 4 of the act entitled "An act to establish a Bureau of Immigration and Naturalization, and to provide for a uniform rule for the naturalization of aliens throughout the United States", approved June 29, 1906; and section 8 of the act entitled "An act relative to the naturalization and citizenship of married women", approved September 22, 1922, as said section was added by the act approved July 3, 1930, entitled "An act to amend an act entitled 'An act relative to naturalization and citizenship of married women', approved September 22, 1922."

The repeal herein made of acts and parts of acts shall not affect any right or privilege or terminate any citizenship acquired under such acts and parts of acts before such repeal.

Mr. THOMAS of Utah. Mr. President, if we are to consider the bill now, I should like to offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Utah proposes an amendment, which the clerk will state.

The CHIEF CLERK. It is proposed to strike out, beginning on page 1, line 5, down to and including line 7, on page 2, and in lieu thereof to insert the following:

SEC. 1993. (a) Any child hereafter born out of the limits and jurisdiction of the United States, whose father and mother at the time of the birth of such child are citizens of the United States, if either of said parents has resided in the United States previous to the birth of such child, is declared to be a citizen of the United States from birth.

(b) Any child hereafter born out of the limits and jurisdiction of the United States, one of whose parents at the time of the birth of such child is a citizen of the United States and the other an alien, if the parent who is a citizen has resided in the United States previous to the birth of such child, may become a citizen of the United States by taking an oath of allegiance to the United States within 6 months after his or her twenty-first birthday, in such form and manner as shall be prescribed by the Bureau of Naturalization, provided that such child has resided within the United States for at least 5 years continuously immediately previous to his eighteenth birthday.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah.

Mr. THOMAS of Utah. Mr. President, it will be seen that the amendment is in the nature of a substitute for the first section of the bill.

Mr. President, the section in question deals with the nationality of children born abroad of American parents. The present provision of the law is found in section 1993 of the Revised Statutes, which this bill seeks to amend. The present provision of the law reads as follows:

All children heretofore born or hereafter born out of the limits and jurisdiction of the United States, whose fathers were or may be at the time of their birth citizens thereof, are declared to be citizens of the United States; but the rights of citizenship shall not descend to children whose fathers never resided in the United States.

The present law provides that a child born out of the United States is a citizen if the father was a citizen at the time of birth and if the father had resided in the United States. This section was interpreted by the Supreme Court in *Weedin* v. *Chin Bow* (1927) (274 U.S. 657), in which the Court held that the residence of the father in the United States must be prior to the birth of the child.

The bill H.R. 3673 seeks to amend the present law by providing for two categories of cases:

First. Children born out of the United States both of whose parents are American citizens.

Second. Children born outside the United States either one of whose parents is a citizen.

The obvious purpose of the bill is to provide equality for men and women, enabling an American mother as well as an American father to transmit American citizenship to their foreign-born child.

The bill retains the curious phraseology of section 1993 of the Revised States in providing that—

The rights of citizenship shall not descend * * *.

In the Chin Bow case, above referred to, the Supreme Court had difficulty in interpreting this expression, but concluded that the transmission of the right of citizenship takes place at the birth of the child. The present bill would seem to provide that the rights of citizenship shall descend when the child reaches his twenty-first birthday. As the bill is drafted, it is rather impossible to tell with certainty whether the child during his first 21 years is an alien or a citizen; this applies to a case of a foreign-born child, only one of whose parents is a citizen.

The substitute I offer for this section of the bill retains the substance and purpose of H.R. 3673, but seeks to clarify it. This is done by dividing the section into two paragraphs, (a) and (b).

Paragraph (a) covers the case of foreign-born children both of whose parents are citizens.

Paragraph (b) covers the case of foreign-born children only one of whose parents is a citizen.

Paragraph (a) presents no difficulties. The only real change is the definite statement that such child is declared to be a citizen of the United States "from birth." These last two words are considered desirable in the interests of clarity, particularly when contrasted with paragraph (b).

Paragraph (b) clearly expresses the principle that the foreign-born child, only one of whose parents is a citizen, is born an alien but may become a citizen by fulfilling certain requirements.

It is apparent that under this paragraph (b) the child is born an alien, and this fact renders unnecessary the discussion of difficult questions regarding the application of the immigration laws of the United States to such child.

The redraft, therefore, leaves this question open, and I believe that the issue should not be raised. It should be borne in mind that an Executive commission is now considering a comprehensive revision of our nationality laws, and it may therefore be assumed that the present bill will eventually be superseded by the provisions of some comprehensive act. It is better to leave an uncertainty in the present bill than to raise the difficult question of immigration at this time.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. THOMAS of Utah. I yield.

Mr. ROBINSON of Arkansas. Will the Senator state the difference, in legal effect, between the provisions of the first section of the pending bill and the proposed substitute for that section which the Senator has offered? What is the difference?

Mr. THOMAS of Utah. Under the proposed substitute which I have suggested all persons born abroad, both of whose parents are citizens of the United States, will be such citizens from the time of birth. In cases where only one parent is a citizen of the United States the child abroad will be considered an alien from the time of birth. The present law, as suggested, has confused the matter of citizenship to such an extent that every case involves further confusion; and, in my judgment, by the pending bill, without the amendment, we are merely adding greater confusion instead of clarifying the situation with respect to our nationality laws, which as they stand today are extremely complex, as the Senator knows.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. THOMAS of Utah. I yield.

Mr. WALSH. Does the Senator mean that when a child is born to American citizens abroad those citizens are prevented by virtue of their passports——

Mr. THOMAS of Utah. The question of passports does not enter into this case at all.

Mr. WALSH. As I understand the law, an American citizen who goes abroad and fails for 2 years to have his passport renewed comes within the provisions of the law. Of course, he may stay 10 or 15 years and still be an American. But does the Senator suggest that a child born of American parents who have been abroad 10 or 15 years shall be held to be an American?

Mr. THOMAS of Utah. Each case, of course, would be determined on its particular merits. So far as the birth of the child is concerned, if a child is born of parents both of whom are American citizens but live abroad, he shall be deemed a citizen of the United States.

Mr. WALSH. Does the Senator think, if an American man and an American woman move abroad and remain 20 years in Europe and then have a child, that the child should be considered to be an American citizen?

Mr. THOMAS of Utah. That question does not arise.

Mr. WALSH. I agree that while they are abroad and under passport permits, children born to them should be considered American citizens; but I think there must be some limitation of time, because they occasionally abandon their American citizenship and take up their residence abroad to avoid taxation in the United States, and for other purposes.

Mr. THOMAS of Utah. That is very true. If the Senator will read the bill or the suggested substitute, he will find that those questions do not arise at all. There is involved merely the question of determining nationality.

Mr. O'MAHONEY. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Wyoming?

Mr. THOMAS of Utah. I yield.

Mr. O'MAHONEY. What difference is there between the pending bill and the present law?

Mr. THOMAS of Utah. The principal difference is that from the time the child is born until he is 13 years of age he has the status of a stateless person in international law.

Mr. O'MAHONEY. Is that a change from the present law?

Mr. THOMAS of Utah. Yes.

Mr. O'MAHONEY. Where is the language which constitutes that change? Does the Senator have before him the language of the original law?

Mr. THOMAS of Utah. Yes.

Mr. O'MAHONEY. I should like to see it.

Mr. THOMAS of Utah. I invite the Senator's attention to it:

All children heretofore born or hereafter born out of the limits and jurisdiction of the United States, whose fathers were or may be at the time of their birth citizens thereof, are declared to be citizens of the United States; but the rights of citizenship shall not descend to children whose fathers never resided in the United States.

The Supreme Court has interpreted that language to mean that the descent of citizenship must come at the time of the child's birth. The change suggested is that descendant citizenship shall not come until the time the child reaches 21 years of age.

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

Mr. THOMAS of Utah. Certainly.

Mr. McKELLAR. Here is a statement with reference to which I desire to ask the Senator a question. I should like to know if, in his opinion, it is a correct statement so far as the purposes of the bill are concerned:

Principally it would give to the mother the right to transmit nationality to the minor child born abroad of an alien father.

This right now inheres only in the father, under the doctrine of relationship of blood as opposed to the right derived from place of birth. That the right of the mother under such a doctrine should be superior to that of the father might fairly be advanced and readily maintained; that it should be at least equal is surely beyond the need of argument.

If an American father has the right that is provided in the bill, why should not an American mother have the same right?

Mr. THOMAS of Utah. That is, of course, the purpose of the bill, and that is the purpose of the proposed substitute. I am not out of harmony with the purpose of the bill. I believe in the purpose of the bill, and I hope it will become the law of the land, but I do not think a bill to bring about more confusion than we already have in our nationality and immigration laws should be enacted into law.

Mr. McKELLAR. Mr. President, the editorial from which I just quoted is such a clear exposition of the matter that I ask to have it inserted in the RECORD at this point.

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

[From the Evening Post, Charleston, S.C., May 8, 1934]

EQUAL NATIONALITY RIGHT

There is pending in the Senate a bill for equalizing the nationality rights of women with those of men. It has already passed the House and has the support of leaders in both parties, as it well deserves. The bill is designed to remove the last remaining discrimination against women in the nationality laws of the United States. Principally it would give to the mother the right to transmit nationality to the minor child born abroad of an alien father. This right now inheres only in the father, under the doctrine of relationship of blood as opposed to the right derived from place of birth. That is the right of an alien father. That the right of the mother under such a doctrine should be superior to that of the father might fairly be advanced and readily maintained; that it should be at least equal is surely beyond the need of argument.

By the inequality of the present laws an American woman who marries an alien loses the right to transmit American citizenship to her minor children, and in event of the death of the husband the children remain of the nationality of the deceased father, even though the mother may return with them to the United States, and they are aliens under the law of their mother's native land.

The principle involved in the measure is sound and just. It has been written into the fundamental laws of 13 nations, and it was written into the recent treaty of Montevideo, to which 21 nations, including the United States, subscribed. The bill has been carefully drawn to avoid raising any issues as to immigration or quotas of aliens. It is plain and unequivocal in its equalization of the nationality rights of the sexes, and it would remove an unjust and an archaic discrimination against women. The reasonableness of the bill was so apparent that it passed the House without a roll call. It should find like approval and sanction in the Senate.

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

Mr. THOMAS of Utah. Certainly.

Mr. O'MAHONEY. Having examined the statute as it now reads, as submitted by the Senator from Utah, and having compared it with the language of the bill now pending before us, it seems to me that the only substantial difference is that the word "mother" is inserted, giving to the mother the same rights of transmitting citizenship to the child that are now given to the father; and also that it provides that the descent of citizenship shall go only to those children whose father or mother, as the case may be, has resided in the United States prior to the birth of the child. Under the present statute the right of citizenship does not descend to those children whose fathers never resided in the United States.

That would be true of the pending bill. It differs from the present law in that it requires residence in the United States by the mother.

The new provision to which the Senator objects is that which deals with children one of whose parents is an alien. In such cases the right of citizenship does not descend to the child unless he or she comes to the United States and resides here for not less than 5 years immediately preceding his eighteenth birthday and unless within 6 months after his twenty-first birthday he takes the oath of allegiance.

This, it seems to me, is not out of harmony with the Supreme Court decision which the able Senator has quoted. The child becomes a citizen at birth, but such citizenship is subject to defeasance by the omission of the child to reside in the United States or to take the oath. It will be observed that the pending bill does not provide that citizenship shall not descend but that the rights of citizenship shall not descend in certain cases.

I ask the Senator, therefore, if it is not the fact that the passage of the bill as it came to us from the House will merely preserve the present status with respect to fathers and extend it to mothers?

Mr. THOMAS of Utah. I think not. If the Senator's conclusion were correct I should have absolutely no objection to the wording of the bill, because I want to see that purpose accomplished; but when we take a particular case and analyze it, when we treat a case as the immigration authorities may treat it, we find that under the present reading of the law individuals are left in a stateless condition, greatly to their disadvantage.

Mr. COPELAND. Mr. President, I understand that the purpose of the Senator from Utah is to clarify the language, but I have taken pains to inquire of those who have administered the law in the past and those who now administer it, and I have no question at all that the bill as written will accomplish exactly what the women have been asking for, to have men and women citizens put on the same plane of equality. I hope the amendment of the Senator from Utah will be rejected.

Mr. KING. Mr. President, may I ask the Senator from New York a question?

Mr. COPELAND. Certainly.

Mr. KING. This may not be pertinent to the discussion or come within the terms of the bill. Suppose that a woman who is ineligible to citizenship, such as a Japanese or a Chinese or a woman from India, should marry a man who is a citizen of the United States and happened to be in one of those countries, and children were born. What would be the status of the children?

Mr. COPELAND. That is all fixed by necessity of the term of residence.

Mr. KING. Would they ipso facto automatically become American citizens?

Mr. COPELAND. I do not think so.

Mr. KING. I think that is the meaning and purpose of the bill.

Mr. SMITH. Mr. President, I ask that the bill go over. It is too complicated to be considered at this time.

Mr. ROBINSON of Arkansas. Mr. President, I hope the bill may be disposed of now. It has been the subject matter of discussion from time to time for quite a while, and I am sure it will be necessary to act upon it during the present session.

Mr. THOMAS of Utah. I am in favor of voting on it today, as delay will not help matters at all.

The PRESIDING OFFICER. The bill was taken up without objection and by unanimous consent. It is now too late to interpose an objection.

Mr. SMITH. I did not know it was taken up by unanimous consent.

The PRESIDING OFFICER. It was.

Mr. COPELAND. Let us have a vote on the amendment of the Senator from Utah.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah [Mr. THOMAS].

The amendment was rejected.

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

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

WILLIAM G. FULTON

The Senate proceeded to consider the bill (S. 740) for the relief of William G. Fulton, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the numerals "$1,528", to insert "in full settlement of all claims against the Government", and in line 11, after the numerals "1922", to strike out "and, further, to pay said William G. Fulton the sum of $800 for one ce-

ment block house which was actually sold to said William G. Fulton on July 25, 1922, but which was demolished and moved by the Camp Meade authorities and not turned over to said William G. Fulton", 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 William G. Fulton, of Annapolis Junction, Md., out of any money in the Treasury not otherwise appropriated, the sum of $1,528, in full settlement of all claims against the Government, for damage to crop on the Camp Meade Reservation, Md., for which he had entered into contract with the United States Army authorities at Camp Meade on May 18, 1922.

The amendments were agreed to.

Mr. ROBINSON of Arkansas. Mr. President, why does the Government pay crop damage to this claimant? There is a long report, but the opportunity to read it has not been afforded.

Mr. KING. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. GOLDSBOROUGH subsequently said: Mr. President, I ask unanimous consent to return to Senate bill 740, Order of Business 908.

The PRESIDING OFFICER. Is there objection?

Mr. ROBINSON of Arkansas. Mr. President, I find upon examination of the record that there was a contract, notwithstanding the statement at first made by the War Department that no such contract existed, and that the claimant cultivated a crop on the land. His crop was destroyed by the United States troops at Camp Meade; and it appears, therefore, that he is entitled to reimbursement for the damage.

I have no objection to the consideration of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maryland?

There being no objection, the Senate resumed the consideration of the bill, which was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3032) to require financial responsibility of owners and operators of vehicles for hire in the District of Columbia, and for other purposes, was announced as next in order.

Mr. McKELLAR. That seems to be an important bill, and I think it had better go over for the day. We cannot discuss it under the 5-minute rule.

The PRESIDING OFFICER. The bill will be passed over.

FRANK FERST

The bill (H.R. 889) for the relief of Frank Ferst was considered, ordered to a third reading, read the third time, and passed.

HARVEY O. WILLIS

The bill (H.R. 3553) for the relief of Harvey O. Willis was considered, ordered to a third reading, read the third time, and passed.

CHIPPEWA INDIANS OF MINNESOTA

The Senate proceeded to consider the bill (S. 1735) to amend an act approved May 14, 1926 (44 Stat. 555) entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", which had been reported from the Committee on Indian Affairs with an amendment, to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That section 1 of an act approved May 14, 1926 (44 Stat. 555), be, and the same is hereby, amended to read as follows:

"SECTION 1. That jurisdiction be, and is hereby, conferred upon the Court of Claims, with right of appeal to the Supreme Court of the United States by either party as in other cases, notwithstanding the lapse of time or statute of limitations, to hear, examine, and adjudicate and render judgment in any and all legal and equitable claims arising under or growing out of the act of January 14, 1889 (25 Stat.L. 642), or arising under or growing out of any subsequent act of Congress in relation to Indian affairs which said Chippewa Indians of Minnesota may have against the United States, which claims have not heretofore been determined and adjudicated on their merits by the Court of Claims or the Supreme Court of the United States. In any such suit or suits the plaintiffs, the Chippewa Indians of Minnesota, shall be considered as including and representing all those entitled to share in the final distribution of the permanent fund provided for by section 7 of the act of January 14, 1889 (25 Stat.L. 642), and the agreements entered into thereunder: *Provided*, That nothing herein shall be construed to affect the powers of the Secretary of the Interior to determine the roll or rolls of the Chippewa Indians of Minnesota for the purpose of making any distribution of the permanent Chippewa fund or of the interest accruing thereon or of the proceeds of any judgments: *Provided further*, That nothing herein shall be construed to authorize the submission to the Court of Claims for determination of any individual claim or claims to enrollment with the Chippewa Indians of Minnesota or to share in the interest or principal of the permanent Chippewa fund or in any funds hereafter acquired: *Provided further*, That the qualifications necessary to such enrollment shall not be changed or affected in any manner by the provisions 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.

BILL PASSED OVER

The bill (S. 1744) enabling certain farmers and fruit growers to receive the benefits of the Federal Farm Loan Act and amendments thereto, and the Emergency Farm Mortgage Act of 1933, was announced as next in order.

Mr. KING. I should like an explanation of that measure. It is rather extraordinary.

Mr. McKELLAR. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

ACCOUNT BETWEEN UNITED STATES AND STATE OF CONNECTICUT

The joint resolution (S.J.Res. 67) directing the Comptroller General to adjust the account between the United States and the State of Connecticut was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Comptroller General is hereby authorized and directed to investigate and reexamine the account between the United States and the State of Connecticut 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 to such account the rules applied to the settlement of a similar account between the United States and the State of Maryland under the act entitled "An act authorizing the payment of interest due to the State of Maryland", approved May 13, 1826, as amended by section 12 of the Civil Appropriation Act, approved March 3, 1857, to submit to the Senate a report containing a restatement of such account with interest computed according to such rules.

ELOY ALFARO AND JAIME EDUARDO ALFARO

The joint resolution (S.J.Res. 108) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Eloy Alfaro and Jaime Eduardo Alfaro, citizens of Ecuador, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to permit Eloy Alfaro and Jaime Eduardo Alfaro, citizens of Ecuador, to receive instruction at the United States Military Academy at West Point: *Provided*, That no expense shall be caused to the United States thereby, and that said Eloy Alfaro and Jaime Eduardo Alfaro shall each agree to comply with all regulations for the police and discipline of the academy, to be studious, and to give his utmost efforts to accomplish the courses in the various departments of instruction, and that neither shall be admitted to the academy until he shall have passed the mental and physical examinations prescribed for candidates from the United States, and that each shall be immediately withdrawn if deficient in studies or in conduct and so recommended by the academic board: *Provided further*, That in the cases of said Eloy Alfaro and Jaime Eduardo Alfaro the provisions of sections 1320 and 1321 of the Revised Statutes shall be suspended.

J. B. WALKER

The bill (S. 3248) for the relief of J. B. Walker was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to apply to the District Court for the Eastern District of South Carolina for an order to settle, for the sum of $346.64, the judgment recovered by the United States against J. B. Walker, of Buffton, S.C., as surety upon the appeal bond given in the case of United States against Woodrow Jenkins, such bond having been forfeited because of the willful default of said Woodrow Jenkins, who was subsequently rearrested at an expense to the United States of $346.64, including the costs of suit to recover judgment on such bond.

CHIPPEWA INDIAN TREATIES

The Senate proceeded to consider the bill (S. 2930) to modify the effect of certain Chippewa Indian treaties on areas in Minnesota, which had been reported from the Committee on Indian Affairs with an amendment, on page 2, line 1, after the word "treaties" to strike out the remainder of the bill, so as to make the bill read:

Be it enacted, etc., That on and after the passage of this act lands in Minnesota ceded to the United States by the treaty of September 30, 1854 (10 Stat.L. 1109), between the United States and the Chippewa Indians of Lake Superior and the Mississippi and by the treaty of February 22, 1855 (10 Stat.L. 1165), between the United States and the Mississippi Bands of Chippewa Indians, shall no longer be considered as "Indian country" for the purposes of article 7 of said treaties.

The amendment was agreed to.

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

JOINT RESOLUTION PASSED OVER

The joint resolution (S.J.Res. 102) authorizing and directing the Comptroller General of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920 as per a certain contract authorized by the President, was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I see that there are about four pages of "whereases" attached to this joint resolution; and I think it had better go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

PUBLIC HIGH SCHOOL, FRAZER, MONT.

The bill (S. 1710) to authorize appropriations for the completion of the public high school at Frazer, Mont., 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 the sum of $15,000 for the completion of the public high school at Frazer, Mont., and for necessary equipment in connection therewith for manual, laboratory, and other lines of training.

INDIAN PUBLIC SCHOOLS, BIG HORN COUNTY, MONT.

The bill (S. 2893) to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to 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, from any moneys in the Treasury not otherwise appropriated, the sum of $80,000 for the purpose of cooperating with school district no. 27, Big Horn County, Mont., for the extension and improvement of public-school buildings: *Provided*, That the expenditure of any money so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all Indian children of the school 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.

BILL PASSED OVER

The bill (S. 2426) to provide funds for cooperation with the public-school board at Wolf Point, Mont., in construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont., was announced as next in order.

Mr. METCALF. Let that bill go over. It carries what seems like a very large amount, and there has not been time to look into it.

The PRESIDING OFFICER. The bill will be passed over.

JAMES WILSON AND SEAMAN A. KNAPP

The joint resolution (S.J.Res. 100) authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the archway connecting the new building of the Department of Agriculture (commonly known as the "South Building") with the west wing of the main building of the Department of Agriculture shall be designated the "Wilson Memorial Arch" in memory of James Wilson, Secretary of the Department of Agriculture for 16 years, and shall be suitably inscribed as such.

SEC. 2. The archway connecting such new building with the east wing of the main building of the Department of Agriculture shall be designated the "Knapp Memorial Arch" in memory of Seaman A. Knapp, who rendered great service to American agriculture, and shall be suitably inscribed as such.

SEC. 3. The Grand Council of the National Honorary Extension Fraternity, Epsilon Sigma Phi, is hereby authorized to place, without expense to the United States, in each such memorial arch a suitable memorial tablet; but such tablets shall not be erected until the plans and specifications therefor have been submitted to and approved by the Commission of Fine Arts.

BILLS PASSED OVER

The bill (S. 3484) relating to the sale of cotton held for producers by the 1933 cotton producers' pool was announced as next in order.

Mr. KING. Let us have an explanation of that bill. Will the Senator from Alabama [Mr. BANKHEAD] explain it? The bill relates to the sale of cotton held for producers. We have had a great deal of cotton legislation.

Mr. VANDENBERG. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 8687) to amend the Tariff Act of 1930 was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

JESSE C. HARMON

The bill (H.R. 2021) to place Jesse C. Harmon on the retired list of the United States Marine Corps was considered, ordered to a third reading, read the third time, and passed.

ELECTRO-METALLURGICAL CO., ETC.

The Senate proceeded to consider the bill (S. 3436) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain proceedings against the Electro-Metallurgical Co., New-Kanawha Power Co., and the Carbon & Carbide Co., which had been reported from the Committee on the Judiciary, with amendments.

The first amendment was, on page 2, line 10, to strike out "Electro-Metallurgical" and insert "Electro Metallurgical."

The amendment was agreed to.

Mr. McNARY. I think some explanation should be made of this bill.

Mr. McKELLAR. I think so, too.

Mr. COUZENS. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

VOCATIONAL EDUCATION

The bill (H.R. 7059) to provide for the further development of vocational education in the several States and Territories was considered, ordered to a third reading, read the third time, and passed.

HEIRS OF JAMES TAYLOR

The bill (S. 3092) to compensate the heirs of James Taylor, a deceased Cherokee Indian, for all their title, interest, or claim to certain lands in the State of North Carolina, now held by the United States as a part of the forest reserve, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render final judgment upon, notwithstanding any statute of limitations, any rule of such court, or any provision or principle of law to the contrary, the claim of the heirs named in the last will and testament of James Taylor, deceased Cherokee Indian (as recorded in the office of the clerk of the Superior Court of Cherokee County, N.C.), for the value of certain lands (including the value of timber and other property removed, sold, or otherwise disposed of, from such lands), being the lands conveyed to the United States by one Levi Stevens and wife on March 15, 1869, in compromise settlement of an indebtedness due the United States by one E. B. Olmsted (37 Stat.L. 189), and theretofore, in 1855 and 1859, located, surveyed, and sold by the State of North Carolina to the said James Taylor (H.Doc. No. 187, 64th Cong., 1st sess.), and on July 6, 1912 (37 Stat.L. 189), transferred to the jurisdiction of the Secretary of Agriculture, to be administered as a part of the national forest reserves under the provisions of the act of March 1, 1911 (36 Stat.L. 961). The Court of Claims shall hear, determine, and render

judgment on such claim without prejudice based on the findings made by such court in Congressional Case No. 1347, James Taylor against United States (H.Doc. No. 187, 64th Cong., 1st sess.). The court shall advance the claim on its docket for hearing, but shall not take jurisdiction under this act unless the said heirs of James Taylor (or so many of them as may choose to join in the petition) file in such court a petition setting forth such claim within 6 months from the date of approval of this act. The Court of Claims shall, if it renders judgment for the said heirs, or for any of them, allow, in addition to the amount thereof, such sum as the court may deem just, in lieu of the value of the use of said lands from March 15, 1869, until the amount of the judgment is paid to said heirs, and attorneys' fees for the attorney or attorneys representing the said heirs in court in an amount not to exceed 20 percent on the amount of the judgment.

SEC. 2. There is authorized to be appropriated such sums as may be necessary to pay the amount of any judgment rendered and sum in lieu of use and attorneys' fees allowed pursuant to this act. The amount of such judgment and the sum in lieu of use and attorneys' fees allowed shall be paid by the Secretary of the Treasury upon presentation of a duly authenticated copy of the judgment of the Court of Claims, together with a certificate from the Secretary of Agriculture stating that the Secretary has accepted delivery of a conveyance to the United States of all the right, title, and interest of the said heirs in and to the lands referred to in section 1 of this act.

The title was amended so as to read: "A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of Jesse Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States."

W. P. FULLER & CO.

The bill (S. 1818) for the relief of W. P. Fuller & 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 claim of W. P. Fuller & Co., of San Francisco, Calif., against the United States for damages alleged to have been caused by a collision on or about November 29, 1912, in San Francisco Harbor, between their steamer *Sunol* and the Government tug *Angel Island*, then in the service of the Immigration Bureau of the Department of Commerce and Labor, may be sued for by the said W. P. Fuller & Co. in the District Court of the United States for the Northern District of California, sitting as a court of admiralty and acting under the rules governing such court, and said court shall have jurisdiction to hear and determine such suit and to enter a judgment or decree for the amount of such damages and costs, if any, as shall be found to be due against the United States in favor of the said W. P. Fuller & Co. or against the said W. P. Fuller & Co. in favor of the United States upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same rights of appeal: *Provided*, That such notice of the said suit shall be given to the Attorney General of the United States as may be provided by order of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within 4 months of the date of the passage of this act.

SEC. 2. The District Court of the United States for the Northern District of California in the adjudication of such claim is authorized in its discretion to permit the use, in addition to any evidence which may be offered in such suit, any affidavits or other written documents in the files of the United States Department of Labor, or in the files of the said W. P. Fuller & Co., relating to or bearing upon such claim.

ENOCH GRAF

The bill (H.R. 2203) for the relief of Enoch Graf was considered, ordered to a third reading, read the third time, and passed.

ADVERTISING SERVICES RENDERED TO PUBLIC HEALTH SERVICE

The bill (H.R. 2431) for the relief of certain newspapers for advertising services rendered the Public Health Service of the Treasury Department was considered, ordered to a third reading, read the third time, and passed.

WIDOW OF D. W. TANNER

The Senate proceeded to consider the bill (H.R. 4533) for the relief of the widow of D. W. Tanner for expense of purchasing an artificial limb, which had been reported from the Committee on Claims with amendments, on page 1, line 3, after the word "the", to insert "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"; and on line 8, after the word "War", to strike out "be reimbursed in the amount" and insert "the sum", 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 the widow of D. W. Tanner, of Brighton, Mass., retired after 30 years' military service, including service during Indian wars and the World War, the sum of $125, covering payment for an artificial limb supplied by the Hammer Limb Co., of Boston, Mass.

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.

JACOB DURRENBERGER

The Senate proceeded to consider the bill (H.R. 200) for the relief of Jacob Durrenberger, which was read.

Mr. McKELLAR. Mr. President, did the Department recommend this bill?

Mr. GIBSON. The Department recommended the bill over the signature of Patrick J. Hurley, the then Secretary of War, who said that in view of the facts disclosed by the committee of Army officers who investigated the matter—

The War Department is of the opinion that such grace as may be deemed appropriate in this case is one for the sole determination of Congress.

That, I assume, is in effect a favorable recommendation. At least, it is not an adverse report.

Mr. McKELLAR. They recommend, however, the payment of only $250, and the bill provides for $2,000. Is that correct?

Mr. GIBSON. The bill provides payment for personal injuries sustained by reason of being laid up for a considerable time. I think the claimant paid out something like $425 for a doctor's bill.

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

HOMER C. CHAPIN

The bill (H.R. 207) for the relief of Homer C. Chapin was considered, ordered to a third reading, read the third time, and passed.

ELLEN GRANT

The bill (H.R. 4060) for the relief of Ellen Grant was considered, ordered to a third reading, read the third time, and passed.

ERIK NYLIN

The Senate proceeded to consider the bill (S. 2470) for the relief of Erik Nylin, which had been reported from the Committee on Claims with an amendment, to strike out all after the enacting clause and to insert:

That the United States Employees' Compensation Commission is hereby authorized to consider and determine, in the same manner and to the same extent as if application for the benefits of the Employees' Compensation Act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Erik Nylin, on account of disability caused by his employment in the service of the United States at Elim, Alaska: *Provided*, That no benefits shall accrue prior to the enactment 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.

YVONNE HALE

The bill (S. 2712) for the relief of Yvonne Hale 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 Yvonne Hale, widow of Bernard F. Hale, late American consul at Venice, Italy, the sum of $4,000, equal to 1 year's salary of her deceased husband.

KATHRYN THURSTON

The bill (H.R. 873) for the relief of Kathryn Thurston was considered, ordered to a third reading, read the third time, and passed.

H. FORSELL

The bill (H.R. 1254) for the relief of H. Forsell was considered, ordered to a third reading, read the third time, and passed.

NICOLA VALERIO

The Senate proceeded to consider the bill (H.R. 5405) for the relief of Nicola Valerio, 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 " $5,000 " and insert " $2,500 ", 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 Nicola Valerio, father of Joseph Valerio, deceased, the sum of $2,500 in full settlement of all claims against the Government of the United States on account of the death of the aforesaid Joseph Valerio, which was caused by his being struck by a post-office mail 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.

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.

C. J. HOLLIDAY

The bill (H.R. 4927) for the relief of C. J. Holliday was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BYRNES subsequently said: Mr. President, I ask unanimous consent to return to House bill 4927, which was objected to a moment ago. It is a bill for the relief of C. J. Holliday.

The PRESIDING OFFICER. The Senator from South Carolina asks unanimous consent to return to House bill 4927. Is there objection?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

LOTTIE BRYANT STEEL

The bill (H.R. 177) for the relief of Lottie Bryant Steel was considered, ordered to a third reading, read the third time, and passed.

ORVILLE A. MURPHY

The bill (H.R. 5299) for the relief of Orville A. Murphy was considered, ordered to a third reading, read the third time, and passed.

WESTERN ELECTRIC CO., INC.

The bill (S. 2049) for the relief of the Western Electric Co., Inc., 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 Western Electric Co., Inc., the sum of $7,192.35 in full satisfaction for services and materials furnished the War Department in connection with a contract dated June 5, 1920, and for completing certain work in connection with subaqueous sound-ranging equipment for seacoast defenses.

UNION IRON WORKS

The bill (S. 3322) to carry out the findings of the Court of Claims in the case of the Union Iron Works 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, the sum of $165,284.53 to the Union Iron Works, being the difference between the actual cost of the construction of three torpedo-boat destroyers and the amount paid under the contract entered into for the building of said boats, as found by the Court of Claims and reported in Senate Document Numbered 78, Seventy-third Congress, first session.

SOUTHERN PRODUCTS CO.

The Senate proceeded to consider the bill (S. 1629) for the relief of the Southern Products Co., which had been reported from the Committee on Claims with amendments, on page 1, line 4, after the word " pay ", to insert " out of any money in the Treasury not otherwise appropriated ", and in line 6, after the words " sum of ", to strike out " $31,450.16, being the reasonable value of " and insert " $13,051.19, in full settlement of all claims against the Government, for "; 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 the Southern Products Co., Dallas, Tex., the sum of $13,051.19 in full settlement of all claims against the Government, for the cost of removal and of the cost of reconditioning 9,097 bales of good, merchantable cotton, from its place of storage in the Bush Terminal Co. Warehouse, Brooklyn, N.Y., the damage being caused to the cotton by climatic and other causes during its enforced removal and while it was exposed to the weather after removal from the Bush Terminal Warehouse, Brooklyn, N.Y., as result of the commandeering of the entire storage warehouse on January 3, 1918, by the Secretary of War.

The amendments were agreed to.

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

G. T. FLEMING

The bill (S. 3364) for the relief of G. T. Fleming 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, the sum of $500 to G. T. Fleming, of Pelzer, S.C., which sum represents the loss sustained by the said G. T. Fleming on the bail bond of Reuben G. Johnson, who was afterwards captured and returned to the United States officers by the said G. T. Fleming; record of said estreatment of bond is shown in order of Hon. H. H. Watkins, United States district judge, at Greenville, S.C., May 22, 1923.

J. B. TROTTER

The bill (H.R. 4929) for the relief of J. B. Trotter was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF JOHN F. HACKFELD, DECEASED

The resolution (S.Res. 229) referring the bill (S. 3227) for the relief of the estate of John F. Hackfeld, deceased, to the Court of Claims for findings of fact was considered by the Senate and agreed to, as follows:

Resolved, That the bill (S. 3227) entitled "A bill for the relief of the estate of John F. Hackfeld, deceased ", now pending in the Senate, together with all the accompanying papers, be, and the same is hereby, referred to the Court of Claims, in pursuance of the provisions of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary ", approved March 3, 1911; and the said court shall proceed with the same in accordance with the provisions of such act and report to the Senate in accordance therewith.

ROBERT TURNER

The bill (H.R. 1207) for the relief of Robert Turner was considered, ordered to a third reading, read the third time, and passed.

FREDERICK W. PETER

The bill (H.R. 1208) for the relief of Frederick W. Peter was considered, ordered to a third reading, read the third time, and passed.

NELLIE REAY

The bill (H.R. 1209) for the relief of Nellie Reay was considered, ordered to a third reading, read the third time, and passed.

SCOTT C. WHITE

The bill (H.R. 2750) for the relief of Scott C. White was considered, ordered to a third reading, read the third time, and passed.

ARABELLA E. BODKIN

The Senate proceeded to consider the bill (H.R. 3868) for the relief of Arabella E. Bodkin.

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

Mr. JOHNSON. Mr. President, the bill was once passed by the Congress. It went to the Court of Claims. The Court of Claims, after hearing, found the facts, but insisted that the ambiguity in the bill passed by Congress was such that they did not care finally to pass upon the claim.

Mr. McKELLAR. This bill is to carry out the findings of the Court of Claims?

Mr. JOHNSON. Yes.

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.

PALMETTO COTTON CO.

The bill (H.R. 4928) for the relief of the Palmetto Cotton Co. was considered, ordered to a third reading, read the third time, and passed.

DAVID A. WRIGHT

The bill (S. 2473) granting jurisdiction to the Court of Claims to hear the case of David A. Wright 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 be, and hereby is, given jurisdiction to reinstate, reopen, and rehear the case of David A. Wright, of Winona, Mo., against the United States, no. 261-A in said court, and upon the pleadings, evidence, and other proceedings in that cause, and such other proceedings, if any, as the court may deem necessary or proper, to readjudicate the same and determine the amount of costs or expenditures, if any, which the said David A. Wright may have expended or incurred in 1918 in the rehabilitation of a manufacturing plant (commonly called the Allis-Chalmers Plant) at 1150 Washtenaw Avenue, Chicago, Ill., and in the beginning of production of heavy-duty lathes, to meet the needs, or the then-anticipated needs, of the Ordnance Department for any gun-relining or gun-manufacturing project initiated and under way in the Ordnance Department of the United States Army, in reliance in good faith upon any promise or assurance given him by Maj. Charles D. Westcott, Ordnance Department, United States Army, or Howard Abbott, an engineer in the plant section of the production division of the Ordnance Department, that the said David A. Wright would receive a contract, or contracts, for the manufacture of heavy-duty lathes that would absorb such costs or expenditures, notwithstanding such Ordnance Department projects may have been contingent upon the continuance of the war and may have been abandoned because of the signing of the armistice of November 11, 1918, and notwithstanding section 3744 of the Revised Statutes: *Provided*, That the Court of Claims shall be of opinion that the said David A. Wright made or incurred such expenditures in reliance in good faith upon the belief that Major Westcott or Mr. Abbott possessed the authority to make such promise or assurance on behalf of the Ordnance Department and that he was justified in doing so under the circumstances.

PATENTS TO NUMBERED SCHOOL SECTIONS

The bill (S. 1825) authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress, 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 Interior shall, upon the application by a State, cause patents to be issued to the numbered school sections in place, granted for the support of common schools by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress, that have been surveyed, or may hereafter be surveyed, and to which title has vested or may hereafter vest in the grantee States, and which have not been reconveyed to the United States or exchanged with the United States for other lands. Such patents shall show the date when title vested in the State and the extent to which the lands are subject to prior conditions, limitations, easements, or rights, if any. In all inquiries as to the character of the land for which patent is sought the fact shall be determined as of the date when the State's title attaches.

STUDY OF COTTON STOCKS

The joint resolution (S.J.Res. 109) authorizing a study by the Bureau of the Census with respect to the cotton stocks held in the United States was announced as next in order.

Mr. FESS. Mr. President, what is this measure? Let us have an explanation of it. How far does it go?

Mr. ROBINSON of Arkansas. Mr. President, the joint resolution, on its face, shows that it is to authorize and require "a study of the stocks of cotton now held in the United States with a view to determining what portion of such stocks is composed of gin-cut, water-packed, or perished-fiber cotton, and to report the results of such study, as soon as practicable, to the Congress."

It does not make any appropriation, or authorize any appropriation.

Mr. FESS. I have no objection.

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

Resolved, etc., That the Director of the Census, Department of Commerce, is authorized and directed to make a study of the stocks of cotton now held in the United States with a view to determining what portion of such stocks is composed of gin-cut, water-packed, or perished-fiber cotton, and to report the results of such study, as soon as practicable, to the Congress.

FOREIGN-TRADE ZONES IN PORTS OF ENTRY

The bill (S. 2001) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes, was announced as next in order.

Mr. FESS. Mr. President, this is a rather important bill, and I think it had better go over.

The PRESIDING OFFICER. The Senator from Ohio objects, and the bill will be passed over.

Mr. COPELAND subsequently said: Mr. President, my attention was distracted a moment ago when Order of Business 959 was reached. I think the Senator from Ohio objected.

I ask unanimous consent, if the Senator will permit, that we proceed to consider Senate bill 2001, the so-called "free zones bill."

Mr. FESS. Mr. President, my only objection was that it was too important to be considered in 5 minutes.

Mr. COPELAND. Let us see if we cannot conclude its consideration in 5 minutes.

The PRESIDING OFFICER. The Senator from New York asks unanimous consent that the Senate return to Order of Business 959, Senate bill 2001. Is there objection?

There being no objection, the Senate proceeded to consider the bill.

Mr. COPELAND. Mr. President, this bill provides that in any port set aside for that purpose by a State legislature there may be established a free zone, which means that there may be brought into that port from a foreign country products which there may be mixed, or blended, or manufactured, not for admission to our country, unless later it is determined that they shall come in, in which event they would pay the full tariff charge. The question of tariff, in other words, is not involved; but the bill is designed to permit, for example, in my own city, imported products to be made into other articles of commerce, as, for example, mahogany logs could be brought from Central America, sawed into lumber, and then exported. The advantage is that the labor would be performed in the United States. As I have said, there would be no admission through our tariff boundaries at all, but simply permission to manufacture here.

There are 30 countries in the world where this practice prevails. I was much impressed years ago, in visiting Hamburg, in Germany, to find the free zone there a very active place, where much manufacturing was going on and great industrial activity, which benefited the city of Hamburg, and did not hurt the German Government or its treasury in the least.

I am sure that the Senator will recall that we have discussed these matters before in the Senate, and there has been no difference of opinion in times past that this would be a desirable law.

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

Mr. COPELAND. I yield.

Mr. VANDENBERG. If the Senator would point out that this bill would not provide for free ports in the sense in which the term is used in Europe, I think it would clarify the matter.

Mr. COPELAND. It would not do so at all. The articles would be brought in, manufactured or processed, and then sent out, all the labor being performed by American citizens.

Mr. FESS. Mr. President, I observe that the measure was not referred to the Committee on Finance. I had supposed it dealt with the tariff. I see that it went to the Committee on Commerce and has nothing to do with the tariff.

Mr. COPELAND. It does not relate at all to the tariff.

Mr. FESS. Was the committee unanimous in its report?

Mr. COPELAND. The committee was unanimous.

Mr. FESS. I have no objection.

The PRESIDING OFFICER. The clerk will state the amendments.

The first amendment of the committee was, on page 1, after line 5, to strike out:

The term "public corporation" means a State, a legal subdivision thereof, or a municipality, or a lawfully authorized public agency of a State or a municipality.

And to insert in lieu thereof the words:

The term "public corporation" means a State, a legal subdivision thereof, or a municipality, or a lawfully authorized public agency of a State or municipality, or a corporate municipal instrumentality of one or more States.

The term "person" includes corporations, partnerships, and associations existing under or authorized by the laws of the United States, or any State, Territory, District, or possession thereof.

The amendment was agreed to.

The next amendment of the committee was, on page 2, line 9, after the word "corporation", to insert the words "or person", and on line 12, after the word "corporation", to insert the words "or person", so as to read:

The term "grantee" means a public corporation or person applying for the right to establish, operate, and maintain a foreign-trade zone.

The term "grantee" means a public corporation or person to which the privilege of establishing, operating, and maintaining a foreign-trade zone has been granted.

The amendment was agreed to.

The next amendment of the committee was, on page 2, line 17, after the numeral "2" and the period, to insert "(a)"; on line 20, after the word "corporations", to insert the words "or persons", so as to read:

SEC. 2. (a) The Secretary is hereby authorized, subject to the conditions and restrictions of this act and of the rules and regulations made thereunder, upon application as hereinafter provided, to grant to public corporations or persons the privilege of establishing, operating, and maintaining foreign-trade zones in or adjacent to ports of entry under the jurisdiction of the United States.

The amendment was agreed to.

The next amendment was, on page 3, after line 2, to insert a new paragraph as follows:

(b) In case of any State in which harbor facilities of any port of entry are owned and controlled by the State and in which State harbor facilities of any other port of entry are owned and controlled by a municipality. The Secretary shall not grant an application by any public corporation or person for the establishment of any zone in such State, unless such application has been authorized by an act of the legislature of such State (enacted after the date of enactment of this act).

Mr. BLACK. Mr. President, may I ask the Senator from New York the reason for this amendment?

Mr. COPELAND. In case the harbor facilities of any port of entry are owned and controlled by the State, and in which State harbor facilities of any other port of entry are owned and controlled by a municipality, then the Secretary shall not grant an application by any public corporation or person for the establishment of any zone in such State unless such application has been acted upon by the proper authorities.

Mr. BLACK. Mr. President, I want to be absolutely sure about this. Am I to understand from the amendment that where a State owns a port there can be no permission granted, except to the State, until the legislature has authorized it?

Mr. COPELAND. That is correct.

Mr. BLACK. Suppose the State itself, through its authority, desired such a free port?

Mr. COPELAND. They would have the right to have it.

Mr. BLACK. It is not intended to require that the State legislature act before the State itself may take advantage of the act, if it owns the port?

Mr. COPELAND. Not at all.

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

The amendment was agreed to.

The next amendment of the committee was, on page 10, line 9, after the word "No", to strike out the word "person" and to insert in lieu thereof the word "individual", so as to read:

SEC. 15. No individual shall be allowed to reside within the zone except Federal, State, or municipal officers or agents whose resident presence is deemed necessary by the Secretary.

The amendment was agreed to.

The next amendment was, on page 11, line 14, after the word "repeated", to insert the word "willful", so as to read:

SEC. 18. In the event of repeated willful violations of any of the provisions of this act by the grantee, the Secretary of Commerce, the Secretary of War, and the Secretary of the Treasury, or a majority of them, may revoke the grant after 4 months' notice to the grantee and affording it an opportunity to be heard. The testimony taken before the Secretaries shall be reduced to writing and filed in the records of the Department of Commerce, together with the decision reached thereon.

The amendment was agreed to.

Mr. COPELAND. Mr. President, on page 3, line 19, the committee desires to strike out the words "but not manufactured."

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 3, line 19, after the word "manipulated" and the comma, it is proposed to strike out the words "but not manufactured."

The amendment was agreed to.

Mr. COPELAND. The committee also desires to insert after line 17, on page 5, a new provision.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 5, after line 17, it is proposed to insert the following:

Provided, however, That nothing in this act shall be construed in any manner so as to permit vessels under foreign flags to carry goods or merchandise from one foreign-trade zone to another zone or port in the protected coastwise trade of the United States.

The amendment was agreed to.

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

JOINT RESOLUTION PASSED OVER

The joint resolution (S.J.Res. 86) for adjustment and settlement of losses sustained by the cooperative marketing associations was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

APPOINTMENT OF ASSISTANT UNITED STATES ATTORNEYS

The bill (S. 2082) to amend the first sentence of section 8 of the act of May 28, 1896, chapter 252, relative to the appointment of assistant United States attorneys, was considered, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. McNARY subsequently said: Mr. President, when Senate bill 2082 was reached, my attention was distracted by a conversation with another Senator. I had desired to object to the consideration of the bill, in the absence of certain Senators. I ask unanimous consent that the votes by which the bill was ordered to a third reading and passed be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the votes by which the bill was ordered to a third reading and passed are reconsidered.

Mr. McNARY. I ask that the bill go over for the day.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

IRRIGATION PROJECTS ON INDIAN RESERVATIONS

The Senate proceeded to consider the bill (S. 2614) for the relief of purchasers and owners of lands on irrigation projects on Indian reservations, which had been reported from the Committee on Indian Affairs with an amendment, to strike out all after the enacting clause and to insert the following:

That the Secretary of the Interior be, and he is hereby, authorized and directed to adjust, eliminate, and suspend irrigation charges due the Government of the United States by non-Indian landowners of lands situated within any Indian irrigation project in such a way as shall be equitable and just in consideration of all the facts and circumstances under which such charges were made: *Provided*, That any suspension or deferment of collection of charges made by said Secretary by reason of the lands being temporarily unprofitable of irrigation shall not exceed periods of 5 years: *Provided further*, That a report shall be made to Congress annually on the first Monday of each regular session showing adjustments so made during the preceding year: *And provided further*, That any proceedings hereunder shall not be effective until approved by Congress unless Congress shall have failed to act favorably or unfavorably thereon by concurrent resolution within 60 legislative days after the filing of said report, in which case they shall become effective at the termination of said 60 legislative days.

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 to authorize the Secretary of the Interior to adjust irrigation charges on projects on Indian reservations, and for other purposes."

SCHOOL FACILITIES ON FLATHEAD RESERVATION, MONT.

The Senate proceeded to consider the bill (S. 2286) to provide funds for cooperation with joint school district no. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation, which had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 3, to strike out the words "expended from any moneys now available and applicable for construction under provisions of the National Industrial Recovery Act, approved June 16, 1933, or that may become hereafter available", and to insert in lieu thereof the words "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 $100,000 for the purpose of cooperating with joint school district no. 28, Lake and Missoula Counties, Mont., for the extension and improvement of public-school buildings, namely, at Arlee in the sum of $40,000, at Ronan in the sum of $30,000, and at St. Ignatius in the sum of $30,000: *Provided*, That the expenditure of any money so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all Indian children of the Flathead Indian Reservation, Mont., 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, was read the third time, and passed.

PETER GUILDAY

The bill (H.R. 371) for the relief of Peter Guilday, was considered, ordered to a third reading, read the third time, and passed.

WALES ISLAND PACKING CO.

The Senate proceeded to consider the bill (S. 1666) to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co., which had been reported from the Committee on Foreign Relations with an amendment 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 is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $100,000 to the Wales Island Packing Co. for the injury to the business and property of said company on Wales Island on account of the decision of the Alaska boundary tribunal, under which the possession of said island has passed from the United States to the Dominion of Canada, as found by the Court of Claims and reported in Senate Document No. 61, Seventy-second Congress, first session: *Provided*, That no part of the amount appropriated in this act in excess of 20 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, or other party or parties, on account of services rendered in any way in connection with the presentation, passage, or collection of said claim, or any part thereof. It shall be unlawful for any such agent or agents, attorney or attorneys, or others as herein provided, to collect, receive, exact, or withhold a portion of the amount appropriated in this act in excess of 20 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

A. L. OSTRANDER

The bill (S. 86) for the relief of A. L. Ostrander 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 is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. L. Ostrander, of Yakima, Wash., the sum of $270 in full satisfaction of his claim against the United States for compensation for services rendered during the year 1931 as a member of the land designating committee for the Wapato project, Washington, in connection with the designation of irrigable lands of such project.

NORMAN BEIER

The Senate proceeded to consider the bill (S. 488) for the relief of Norman Beier, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, to strike out "$25,000" and to insert in lieu thereof "$2,500", 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 is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 to Norman Beier, Brooklyn, N.Y., in full settlement and satisfaction of injuries sustained by him when struck by a truck of the Post Office Department: *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.

MARTIN-WALSH, INC.

The Senate proceeded to consider the bill (S. 173) for the relief of Martin-Walsh, Inc., which had been reported from the Committee on Claims with amendments, on page 1, line 4, to strike out the words "Martin-Walsh (Incorporated)" and to insert in lieu thereof the words "William Martin and John E. Walsh, Jr., who have succeeded to and are the sole owners of all right, title, and interest of Martin-Walsh, Inc., in and to the within claim"; on line 9, to strike out "$4,760.50" and to insert in lieu thereof "$4,221.50 in full settlement of all claims against the United States"; and at the end of the bill to add 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 William Martin and John E. Walsh, Jr., who have succeeded to and are the sole owners of all right, title, and interest of Martin-Walsh, Inc., in and to the within claim, out of any money in the Treasury not otherwise appropriated, the sum of $4,221.50 in full settlement of all claims against the United States. Such sum is the amount of excess duties levied and collected from Martin-Walsh, Inc., by the collector of the port of New York on 31 distinct entries covering importations of kraft wrapping paper from Sweden and Norway during the years 1922 and 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.

The amendments were 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 William Martin and John E. Walsh, Jr."

Mr. KING. Mr. President, may I ask the Senator from Kentucky whether this bill was approved by the Treasury Department?

Mr. LOGAN. The Senator from New Jersey [Mr. KEAN] probably knows. I do not think it was. It was a refund of money which the Treasury Department had collected, and, so far as I recall, there has never been any approval by the Treasury Department of any act calling for the refunding of money which has been collected in such a way. The collection in question was made on a tariff charge. Too much was charged, the money was collected, and before the claimant could get his claim in he was told he was barred by the statute of limitations, and therefore it was not paid. The committee considered it to be a just claim and that it should be paid.

ARTHUR HANSEL

The Senate proceeded to consider the bill (S. 3192) for the relief of Arthur Hansel, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "the sum of", to strike out "$15,000" 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 and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement against the Government, the sum of $2,500 to Arthur Hansel for injuries sustained when struck by an ambulance of the Second Motor Transport Company, Brooklyn, N.Y., on October 11, 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.

The amendments were agreed to.

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

MARY ANGELA MOERT

The bill (S. 3156) for the relief of Mary Angela Moert, 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 Mary Angela Moert the sum of $30 for service rendered in nursing one Sergeant Albert Wells, Company A, Eleventh Regiment United States Infantry, formerly stationed at Fort Knox, Ky., who was injured June 6, 1931, and admitted to Saints Mary and Elizabeth Hospital, Louisville, Ky.

COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 3524) to amend an act of Congress approved February 9, 1893, entitled "An act to establish a court of appeals for the District of Columbia, and for other purposes."

Mr. ROBINSON of Arkansas. The report states that the object in changing the name of this court?

Mr. KING. Mr. President, I was requested to introduce this bill by the judges of the court. It changes the name from the "Court of Appeals of the District of Columbia" to the "United States Court of Appeals for the District of Columbia."

Mr. ROBINSON of Arkansas. The report states that the present title "Court of Appeals of the District of Columbia" implies that the court is merely an appellate court for matters arising in the District of Columbia, whereas it exercises other jurisdiction.

Mr. KING. Exactly.

Mr. ROBINSON of Arkansas. I have no objection.

Mr. KING. Much of the business of the court comes now from outside the District, and therefore its duties are of a broader nature than implied by the name, "Court of Appeals of the District of Columbia."

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 court established by the act of February 9, 1893 (27 Stat. 434), entitled "An act to establish a court of appeals for the District of Columbia, and for other purposes", shall hereafter be known as the United States Court of Appeals for the District of Columbia.

ST. CLAIR RIVER BRIDGE, MICHIGAN

The bill (S. 3545) to extend the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich., 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 the St. Clair River at or near Port Huron, Mich., authorized to be built by the Great Lakes Bridge Commission by an act of Congress approved June 25, 1930, heretofore extended by acts of Congress approved February 28, 1931, June 9, 1932, and June 13, 1933, are hereby extended 1 and 3 years, respectively, from June 13, 1934.

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

JOHN P. LEONARD

The Senate proceeded to consider the bill (H.R. 541) for the relief of John P. Leonard, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 2, after the word "prior", to insert the words "or subsequent", 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, John P. Leonard, late of Company I, Eighteenth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of said Company L, Eighteenth Regiment United States Infantry, on the 31st day of December 1901: *Provided*, That no bounty, pension, back pay, or allowances shall be held to have accrued prior or subsequent to the passage of this act.

The amendment was agreed to.

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

BILL PASSED OVER

The bill (S. 3520) authorizing the Reconstruction Finance Corporation to make loans to industry was announced as next in order.

Mr. FESS. Over.

Mr. COUZENS. Mr. President, will the Senator from Ohio withhold his objection for a moment?

Mr. FESS. Yes.

Mr. COUZENS. The Committee on Banking and Currency has given study to this measure for more than 2 years. Since the original introduction of the bill there have been very substantial amendments made to it, and I think I can speak for the committee as a whole and say that after these amendments were suggested they were unanimously agreed upon.

The purpose of the bill is to augment the provisions of the bill which the Senator from Virginia [Mr. GLASS] introduced before we started on the stock-exchange control bill, whereby the Federal Reserve banks were authorized to make loans to industry for a 5-year period. The bill provides for the making of loans for the purpose of maintaining and encouraging employment. I think if Senators will analyze this bill they will find that it is very well surrounded by safeguards and that what is proposed to be done under its terms is a very desirable thing to do.

Mr. FESS. Mr. President, I am interested in the purposes of the bill. The bill is not exactly the one I thought

it was. It proposes to do what I should like to see done. Therefore, I withdraw my objection.

Mr. McNARY. Mr. President, I probably have no objection to the consideration of the bill, but in a colloquy a few days ago with the Senator from Kentucky [Mr. BARKLEY] reference was made to the bill to follow the Glass bill, which permits the Federal Reserve banks to loan money to private industry. Is this the bill to which reference was then made?

Mr. COUZENS. This is the bill, and it was reported out from the committee on the day after the Senator from Kentucky made the reference to which the Senator from Oregon refers.

Mr. BLACK. Mr. President, I do not intend to object to the consideration of the bill, although I expect to vote against it if a vote is had on it, but I do desire, if the bill be taken up, to offer an amendment.

Mr. COUZENS. I hope the bill will be taken up, because I do not know how many more opportunities we will have to consider it and it is a bill which will have to go through the House, and will have to go to conference. The House is also prepared to report out a bill for the same purpose.

Mr. BLACK. I shall not object to the bill if I be given the privilege of offering an amendment and having a vote thereon.

Mr. COUZENS. I hope there will be no objection to the present consideration of the bill.

Mr. BARKLEY. Mr. President, I do not believe there will be any objection to giving opportunity to amending the bill, if there be not too much time taken in its discussion.

Mr. COUZENS. Mr. President, I ask for the present consideration of the bill.

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

Mr. JOHNSON. Yes; there is objection. I am in exactly the situation of the Senator from Alabama [Mr. BLACK]. I have an amendment to this bill which I desire to present, and I desire to discuss it, and I shall ask the Senate ultimately to pass upon it. I do not want to delay the consideration of the bill, but I desire some time in which I may present the amendment. The amendment I desire to present is embodied in a separate bill now before the Committee on Banking and Currency.

Mr. COUZENS. Mr. President, I ask that the bill go over, because our time is very short, it now being only 7 minutes to the hour when the Senate will proceed to consideration of other business.

The PRESIDING OFFICER. The bill will be passed over.

JOSEPH M. THOMAS

The Senate proceeded to consider the bill (S. 3059) for the relief of Joseph M. Thomas, which had been reported from the Committee on Military Affairs with amendments, on page 1, line 6, after the name "Thomas", to insert "alias Joseph Thomas, alias Thomas O'Donnell"; on the same page, line 8, after the word "private", to strike out the word "Battery"; and on the same page, line 9, after the word "Twenty-second", to strike out the word "Regiment" and to insert in lieu thereof the word "Battery", so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army Joseph M. Thomas, alias Joseph Thomas, alias Thomas O'Donnell, shall be held and considered to have been honorably discharged on September 26, 1904, as a private, Twenty-second Battery United States Field Artillery: *Provided*, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued by reason of this act prior to its passage.

The amendments were 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 Joseph M. Thomas, alias Joseph Thomas, alias Thomas O'Donnell."

TOURS OF DUTY IN THE TROPICS

The Senate proceeded to consider the bill (S. 3397) to amend the laws relating to the length of tours of duty in the Tropics and certain foreign stations in the case of officers and enlisted men of the Army, Navy, and Marine Corps, and for other purposes, which had been reported from the Committee on Military Affairs, with an amendment, on page 2, line 12, after the word "hostilities", to insert "and except in the discretion of the Secretary of War for temporary emergencies", so as to make the bill read:

Be it enacted, etc., That section 12 (requiring assignments of officers of the Army, Navy, or Marine Corps to permanent duty in the Tropics and at certain foreign stations to be for not less than 3 years) of the Treasury and Post Office Appropriation Act, fiscal year 1934, approved March 3, 1933 (U.S.C., supp. VII, title 10, sec. 17a), is hereby repealed.

SEC. 2. The second and third provisos in the paragraph with the heading "Barracks and Quarters, Philippine Islands" in the act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1916", approved March 4, 1915 (U.S.C., supp. VII, title 10, sec. 17), are hereby amended to read as follows: "No officer or enlisted man of the Army shall, except upon his own request, be required to serve in a single tour of duty for more than 2 years in the Philippine Islands, on the Asiatic Station, or in China, Hawaii, Puerto Rico, or the Panama Canal Zone, except in case of insurrection or of actual or threatened hostilities and except in the discretion of the Secretary of War for temporary emergencies: *Provided*, That the foregoing provision shall not apply to the organization known as the 'Philippine Scouts.'"

Mr. ROBINSON of Arkansas. Hereafter what will be the tour of duty in the tropical countries of the officers and enlisted men?

Mr. DUFFY. Mr. President, the amendment provides for a 2-year tour instead of 3, but there are exceptions.

Mr. ROBINSON of Arkansas. That was the information I desired. I have no objection.

The amendment was agreed to.

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

BILL PASSED OVER

The bill (S. 1777) providing for an additional justice of the Court of Appeals of the District of Columbia was announced as next in order.

Mr. GIBSON. Over.

The PRESIDING OFFICER. The bill will be passed over.

HOMESTEAD LAWS AND RAILROADS IN ALASKA

The Senate proceeded to consider the bill (H.R. 7306), to amend section 10 of the act entitled "An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes, approved May 14, 1898, as amended, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, to strike out lines 1 to 20, both inclusive, and to insert in lieu thereof the following:

Provided further, That any citizen of the United States, after occupying land of the character described as a homestead or headquarters, in a habitable house, not less than 5 months each year for 3 years, may purchase such tract, not exceeding 5 acres, in a reasonable compact form, without any showing as to his employment or business, upon payment of $2.50 per acre, under rules and regulations to be prescribed by the Secretary of the Interior, and in such cases surveys may be made without expense to the applicants in like manner as the survey of settlement claims under the act of June 28, 1918 (40 Stat. 632), as amended by section 1 of the act of April 13, 1926 (44 Stat. 243): *And provided further*, That the minimum payment for any such tract shall be $10, and no person shall be permitted to purchase more than one tract except upon a showing of good faith and necessity satisfactory to the Secretary of the Interior.

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.

BILL PASSED OVER

The bill (S. 3380) providing for the appointment of Richmond Pearson Hobson, formerly a captain in the United States Navy, as a rear admiral in the Navy and his retirement in that grade was announced as next in order.

Mr. CLARK. Over.

The PRESIDING OFFICER. The bill will be passed over.

SALARIES OF OFFICERS AND DIRECTORS OF CORPORATIONS

The Senate proceeded to consider the joint resolution (S.J.Res. 91) to supplement the authority of the Federal

Trade Commission to obtain information relating to the salaries of officers and directors of certain corporations whose securities are listed on the New York stock exchanges, which had been reported from the Committee on Banking and Currency with amendments, on page 2, line 6, after the word "corporation", to insert the words "whether or not"; on page 3, line 10, after the words "For the", to strike out the words "purposes of" and to insert in lieu thereof "purpose of carrying out"; and on page 3, line 17, after "1914", to strike out "with respect to the matters over which the Commission has jurisdiction under such act", so as to make the joint resolution read:

Resolved, etc., That the Federal Trade Commission is hereby authorized and directed to make inquiry and report to the Congress as soon as practicable the salaries of the executive officers and directors of each corporation whether or not engaged in interstate commerce (other than public-utility corporations) having capital and/or assets of more than $1,000,000 in book or ledger value, whose securities are either listed or dealt in on the New York Stock Exchange or the New York Curb Exchange.

SEC. 2. For the purposes of this resolution the Federal Trade Commission shall have the same right to obtain data and to inspect income-tax returns as the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, and to submit any relevant or useful information thus obtained to the Congress or to either House thereof.

SEC. 3. For the purpose of carrying out this resolution the Federal Trade Commission, the Attorney General, and the courts of the United States shall have and may exercise all of the powers and jurisdiction severally conferred upon them by the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September 26, 1914.

SEC. 4. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $50,000, which shall be available for expenditure as the Federal Trade Commission and the Attorney General may jointly direct, for expenses and all necessary disbursements, including salaries, in carrying out this resolution and prosecuting litigation necessary in aid of the powers conferred hereunder.

Mr. FESS. Mr. President, I should like to have someone state the purposes of the bill.

Mr. COSTIGAN. Mr. President, a year ago this month the Senate requested certain agencies of the Government to investigate and report to the Senate salaries paid by certain corporations. In response to inquiries of the Federal Trade Commission several hundred corporations submitted the requested information. About 40 corporations declined for one reason or another to respond. The Federal Trade Commission thereupon indicated that there was no known justification for such refusal, and suggested its willigness to proceed and institute legal proceedings, in accordance with the Senate resolution, to secure that information. The joint resolution is designed to authorize such action.

The amendments were agreed to.

Mr. COSTIGAN. I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 3, line 19, after the word "hereby", to insert the words "authorized to be", so as to make the section read:

SEC. 4. There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, the sum of $50,000, which shall be available for expenditure as the Federal Trade Commission and the Attorney General may jointly direct, for expenses and all necessary disbursements, including salaries, in carrying out this resolution and prosecuting litigation necessary in aid of the powers conferred hereunder.

The amendment was agreed to.

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

The PRESIDING OFFICER. The amendments to the preamble will be stated.

The CHIEF CLERK. In the preamble, on page 1, line 9 of the first paragraph, after the word "price", it is proposed to insert the words "and volume"; in line 1 of the second paragraph, to strike out the words "the salaries aforesaid tend to diminish unduly the income taxes payable by the corporations above described" and to insert the words "high and excessive salaries, bonuses, and other compensation aforesaid paid to directors and officers of corporations whether or not engaged in interstate or foreign commerce tend to diminish unduly the income taxes payable by such corporations", so as to make the preamble read:

Whereas it is believed that high and excessive salaries, bonuses, and other compensation paid to various directors and officers of corporations engaged in interstate or foreign commerce have the effect of burdening or restraining interstate and foreign commerce, and have effects upon the value and marketability of the securities of corporations bought and sold in interstate or foreign commerce and upon the earnings available for investors in securities so bought and sold and upon the price and volume of commodities bought and sold in interstate and foreign commerce; and

Whereas it is believed that high and excessive salaries, bonuses, and other compensation aforesaid paid to directors and officers of corporations whether or not engaged in interstate or foreign commerce tend to diminish unduly the income taxes payable by such corporations, and that the rate of income taxes assessed against the directors and officers aforesaid may be too small and that by various devices certain of said directors and officers may have been avoiding the payment of a just amount of tax; and

Whereas the Congress should consider whether new legislation should be enacted or existing legislation amended on any of the subjects hereinbefore described and in aid thereof should be informed on all of such subjects; and

Whereas certain corporations have neglected or refused to supply the Federal Trade Commission with the information needed by said Commission to enable it to procure for the Senate the information required by S.Res. 75, Seventy-third Congress, first session; and

Whereas the Congress should have such information to aid it in considering the necessity for the legislation already herein described: Therefore be it

The amendments to the preamble were agreed to.

The preamble, as amended, was agreed to.

Mr. COSTIGAN subsequently said: Mr. President, during the consideration today of unobjected bills on the calendar the Senate approved Senate Joint Resolution 91, Order of Business 980, supplementing the authority of the Federal Trade Commission to obtain information relating to the salaries of officers and directors of certain corporations whose securities are listed on the New York Stock Exchange.

The reasons which led to the submission of the joint resolution were so well set out in a report by the Federal Trade Commission to the Senate on February 26, 1934, that I ask unanimous consent to have the Federal Trade Commission's report incorporated in the RECORD immediately following the RECORD's recital of the Senate's approval today of Senate Joint Resolution 91.

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

REPORT OF THE FEDERAL TRADE COMMISSION ON COMPENSATION OF OFFICERS AND DIRECTORS OF CERTAIN CORPORATIONS

Senate resolution

The present inquiry was initiated by the Commission following a resolution of the United States Senate proposed by Senator COSTIGAN and agreed to May 29, 1933, calling for information regarding the salaries and other compensation of executive officers and directors of specified classes of corporations. No explanatory statements were made in the Senate, either as to its scope or purpose.

The text of the Senate resolution (No. 75, 73d Cong., 1st sess., approved May 29, 1933) was as follows:

"*Resolved*, That the Federal Reserve Board is requested to prepare and transmit to the Senate, as soon as practicable, a report showing the salary schedule of the executive officers and directors of each Federal Reserve bank and member bank of the Federal Reserve System; be it further

"*Resolved*, That the Reconstruction Finance Corporation is requested to prepare and transmit to the Senate, as soon as practicable, a report showing the salary schedule of the executive officers and directors of each bank not a member of the Federal Reserve System to which loans or advances have been made by the Corporation; be it further

"*Resolved*, That the Federal Power Commission is requested to prepare and transmit to the Senate, as soon as practicable, a report showing the salary schedule of the executive officers and directors of each public-utility corporation engaged in the transportation of electrical energy in interstate commerce, and of all other corporations licensed under the Federal Water Power Act; and be it further

"*Resolved*, That the Federal Trade Commission is requested to prepare and transmit to the Senate, as soon as practicable, a report showing the salary schedule of the executive officers and directors of each corporation engaged in interstate commerce (other than public-utility corporations) having capital and/or assets of more than a million dollars in value whose securities are listed on the New York Stock Exchange or the New York Curb Exchange.

"For the purposes of this resolution, the term 'salary' includes any compensation, fee, bonus, commission, or other payment, direct or indirect, in money or otherwise, for personal services."

As hereinafter noted more particularly, there were instances in which the language of the resolution would have required more than one department to report on certain companies.

RESOLUTION OF THE FEDERAL TRADE COMMISSION

On receiving this direction from the Senate the Commission passed a resolution for the purpose of authorizing the undertaking of this work. The Commission's resolution, which was passed on June 2, 1933, was expressed in the following terms:

"Whereas the Senate of the United States on May 29, 1933, passed a certain resolution known as 'Senate Resolution 75, Seventy-third Congress, first session', which reads in part as follows:

"'*Resolved*, That the Federal Trade Commission is requested to prepare and transmit to the Senate, as soon as practicable, a report showing the salary schedule of the executive officers and directors of each corporation engaged in interstate commerce (other than public-utility corporations) having capital and/or assets of more than a million dollars in value, whose securities are listed on the New York Stock Exchange or the New York Curb Exchange.

"'For the purpose of this resolution, the term "salary" includes any compensation, fee, bonus, commission, or other payment, direct or indirect, in money or otherwise, for personal services.'

"And whereas this Commission construes said resolution to be a request by the Senate of the United States, addressed to this Commission, expressing its desire that this Commission, in the exercise of the powers vested in it by the Federal Trade Commission Act, proceed to make the investigation outlined in said resolution and to transmit a report thereof to such Senate as soon as practicable;

"And whereas this Commission does not construe said resolution as an exercise by the United States Senate of the power to direct this Commission to make such investigation and report, as such power is vested in such Senate by subdivision (d) of section 6 of the Federal Trade Commission Act;

"And whereas said Federal Trade Commission Act vests in this Commission the power in its discretion to make such an investigation and report as are so requested;

"And whereas this Commission, upon careful consideration of the terms of said resolution and the subject matter thereof, is of the opinion that it is to the public interest that this Commission do make such investigation and report at the earliest time practicable: Now, therefore, be it

"*Resolved*, That this Commission, in the exercise of the full discretionary powers vested in it by said Federal Trade Commission Act, and acting in what this Commission deems to be the interest of the public in the premises, do proceed forthwith to make such investigation as so indicated in said Senate Resolution 75, Seventy-third Congress, and to make a written report therein and thereof to the Senate of the United States as soon as practicable.

"That said resolution of the United States Senate and this resolution of the Federal Trade Commission be, and hereby are, referred to the Commission's chief economist, with instructions to proceed to make such investigation and submit such report to this Commission for its consideration and action at the earliest time at which the chief economist shall be able to make such investigation and report.

"That said chief economist be, and hereby is, authorized and directed in the performance of said duty to exercise any and all powers vested in the officers, agents, and representatives of this Commission by said Federal Trade Commission Act."

Done by the Commission this 2d day of June 1933.

LIMITATIONS OF THE PLAN

It will be noted that the plan contained several limitations as to the classes of corporations which should be inquired about by this Commission, which restricted the investigation to a comparatively small portion of the corporations within its general jurisdiction, but it also included some corporations over which the Commission has no legal jurisdiction. The four limitations were (1) that the corporations be engaged in interstate commerce, (2) that they have assets or capital of more than $1,000,000, (3) that they be listed on the New York Stock Exchange or on the New York Curb Exchange, and (4) that public utilities be excluded.

The duty of obtaining data from the electrical utilities, but no other utilities, was assigned to the Federal Power Commission, while all public utilities were excluded from the classes to be investigated by the Federal Trade Commission. As a result, operating gas utilities engaged in interstate commerce and having assets or capital of over $1,000,000 were excluded from the plan.

Public-utility holding companies, utility service companies, etc., were, however, within the range of this Commission's assignment, provided the other conditions of the Senate resolution were also applicable, except where a holding company also functioned as an operating utility. The only important instance of a listed holding company which was excluded on this ground was the United Gas Improvement Co., which operates under lease a municipal gas plant in Philadelphia.

The limitation in the resolution with respect to interstate commerce, which is also a general limitation on the powers of the Federal Trade Commission, raised a number of questions. The most important companies affected, perhaps, were four insurance companies and certain types of holding and investment companies. Some of the insurance companies declined to report on the ground that they are not engaged in interstate commerce, and the Commission did not press these companies to report except as a matter of cooperation.

In order to meet some of the difficulties of carrying out the inquiry according to the plan, considering the limitations on its powers of inquiry, the Commission invited the cooperation of the Interstate Commerce Commission and the Department of Agriculture.

The Interstate Commerce Commission has furnished to the Senate information relative to compensation paid by railroads and other common carriers which are expressly excluded from the jurisdiction of the Federal Trade Commission by its organic act. The Secretary of Agriculture has indicated his intention to report separately to the Senate regarding compensation paid by packing companies which were transferred to his jurisdiction by the Packers and Stockyards Act of 1921.

STOCK-EXCHANGE LISTS

The first step in the inquiry was to obtain from the two specified stock exchanges the names and addresses of all companies with securities listed thereon. These were promptly furnished by the respective exchanges. The New York Curb Exchange furnished two lists, one of which was denominated "companies whose securities are fully listed", and the other, "companies whose securities are admitted to unlisted trading." In accordance with the resolution this report covers companies whose securities are listed. It does not include companies whose securities are traded in on the curb but not listed. Where, however, such companies were affiliated with other companies whose securities were listed either on the New York Stock Exchange or the New York Curb Exchange, their reports were used in making consolidations. Thus the report of Electric Bond & Share Co. was used in respect to the compensation of its officers and directors insofar as they were also officers or directors of its affiliated companies, American Power & Light Co., Electric Power & Light Co., American & Foreign Power Co., or National Power & Light Co., whose securities were listed on the New York Stock Exchange.

Among the companies whose securities are traded in but not listed on the New York Curb Exchange, and from whom reports were not required by the resolution, are some very large companies such as Standard Oil Co. of Indiana, Aluminum Co. of America, Cities Service Co., the Great Atlantic & Pacific Tea Co. of America, and various others.

After the eliminations which preliminary examination showed should be made, in accordance with the provisions of the Senate resolution, there remained in the two stock-exchange lists taken together about 1,050 corporations. After the schedules were sent out, however, a number of other companies were eliminated when they reported that they were engaged in banking, were common carriers, had assets of less than $1,000,000, or were in receivership and their records not available. These further eliminations accounted for something more than 100 corporations.

REQUESTS FOR CONFIDENTIAL TREATMENT

The Commission received many inquiries asking if the information as to salaries and other compensation would be made public. All such inquiries were answered to the effect that the information would be sent to the Senate and that the Commission was not advised as to the use the Senate would make of it.

Coupled with many of these inquiries were claims as to the confidential nature of the information and assertions that neither the Senate nor the Commission had any right to ask for it. The Commission, of course, refused to promise any confidential treatment of the information received.

THE FORM OF THE SCHEDULE

In drafting its schedule the Commission decided that it would ask for the salaries, and all compensation, direct and indirect, including that from subsidiary and affiliated companies, paid to executive officers and directors for each year 1928 to 1932, inclusive, and also the rate of salary as of September 1, 1933. In addition it was necessary to ask for the total assets in order to exclude those companies with assets of less than $1,000,000, as specified in the Senate resolution. Companies were also asked to report their net sales and net income, but the Commission has not insisted on this information being furnished, as it was not within the scope of the Senate resolution.

The information as to salaries and other compensation was asked for covering the 5-year period, 1928–32, because it was believed important that a basis for comparison with changes in economic conditions should be available to the Senate. As compensation other than regular cash salary is frequently determinable only at the end of the business year, only the regular cash salary rate is shown for 1933.

TABULATION OF RETURNS

A total of 877 schedules, which were pertinent to this inquiry, was returned. Shortly after the returns began to come in it became obvious that many companies had not included indirect compensation; that is, amounts paid by subsidiary or affiliated companies. In such cases this additional information was obtained from the companies and the consolidating done by the Commission's staff.

The general rule followed in tabulating the schedules was that the information as to cash salary and other compensation for each year and the rate of cash salary as of September 1, 1933, be shown in the form reported by the company, but some variations from this rule were necessary in order that a fair degree of uniformity might be obtained. The tabulations show the total salary actually paid each executive officer and director and also the other compensation each received.

Some difficulties occurred in tabulating other compensation. Thus, options or rights to subscribe for stocks were frequently reported as "other compensation." In a number of such instances the companies failed to follow the instructions to give the value of the rights as of the date deliverable. Where the information was sufficiently definite to appear to warrant it, the Commission has computed the value of the rights from the difference between the market quotations and the option prices, with proper footnotes. Where less definite information was available, nothing has been included in the "other compensation" column, but option prices, contract terms, market prices, and the like have been shown in footnotes. In most cases, however, the reported value of such rights on date deliverable is shown in the tabulation. The amounts shown in the "other compensation" column are, in most instances, directors' fees, especially those which are small.

The annual cash salary rate as of September 1, 1933, does not indicate anything about such other compensation, as most companies would not be able to show the amounts of such compensation until the end of the fiscal year. The schedules were sent out in October 1933. Directors' fees are also excluded from the cash salary rate tabulation sheets for September 1, 1933, wherever possible, since in most instances companies could only report that such fees were at the rate of a stated amount for each meeting attended.

GENERAL PLAN OF TABULATIONS

In transcribing the data in respect to salaries and other compensation the Commission has attempted to present the information as it was reported. This, however, was not always possible, because the companies did not always conform in their answers to the questions asked. It was sometimes necessary, therefore, to rearrange the data for the sake of uniformity, but some inconsistencies could not be eliminated from the tabulations.

In tabulating salaries and other compensation the general plan has been to show only the amounts in dollars and to drop the cents. As a result many of the columns do not add exactly to the totals, less the cents, as reported by the companies, except in those cases where the Commission has consolidated returns, as described below.

A large number of companies failed to include salaries received by their officers and directors from subsidiary and affiliated companies. When attention was called to the fact that a complete report would necessarily include salary or compensation paid indirectly, through subsidiaries, many of these concerns sent in the necessary additional information in letter form, in a tabular statement, or on another copy of the schedule. The Commission has consolidated this information, and the tabulations presented herewith represent all the reported salary and compensation, direct or indirect, of the officers and directors shown therein. A few companies did not make it clear whether or not their reports included indirect compensation.

The names of the companies appearing at the top of the tabulation sheets are as reported, except that the Commission believed it necessary to add explanatory names in some cases. An example is that of Standard Brands, Inc. The return for this company covered only the Fleischmann Co. for 1928 and the first 4 months of 1929, as noted on the sheets for those years, the remaining years being headed "Standard Brands, Inc."

In some few instances predecessor companies were not reported in consolidated form, and the tabulations show the salaries and compensation for officers of the several companies separately, as illustrated by Bickford's, Inc.

Each company sheet carries a code symbol representing the particular trade or industry classification to which that company has been assigned. This classification was prepared by the Commission but is based primarily upon similar groupings which have been used by the Federal Reserve Board and the Census of Manufactures.

The code symbols and the industries to which they are assigned, respectively, are as follows:

I. Agriculture.
II. Mines, quarries, and oil wells:
  1. Bituminous coal.
  2. Anthracite.
  3. Metalliferous mines.
  4. Oil wells and gas.
  5. Quarrying and nonmetallic.
III. Electric light, power, and gas.
IV. Manufacturing:
  1. Food and kindred products.
  2. Textile and their products.
  3. Forest products.
  4. Paper and paper products.
  5. Printing, publishing, and allied industries.
  6. Chemicals and allied products.
  7. Products of petroleum and coal.
  8. Rubber products.
  9. Leather and its manufactures.
  10. Stone, clay, and glass products.
  11. Iron and steel products (excluding machinery).
  12. Nonferrous metals and their products.
  13. Machinery, not including transportation equipment.
  14. Transportation equipment.
  15. Miscellaneous industries.
V. Construction.
VI. Transportation:
  1. Railroads, including Pullman and express.
  2. Water transportation.
  3. Street railways.
  4. Motor transportation.
  5. Aviation.
  6. Pipe line.
VII. Communication.
  1. Telegraphs.
  2. Telephones.
  3. Radio.
VIII. Trade:
  1. Retail:
    a. Chain stores, including chain department stores.
    b. Department stores—individual.
    c. Mail order.
    d. Other.
  2. Wholesale.
IX. Finance:
  1. Banking:
    a. Insurance companies.
    b. Personal finance.
    c. Real estate.
    d. Banks and trust companies.
    e. Investment trusts and securities trading companies.
    f. Other finance.
X. Government:
  1. Federal.
  2. State.
  3. Municipal.
XI. Service:
  1. Amusement.
  2. Education (public, private).
  3. Business service.
  4. Professional service.
  5. Domestic and personal service.
XII. Unclassified:

The total assets shown on the tabulation sheets are as reported by the companies, except that for a few companies the Commission obtained the information from either Poor's or Moody's Manual. The Commission did not attempt to consolidate the assets of two or more companies when consolidating their salary returns. Some few companies, however, reported consolidated assets and, when known, this fact has been indicated in the tabulations.

It should be noted also that the Commission did not attempt to consolidate the net income of two or more companies when consolidating their returns. Any comparison between salaries and other compensation, which are on a consolidated basis, and assets or income, should be made with this in mind.

The names of officers and directors are given as reported in practically all cases. Some of the companies returned schedules filled in by hand which it was not always possible to decipher. In many instances the Commission was able to obtain the correct names by reference to Poor's or Moody's Manual. In a few instances the same name was spelled differently at different places in the originals, and the Commission has endeavored to correct many of these errors.

Some companies did not report the names of their directors for some years and others not for any year. This is particularly noticeable in the tabulations for the annual salary rate on September 1, 1933. In other cases the reporting companies did not clearly indicate their directors, but made a general statement to the effect that some of those named were directors as well as executive officers.

It was not practicable to transcribe in full the positions of the several officers and directors of the reporting companies because of limitations of space on the forms. Abbreviations have been used in most instances. These abbreviations, however, are not uniform throughout the tabulations because some companies reported positions in abbreviated form and there was little uniformity in this respect. The Commission did not believe it should change these abbreviations, since in many instances it was not certain that the change would be correct. The result is that numerous variations occur in the tabulations, but the following list will explain most, if not all, of the abbreviations.

Accountant, Acct.
Acting, Actg., Act.
Associate Manager, A.M.
Assistant Auditor, Asst. Aud.
Assistant Clerk, Asst. Clk.
Assistant to President, A. to P.
Assistant Secretary, A.S., Asst.S.
Assistant Treasurer, A.T., Asst.T.
Attorney, Atty.
Auditor, Au., Aud.
Board, Bd., Brd.
Charge, Cg., Chg.
Chairman, Chm., Chr., Ch., Chmn.
Chief Accountant, C.A., Ch.Acct.
Chief Engineer, C.E., Chf. Engr.
Company Official, Co. Off.
Comptroller, Cptr., Cp., Cpt., Compt.
Consulting Engineer, Con.E., Cons.E.
Counsel, Cl., Col., Counsl., Coun., Couns.

Department Head, Dept. Hd.
Director, D., Dr.
Employee, Emp.
Executive, Ex., Exec.
Executive Committee, Ex. Com., Exec. Comm.
Executive Vice President, E.V.P., Exec.V.P.
Factory, Fac.
Finance Committee, Finance Com., Fin. Com.
General Agent, G.A.
General Auditor, G.A., G.Aud.
General Counsel, G.Cl., G.Csl., G.Coun.
General Manager, Gen. Mgr., G.Mgr.
General Sales Manager, G.S.Mgr.
General Superintendent, G.Supt.
Geologist, Geol.
Local Auditor, L.Aud.
Managing Committee, Mg. Com.
Master Mechanic, M.Mech.
Member, Mbr.
Merchandise, Mdse.
Plant, Pl.
President, P., Pr., Pres.
Promotion, Pro., Prom.
Purchasing Agent, P.A., Pur.A., Pur. Agt.
Sales Engineer, S.E., Sales Engr.
Sales Executive, Sales Ex., Sales Exec.
Sales Manager, S.Mgr., Sales Mgr.
Secretary, S., Sec.
Standards, Stan.
Treasurer, T., Treas.
Vice President, V.P., V.Pres.
Works, Wks.

The schedule asked, for each year, the regular salary rate and the amount of cash salary actually paid to each officer and director, and in the tabulations presented herewith the latter amounts have been used. In many instances the salary rate and amount paid were the same, but this was by no means the rule. It was noted, especially in the later years covered, that the amounts actually paid tended to be less than the amounts reported as the rates. Where salaries were reported on a monthly basis the Commission has computed a yearly amount.

A few companies reported that they did not pay salaries to individuals, but that they employed a management organization, paying it a lump sum to run the company. The tabulation sheets show a number of lump-sum payments to affiliated organizations or interests. These are illustrated by the cases of Warner Bros. Pictures, Inc., Metro-Goldwyn Pictures Corporation, the National Investors Corporation group, Standard Gas & Electric Co. group, and, apparently, also by the Stone & Webster, Inc., group and others.

As previously explained, companies were asked to report separately all compensation other than regular cash salary and to explain the nature of such special compensation. As appears in the attached tabulations, particularly for the earlier years, many companies reported payments to officers and directors of compensation in addition to cash salaries.

This special compensation was reported as paid in many different forms and for many different reasons. The schedule asked that the value of this special compensation be stated in dollars, with appropriate explanations, and by far the larger part of the reporting companies so reported. Some companies, however, simply reported the nature of the special compensation, and in such cases the Commission either attempted to obtain the value from the reporting company or to compute the value from available sources. This failure to report value was particularly true of stock bonuses and of options to purchase stock.

A number of companies in reporting special compensation simply stated that some officer or officers were given rights to subscribe to a specified number of shares of stock at a specified price. Some of these companies further stated that the rights had not been exercised because the market value of the stock had been less than the value of the rights and in such cases, of course, no specific compensation could be reported. For a few companies, however, examination of Poor's or Moody's Manual showed that during the year in which the rights were granted the market value of the stock was such that the rights had a value and often one that was substantial. In these instances the Commission has shown the number of rights granted and the range of the market price of the stock for the year in which the grant was made.

Directors' fees were usually reported for each one receiving them, but a few companies simply reported a flat sum as having been paid during the year as directors' fees. In both cases the Commission has followed the form reported except that it has endeavored in all cases to show these fees as "other compensation paid during the year" rather than as salary. The Commission also tried to exclude directors' fees from the tabulation of the cash salary rate as of September 1, 1933. Another method of reporting directors' fees was to state that directors were paid a specified amount for each meeting attended or that a specified sum was appropriated for each meeting and divided among the directors attending.

Several companies reported that in some of the years covered by the inquiry their boards of directors had voted certain lump sums to be given their presidents for the purpose of distributing these amounts among the officers of these companies and that the presidents were not to make any record of these distributions. A brief summary of each such instance appears in the tabulations for these companies.

The schedule for the United Aircraft and Transport Corporation was received so late that it could not be consolidated and copied in the same form used for the other companies. It was, therefore, photographed as submitted.

INCOMPLETE RETURNS

Four companies made incomplete returns to the inquiries made by the Commission, but these returns have been incorporated with the others. These four companies were the following: General Electric Co., Burroughs Adding Machine Co., United Drug Co., Potrero Sugar Co.

General Electric Co. made detailed returns for salaries and other compensation of executive officers and directors for only 1 year, namely, 1932, though the total amounts of compensation were given for each of the 5 years 1928 to 1932. For 1932, the company did not report the names of the recipients of such compensation in the schedule, but in an accompanying letter signed by Owen D. Young, and Gerard Swope, chairman of the board and president, respectively, of General Electric Co., a list was furnished which identified 20 of the 41 directors or executive officers receiving the specified amounts. The writers of the letter also stated that they thought it "of the greatest importance that the information given on these sheets be treated in confidence", explaining that confidential treatment of such facts was important in order by rewarding special merit to maintain the maximum efficiency of the executive staff without arousing jealousy among them and causing embarrassment to the directors. The Commission, however, identifies in this report the individual amounts of compensation, so far as disclosed.

A less complete return is that of Burroughs Adding Machine Co. It reported the total compensation of all directors and executive officers in a lump sum for each year from 1928 to 1932 inclusive, and the extra compensation, only, in detail for identified individuals for the said 5 years, with no statement of specific salaries for individual officers. This company objected to giving all the particulars called for by the Commission as against its interests as well as "a violation of the privacy of each person affected."

United Drug Co. answered the Commission's questionnaire by merely reporting the maximum amount of "compensation (salaries and bonuses)" paid to any of its directors or officers in each of the 5 years, 1928 to 1932.

Potrero Sugar Co. stated both the salary and bonus for each executive officer by name for each of its 5 fiscal years, 1928–29 to 1932–33, but did not furnish the information required as of September 1, 1933.

ABSENCE OF INTERSTATE COMMERCE ALLEGED

Many companies omitted to make any return under the claim that they were not engaged in interstate commerce and therefore were not obliged to report. The conceptions as to what conditions bring a company into this category are not, of course, always easy to define. Where this claim was made the Commission attempted to consider the merits of each reply in the light of whatever information was readily available and to suggest to the company (in a number of instances) specific reasons for a different conclusion regarding its status in this respect. As a reasonably prompt report was imperative, only a limited correspondence was attempted, with results that were sometimes quite inconclusive, and at other times definitely unsatisfactory. The main difficulty was with those holding companies which apparently completely control companies manufacturing and trading in the general commercial field.

The companies declining to report under the claim that they are not engaged in interstate commerce were the following: Allied Chemical & Dye Corporation, Koppers Gas & Coke Co., American I. G. Chemical Corporation, the Delaware & Hudson Co., the Hudson Coal Co., the M. A. Hanna Co., Newmont Mining Corporation, Ludwig Baumann & Co., Exchange Buffet Corporation, United Dry Docks, Inc., Pantepec Oil Co. of Venezuela, Venezuelan Petroleum Co., Penn Mex Fuel Co.

Allied Chemical & Dye Corporation, in a letter dated January 31, 1934, claimed that the Commission was not justified in demanding a report on the ground that it is a holding company not engaged in interstate commerce. More specifically it stated: "This company performs the normal functions of a holding company, such as the election of the directors and the giving of advice from time to time to its subsidiaries. It does not assume to itself the functions of its subsidiaries and does not participate in their operations."

Koppers Gas & Coke Co., in a letter dated January 25, 1934, insisted that it is not engaged in interstate commerce and also claimed that it would be difficult, owing to intercompany financial arrangements, for it to compile the information requested. The basis of these claims is neither clear nor in any way convincing, but correspondence with the company was suspended in order to finish this report.

American I. G. Chemical Corporation, in a letter dated January 25, 1934, contended that, even though its subsidiaries are engaged in interstate commerce, it is not so engaged, and "has consistently refrained from participating in the management or direction of any company" subsidiary to it, although there is a certain degree of community in respect to their officers and directors. Corespondence was suspended owing to the necessity of compiling the data for this report.

The Delaware & Hudson Co., in a letter dated January 31, 1934, claimed that it is not engaged in interstate commerce and that

its only subsidiary which is so engaged is a common carrier subject to the jurisdiction of the Interstate Commerce Commission.

The Hudson Coal Co., which is a subsidiary of the Delaware & Hudson Co., also claimed that it is not engaged in interstate commerce. It did not, however, give specific details of its method of merchandising its output, although the output undoubtedly moves in interstate commerce.

The M. A. Hanna Co., which has two subsidiary coal companies engaged in interstate commerce, expressed the opinion in a letter dated January 30, 1934, that it is not itself engaged in interstate commerce, because these coal companies "operate entirely as independent entities." The M. A. Hanna Co. also stated that it is the selling agent and owner of all the stock of the Susquehanna Collieries Co., which ships coal in interstate commerce.

Newmont Mining Corporation contended that it is not engaged in interstate commerce without giving specific reasons, but added: "We are perfectly willing to provide any information that may be properly required at any time." Apparently it owns minority interests in the stocks of other companies.

Ludwig Baumann & Co. explained that it operates nine furniture stores in New York City and one in Newark, N.J., and that it does not believe it is engaged in interstate commerce.

Counsel of the Exchange Buffet Corporation advised that its only establishments outside of the State of New York are a restaurant and cigar stand in Newark, N.J.; that they had examined the pertinent facts and did not find anything to indicate that the company is engaged in interstate commerce.

United Dry Docks, Inc., in a letter dated January 23, 1934, stated that: "The business of our company, United Dry Docks, Inc., is almost wholly intrastate, its interstate business being negligible."

The Pantepec Oil Co., of Venezuela, stated that its only interests in the United States are part interests in certain Texas oil leases which are under the management of the Texas Co., and that it does not engage in trade between the United States and Venezuela.

The Venezuelan Petroleum Co. wrote that it "is engaged in business wholly in Venezuela and is not now and never has been engaged in any interstate commerce in the United States."

The Pen Mex Fuel Co. advised that the company "is engaged in the production and transportation of petroleum wholly in Mexico."

GENERAL DENIAL OF COMMISSION'S POWER

Several companies replied to the request for information with a general denial of the Commission's powers, namely: General Aviation Corporation, American Can Co., General Motors Corporation, The Studebaker Corporation.

General Aviation Corporation expressed its inability "to find any legal justification for the request" of the Commission and asked for its views. The chairman of the Commission, on January 20, 1934, advised the company on this point as follows:

"With respect to the legal justification for the request, your attention is invited to the following cases: *Federal Trade Commission* v. *Claire Furnace Co.* (274 U.S. 160), *Federal Trade Commission* v. *Miller's National Federation* (23 Fed. (2d) 968), and *Federal Trade Commission* v. *Smith* (34 Fed. (d) 323). Reference is also made, in respect to salaries, specifically to the Securities Act of 1933, schedule A, paragraph (14), to the recent reports of the Interstate Commerce Commission on the subject of salaries of railroad officials. *McGrain* v. *Daugherty* (273 U.S. 135) is pertinent to legislative intent, and the CONGRESSIONAL RECORD of May 24, 1933, pages 4109, 4119, 4120, and 4131 to 4135 records consideration of salaries of corporation officers in connection with legislative action."

No further word was received from the company.

General Motors Corporation, by its general counsel, questioned the authority of the Commission to make this inquiry. A letter from the Chairman of the Commission similar in tenor to that addressed to General Aviation Corporation, part of which is quoted above, was sent on January 17, 1934, but no reply or report was received from the General Motors Corporation.

American Can Co., in a letter dated January 13, 1934, also questioned the power of the Commission to call for a report and expressed the opinion that the information was not relevant to any matter properly before the Commission or before Congress. A letter similar to that sent to the General Aviation Corporation, part of which is quoted above, was sent on January 19, 1934, to this company, but no report or further communication was received.

The Studebaker Corporation, which is now in receivership, through counsel for receivers, requested copies of the resolution of the Commission respecting this inquiry and citations of pertinent provisions of the Federal Trade Commission Act for further consideration. Copies of these documents were supplied, but no further word and no report was received from the receivers of the company.

COMPANIES REFUSING OR NEGLECTING TO REPORT

Nineteen companies refused to make a report or neglected to comply with the Commission's request. In a few instances, after being on notice for 3 or 4 months that a report was requested, the reply was made to a follow-up letter that it was not convenient to call a directors' meeting in time for action. Following are the 19 companies referred to: Chrysler Corporation, Bendix Aviation Corporation, Columbian Carbon Co., Congress Cigar Co., Porto Rican American Tobacco Co., Waitt & Bond, Inc., Consolidated Retail Stores, Inc., Dodge Bros., Inc., General Refractories Co., General Mills, Inc., Howe Sound Co., National Biscuit Co., National Department Stores, Sloss Sheffield Steel & Iron Co., Stein Cosmetics Co., Inc., Timken-Detroit Axle Co., Union Oil Co. of California, Yellow Truck & Coach Manufacturing Co., Cleveland Tractor Co.

It is not necessary to discuss each of these companies separately and there is no known adequate reason why any of these companies should refuse to report.

In some cases, however, some comment is appropriate.

General Refractories Co. sent in a schedule originally, but later wrote to the Commission to have this report returned to the company for revision. General Refractories Co. did not return the report in revised form, nor did it answer a further request for the report.

Timken-Detroit Axle Co., in failing to make report, stated in part (letter of Jan. 5, 1934), "* * * we do feel that the Federal Trade Commission is not entitled to this information unless every single concern in the country is required to report."

The Commission has not instituted actions to compel any companies to make reports. It has felt that it should make a report to the Senate at the earliest possible date and the delays which would be inevitable in forcing compliance with the call for information would make it impossible to have a report ready within any reasonable time. A matter for consideration also was the cost which would be involved in taking legal action to compel reports. The necessity with which the Commission has been faced of carrying out its increased duties within the limits of its budget has left it no alternative but to apply its funds in ways which would be most directly productive of results in its continuing work. The Commission, of course, holds itself ready to invoke all its powers to compel the production of the information called for, within such limits only as funds which may be provided for that purpose may make necessary.

By direction of the Commission.

GARLAND S. FERGUSON, Jr.,
Chairman.

FEBRUARY 26, 1934.

BOISE NATIONAL FOREST

The Senate proceeded to consider the bill (S. 8) to add certain lands to the Boise National Forest, which had been reported from the Committee on Public Lands and Surveys, with amendments, on page 1, line 3, after the word "That", to insert the words "subject to existing valid claims or entries and withdrawals", and on page 2, line 20, after the word "range", to strike out the figure "4" and to insert in lieu thereof the figure "3", so as to make the bill read:

Be it enacted, etc., That, subject to existing valid claims or entries and withdrawals, the following described lands are hereby added to the Boise National Forest, Idaho, and made subject to all laws applicable to national forests:

Sections 25 and 26; east half section 27; east half section 34; and section 35, township 8 north, range 5 east, Boise meridian.

Sections 1 and 2; sections 11 to 14, inclusive; sections 23 to 27, inclusive; and sections 34 to 36, inclusive; township 7 north, range 3 east, Boise meridian.

Sections 1, 2, and 3; sections 6 and 7; sections 10 to 13, inclusive; and sections 15 to 36, inclusive; township 7 north, range 4 east, Boise meridian.

Sections 1 and 2; sections 4 to 28, inclusive; and sections 30 to 36, inclusive; township 7 north, range 5 east, Boise meridian.

Sections 1 to 3, inclusive; sections 10 to 15, inclusive; sections 22 to 27, inclusive; and sections 34 to 36, inclusive; township 6 north, range 3 east, Boise meridian.

Sections 1 to 36, inclusive, township 6 north, range 4 east, Boise meridian.

Sections 1 to 21, inclusive; sections 24 and 25; and sections 28 to 36, inclusive; township 6 north, range 5 east, Boise meridian.

Sections 1 to 36, inclusive, township 6 north, range 6 east, Boise meridian.

Sections 1 and 2; sections 11 to 14, inclusive; sections 23 to 26, inclusive; and sections 35 and 36; township 5 north, range 2 east, Boise meridian.

Sections 1 to 36, inclusive, township 5 north, range 3 east, Boise meridian.

Sections 1 to 36, inclusive, township 5 north, range 4 east, Boise meridian.

Sections 1 to 36, inclusive, township 5 north, range 5 east, Boise meridian.

Sections 1 to 6, inclusive; sections 8 to 17, inclusive; sections 21 to 27, inclusive; and sections 35 and 36, township 4 north, range 3 east, Boise meridian.

Sections 1 to 36, inclusive, township 4 north, range 4 east, Boise meridian.

Sections 1, 2, 11, and 12, township 3 north, range 3 east, Boise meridian.

Sections 1 to 13, inclusive; and northwest quarter of section 14; township 3 north, range 4 east, Boise meridian; not heretofore included within the Boise National Forest, Idaho; all ranges east, Boise meridian.

The amendments were agreed to.

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

WAR CLAIMS

The Senate proceeded to consider the joint resolution (H.J.Res. 325) extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission, and the Tripartite Claims Commission and, extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter, which had been reported from the Committee on Finance with amendments, on page 2, line 3, after the word "words", to strike out "eight", and to insert in lieu thereof "seven"; and on line 8, after "March 10", to strike out "1936", and to insert in lieu thereof "1935", so as to make the joint resolution read:

Resolved, etc., That subsection (g) of section 2 and subsection (f) of section 5 of the Settlement of War Claims Act of 1928, as amended by Public Resolution No. 11, Seventy-third Congress, approved June 12, 1933, are further amended, respectively, by striking out the words "6 years" wherever such words appear therein and inserting in lieu thereof the words "7 years."

SEC. 2. The first sentence of paragraph (h) of subsection (2) of section 6 of the Settlement of War Claims Act of 1928 is amended to read as follows:

"No payment shall be made under this section unless application therefor is made by March 10, 1935, in accordance with such regulations as the Secretary of the Treasury may prescribe."

The amendments were agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

The title was amended so as to read: "Joint resolution extending for 1 year the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1935, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the war claims arbiter."

A CENTURY OF PROGRESS EXPOSITION

The Senate proceeded to consider the joint resolution (S.J.Res. 112) to permit articles imported from foreign countries for the purpose of exhibition at A Century of Progress Exposition, Chicago, Ill., to be admitted without payment of tariff, and for other purposes, which had been reported from the Committee on Finance with an amendment to strike out the preamble.

Mr. FESS. Mr. President, may we have an explanation of this joint resolution?

Mr. LEWIS. Mr. President, this joint resolution is a duplicate of the one previously passed by the Senate with respect to the exposition a year ago. It authorizes those who are making displays to bring their exhibits in free of tariff duty, but guarded. The provision covering such importations is drawn up by the Treasury Department, and among other things makes sure that the articles are guarded and prevented from being sold. There is also a provision which the Customs Bureau suggested be placed in the joint resolution, looking to compliance with the forms of the Treasury. I must say to the eminent Senator that I do not recall the nature of the House measure, but the House having passed a measure similar to the one presented by myself, which is recommended by the committee, I ask that House Joint Resolution 311 be substituted for the Senate joint resolution. I do this in order to expedite the matter.

Mr. FESS. I have no objection.

There being no objection, the Senate proceeded to consider the joint resolution (H.J.Res. 311) to permit articles imported from foreign countries for the purpose of exhibition at A Century of Progress Exposition, Chicago, Ill., to be admitted without payment of tariff, and for other purposes, which was read the first time by title and the second time at length, as follows:

Resolved, etc., That all articles which shall be imported from foreign countries for the purpose of exhibition at the exposition to be held by and known as "A Century of Progress", or for use in constructing, installing, or maintaining foreign buildings or exhibits at the said exposition, upon which articles there shall be a tariff or customs duty, shall be admitted without payment of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful at any time during or within 3 months after the close of the said exposition to sell within the area of the exposition any articles provided for herein, subject to such regulation for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: *Provided*, That all such articles, when withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles which shall have suffered diminution or deterioration from incidental handling or exposure the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal from entry hereunder for consumption or entry under the general tariff law: *Provided further*, That imported articles provided for herein shall not be subject to any marking requirements of the general tariff laws, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but no additional duty shall be assessed because such articles were not sufficiently marked when imported into the United States: *Provided further*, That articles which have been admitted without payment of duty for exhibition under any tariff law and which have remained in continuous customs custody or under a customs exhibition bond, and imported articles in bonded warehouses under the general tariff law, may be accorded the privilege of transfer to and entry for exhibition at the said exposition under such regulations as the Secretary of the Treasury shall prescribe: *And provided further*, That A Century of Progress shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the provisions of this act, and that the actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs officers and employees in connection with the supervision, custody of, and accounting for articles imported under the provisions of this act shall be reimbursed by A Century of Progress to the Government of the United States under regulations to be prescribed by the Secretary of the Treasury, and that receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid in the manner provided for in section 524, Tariff Act of 1930.

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

Mr. LEWIS. I ask that Senate Joint Resolution 112 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The hour of 1 o'clock having arrived, the Chair lays before the Senate the unfinished business.

Mr. ROBINSON of Arkansas. There are only three or four bills on the calendar which have not been called. I ask unanimous consent that the unfinished business be temporarily laid aside and sufficient length of time be given to call the remaining bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

LANDS IN EWA DISTRICT, OAHU, HAWAII

The bill (H.R. 8235) to authorize the Secretary of War to convey by appropriate deed of conveyance certain lands in the district of Ewa, island of Oahu, Territory of Hawaii, was considered, ordered to a third reading, read the third time, and passed.

LANDS IN AUWAIOLIMU, KEWALO, AND KALAWAHINE, OAHU, HAWAII

The bill (H.R. 8052) to amend sections 203 and 207 of the Hawaiian Homes Commission Act, 1920 (U.S.C., title 48, secs. 697 and 701), conferring upon certain lands of Auwaiolimu, Kewalo, and Kalawahine, on the island of Oahu, Territory of Hawaii, the status of Hawaiian home lands, and providing for the leasing thereof for residence purposes, was considered, ordered to a third reading, read the third time, and passed.

LOANS TO FRUIT GROWERS

The joint resolution (S.J.Res. 106) authorizing loans to fruit growers for rehabilitation of orchards during the year 1934 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Governor of the Farm Credit Administration is authorized to make loans to fruit growers for necessary expenses to rehabilitate their orchards during the calendar year 1934, in the same manner and under the same terms and conditions (including penalties) as in the case of loans under the act entitled "An act to provide for loans to farmers for crop produc-

tion and harvesting during the year 1934, and for other purposes", approved February 23, 1934; except that (1) a first lien on all crops grown or harvested during the years 1934 to 1938, both inclusive, shall be required as security for any such loans to a fruit grower, and (2) no such loan shall be made for a period of more than 5 years or in an amount in excess of $5,000 to any one borrower. To carry out the provisions of this resolution there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000,000, or so much thereof as may be necessary.

ELLEN WILSON MEMORIAL HOMES

The bill (S. 3442) to dissolve the Ellen Wilson Memorial Homes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the body corporate and politic created under the act entitled "An act to incorporate the Ellen Wilson Memorial Homes", approved March 3, 1915, be, and the same is hereby, granted the right to dissolve under the supervision of the Supreme Court of the District of Columbia and to have its assets distributed among the persons determined by said court to be entitled thereto, all in the manner prescribed by subchapter 14 of the act entitled "An act to establish a code of law for the District of Columbia", approved March 3, 1901, as amended; and jurisdiction over said corporation for the purposes aforesaid is hereby conferred upon said court as fully and effectually as though said corporation had been created pursuant to the general incorporation provisions contained in the last-mentioned act, as amended.

SEC. 2. That Congress reserves the right to repeal, alter, or amend this act.

ORDER OF BUSINESS

Mr. FLETCHER. Mr. President, I wonder if it will not be possible to have considered at this time the bill (S. 3520) authorizing the Reconstruction Finance Corporation to make loans to industry? We have been trying for some days to get the bill passed, and I do not believe it will take very long.

Mr. JOHNSON. Mr. President, I have no desire in the slightest to delay the Senator from Florida, but I have pending before the committee a bill which has not as yet been acted upon. The committee probably has not been able to consider it fully. I intend to offer that bill as an amendment to the bill referred to by the Senator from Florida. It has got to be explained, because it is an important amendment, and there will have to be opportunity for explanation. May I suggest to the Senator that immediately following, as I understand, the present unfinished business, a bill of like character will come before the Senate? Why can we not, then, take up, following that measure, the bill referred to by the Senator from Florida?

Mr. FLETCHER. Of course, I cannot ask the Senate to spend very much time on the bill. I thought it would not take very much time.

Mr. JOHNSON. That may be, but I ask the Senator in the interim if he would not be pleased to consider whether or not he could consent to add as an amendment to the bill he has in mind the bill which is now pending before the Banking and Currency Committee, with respect to which the subcommittee heard me on one occasion?

Mr. FLETCHER. Of course, the fact that it is pending shows that it has not as yet been acted on by the committee.

Mr. JOHNSON. I know that.

Mr. FLETCHER. And I am a little afraid we cannot now take it up.

Mr. JOHNSON. I am going to seek to have it acted upon by the Senate because of the near approach of adjournment. We will adjourn, I assume, within the next 3 or 4 days.

Mr. LEWIS. We will be here until July 15.

Mr. FLETCHER. We ought to get the bill to which I refer over to the House as soon as possible; otherwise, it will be too late.

Mr. JOHNSON. I suggest the other bill is of like importance and of like character. Why can we not take up the two bills, or take one up immediately after the other?

Mr. FLETCHER. I presume we will have to do that if the Senator insists. The measure to which I have referred is really a very important one, and very urgent, because the Reconstruction Finance Corporation want to know whether they are authorized to go on with this matter at all, and they are now uncertain about it. The bill will give them authority to proceed to make industrial loans. There is great demand for the passage of the measure. This is a matter that is really urgent in an emergency situation. They do not know whether they can make any headway at all with reference to such loans; they do not know how to answer communications and applications, and all that sort of thing. We have to pass the bill here, of course, before it can go to the House.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

Mr. JOHNSON. I do not think it will be possible to take it up immediately unless the afternoon is to be devoted to it.

Mr. FLETCHER. We cannot do that, and, I presume, Mr. President, it will have to go over.

JURISDICTION OF UNITED STATES DISTRICT COURTS

Mr. JOHNSON. I ask the Chair to lay before the Senate the amendment of the House to Senate bill 752.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 752) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards, which was, on page 1, line 9, after "State", to insert "or any rate-making body of any political subdivision thereof."

Mr. JOHNSON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

FINANCIAL AND OPERATING STATISTICS FOR 26 AIR-MAIL ROUTES

Mr. AUSTIN. I ask unanimous consent to have printed in the RECORD a release from the Post Office Department showing the financial and operating statistics for 26 air-mail routes for December 1933, compiled from monthly reports of air-mail carriers, showing among other things a deficit in net operating costs of $595,127.46 for 1 month at the old rates in effect preceding the cancelation of the air-mail contracts.

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

Subject to revision.

POST OFFICE DEPARTMENT,
Second Assistant Postmaster General, Washington.

FINANCIAL AND OPERATING STATISTICS FOR 26 AIR-MAIL ROUTES FOR DECEMBER 1933; COMPILED FROM MONTHLY REPORTS OF AIR-MAIL CARRIERS

Miles of route operated	25,248
Revenues:	
Passenger	$490,697.95
Mail	1,069,768.97
Express	43,821.54
All other	36,514.38
Operating revenues	1,640,802.84
Expenses:	
Maintenance of fields, structures, and equipment	755,545.82
Conducting transportation	1,050,992.43
Traffic and advertising	200,291.19
Miscellaneous operations	13,151.36
General and administrative	139,408.59
Operating expenses	2,159,389.39
Net revenue from operations	[1] 518,586.55
Taxes accrued	12,899.52
All other items (debit balance)	63,641.39
Net operating income	[1] 595,127.46
Ratio of expenses to revenues (percent)	131.606
Passenger:	
Revenue passengers carried	20,954
Nonrevenue passengers carried	4,300
Total passenger-miles	10,491,758
Average flight per passenger (miles)	415
Mail:	
Total pounds dispatched	657,726
Total pound-miles performed	451,217,496
Total miles flown with mail	2,886,409
Average haul per pound dispatched (miles)	686

[1] Indicates deficit.

FINANCIAL AND OPERATING STATISTICS FOR 26 AIR-MAIL ROUTES FOR DECEMBER 1933, ETC.—continued

Express:	
Total pounds dispatched	151,674
Average revenue per pound dispatched (cents)	28.892
General:	
Total hours flown (including ferry, test, etc.)	27,357
Fuel used, gallons (including ferry, test, etc.)	1,477,906
Total revenue-miles flown	3,065,430

HARLLEE BRANCH,
Second Assistant Postmaster General.

REGULATION OF SECURITIES EXCHANGES

The Senate resumed the consideration of 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.

Mr. HASTINGS obtained the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. COSTIGAN].

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

Mr. LEWIS. I announce the absence of the Senator from California [Mr. McADOO] for the reason stated by me this morning, and I announce also the absence in his State of my colleague the junior Senator from Illinois [Mr. DIETERICH], caused by official business.

I ask that this announcement may stand for the day.

The PRESIDING OFFICER. Eighty-nine Senators have answered to their names. A quorum is present.

Mr. HASTINGS. Mr. President, I have given rather careful consideration to the arguments which have been presented to the Senate during the past few days with respect to the pending proposed legislation. I am frank to admit that during the past year or two I was not very much in sympathy with much which was said about legislation regulating the stock exchange, because I doubted whether it would be possible for the Congress to enact any legislation that would be helpful to the public interest. I am not quite certain that that impression which I entertained did not date back several years.

A great many years ago, in my law practice, I was called upon to defend a stock broker in a transaction growing out of dealings which that broker had with a customer. A suit was brought, and I appeared defending the broker in that action.

Counsel on the other side requested an opportunity to examine the books of the broker. That was readily agreed to by my client, and the examination was made. The examination of the books showed some irregularities of such a character that I could not, in my judgment, defend successfully the action that was brought. A settlement was made. The accountants who had examined the books came from New York. My recollection is they were accountants who were employed from time to time by the New York Stock Exchange.

Shortly thereafter the stock exchange sent accountants again to examine the broker's books and found similar irregularities continuing. As a result, that member of the stock exchange was brought before the governing board and disciplined in a way that seemed to me so effective that there could be no doubt that the stock exchange itself had a very complete control over its members and exercised that control in a way that made it safe for the public to deal with its members. An opportunity was given to the man to sell his seat on the stock exchange, and that necessitated his selling his business. He went out of business and has not been a member of the stock exchange since.

During that examination, I had occasion, the only occasion I ever had, to examine the rules and regulations of the New York Stock Exchange itself. It seemed to me there was in those rules and regulations sufficient control over the members to protect amply everybody who had occasion to deal with stock-exchange members. I got the distinct impression that the safest person with whom a man could deal in the purchase or sale of securities would be a member of the New York Stock Exchange.

Comparatively recently, however, during the examination which has been so carefully made by the Senate Banking and Currency Committee, and in view of the facts there disclosed and the evils which were there exposed, I reached the conclusion that probably my original impression that it was not necessary for Congress to take any action was an erroneous one.

I desire at this point, Mr. President, to read into the RECORD, from what I conceive to be the very best authority, a statement made by the chairman of the committee having the bill in charge, the distinguished senior Senator from Florida [Mr. FLETCHER], appearing at page 8163 of the RECORD. He undertook to state the purpose of the bill. I quote:

> We propose by this measure to establish, through Federal regulation of the methods and the mechanical functions and practices of the stock exchange, an efficient, adequate, open, and free market for the purchase and sale of securities; also to correct abuses we know of and others which may exist; to prohibit and prevent, if possible, their recurrence; to restore public confidence in the financial markets of the country; to prevent excessive speculation, to the injury of agriculture, commerce, and industry; to outlaw manipulation and unfair practices and combinations by which to exploit the public and misrepresent values, such as pools, wash sales, fictitious transactions, and the like; to oblige disclosure of all material facts respecting securities traded in on the exchanges, which disclosure is essential to give the investor an adequate opportunity to evaluate his investment.
>
> Criticism is made that we are calling upon corporations to make disclosures, and that we are thereby putting them to an enormous expense and trouble, and inquiring into affairs into which we have no business to examine. My suggestion is that if any corporation issues securities which are unfit to be certified because of what is back of them, the securities themselves are unfit to be offered to the public.
>
> What right have brokers to appeal to the public to buy their securities if they are not willing to tell the truth about those securities? That is the whole proposition, and all we ask of them is to tell the truth.
>
> They do not seem to want to tell the truth, in the first place, and, in the next place, they especially complain about liability for material misrepresentations which have misled the public into buying securities. They are willing to expose, to some extent, the facts behind the securities, but they do not want to be liable in case they lie about them. That seems to be the basis of the objection. All we ask in the pending bill and in the Securities Act is that they tell the truth in their registration papers, so the public may know what is behind the securities.
>
> We undertake generally to declare the intention of Congress, and enunciate specific principles as a guide to subsequent administration.

Mr. President, I am quite certain that if the bill were limited to those purposes the distinguished junior Senator from Oregon [Mr. STEIWER], as I know from my talk with him, would have no objection to it at all. Indeed, I think I might safely say that if the bill were confined to the purposes stated by the Senator from Florida there would not be a Member of the body who would oppose its passage. Unfortunately, however, that is not true. The bill involves very much more than the regulation of the stock exchanges. It places a burden upon the corporations of the country

which is wholly unnecessary and, in my judgment, not called for.

Somewhere in the argument it was suggested that the complaint about the bill affecting corporations is merely advanced as a blind to protect the stock exchanges themselves. I think I have heard it suggested that it was expected that by putting up such argument the corporations would be thereby compelled to pull from the fire those things in the bill which are objectionable to the stock exchange itself.

In my judgment, in the passage of the bill, we are about to do that which we frequently do when the public is excited and when there is a great prejudice created against a certain institution. I think it is not too much to say that Congress is frequently controlled by public opinion, and oftentimes by the opinion of those who do not know all the facts involved in the controversy about which they form an opinion. I think in some instances the same thing may be said with respect to the judiciary. I have in mind the performance now going on in Chicago, whereby a man whose name has appeared on the front pages of all the newspapers for weeks and months has finally found his place in jail because he cannot give bail of $200,000.

Does anybody doubt that if the public were not interested in that case, if the public were not excited about having that man convicted, the bail would have been fixed in an amount within the provisions of the Constitution of the United States and not at such a sum as makes it necessary for him to go to jail?

What has been done, I suggest, is due to the fact that public opinion is crying out for this man to be put in jail, and the judiciary, like the Congress, is influenced by what the public thinks with respect to the matter.

Mr. LEWIS. Mr. President——

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

Mr. HASTINGS. I yield.

Mr. LEWIS. May I inform the able Senator from Delaware that, as I gather from the press, the judge who made the order for the bail is a man of very high standing and credit, named by President Hoover and confirmed by this body, and one who, I must assume to say to the able Senator, would not consciously allow mere public opinion or public excitement to drive him from a sense of conscientious duty. As to the facts of the matter I have no further knowledge than my honorable friend, who gathers his information of the proceeding itself, as do I, from the press.

Mr. HASTINGS. I have no doubt of that. I do not intend to cast any reflection upon what was done by the judge. I have not any doubt he did not knowingly do that which was wrong.

I doubt whether any Member of the Senate will admit, or even believe, that he is being influenced by the outcry of the public with respect to this bill. He believes he is using his own judgment; but it is human nature for persons to be influenced constantly by the cry of the public, and by what the front pages of the newspapers say about matters.

We should bear that in mind as we go along with this proposed legislation. We should bear in mind that the natural course for us to follow is to be persuaded in the direction in which the public is going to be influenced, if you please, as the distinguished chairman of the committee said, by literally bushels of letters which have been sent by the unorganized victims, as they are called, of the stock exchange. I say that we ought, in all fairness to ourselves—and that it is the only point I am making here—to see to it that we are not controlled by mere public clamor; and we ought to see to it that the public secures accurate information by a discussion of this subject upon the floor of the Senate before we act at all. I am quite certain the Senator from Illinois does not disagree with that statement.

I desire, however, to call attention to the fact that only yesterday the distinguished Senator from Colorado [Mr. COSTIGAN], in his colloquy with the distinguished Senator from Virginia [Mr. GLASS] during the course of his argument that the administration of this measure ought to be turned over to the Federal Trade Commission instead of to a special commission, created the impression—certainly he created it unless it was corrected by the colloquy with the Senator from Virginia—that there was a sinister motive back of the particular method proposed for administering the measure, namely, by the selection of five independent commissioners instead of by the Federal Trade Commission. In order that such an impression might not prevail, the Senator from Virginia called attention to the fact that he was the first who suggested this method of administration, and not Mr. Whitney.

I mention these facts in order to remind the Senate that there is but one popular side of this question; there is but one popular demand, and that is for the passage of the bill as it came from the committee, except as some persons believe that it might be made more popular by making it even more drastic.

Both the Senators to whom I refer, in the colloquy yesterday, complained about the president of the stock exchange, Mr. Whitney, not standing hitched to any proposition. I have not read the record to find out definitely how quickly or how often he switched from one proposition to another. I have not any doubt that the Senators who made the statements are correct in their statements; but it seems to me it is not unnatural for a man who represented a great association and who had the responsibility of doing the best he could for the association as he was shifted from pillar to post, to try to find from time to time the post which would do him and his organization the least harm.

Mr. GLASS. Mr. President——

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

Mr. HASTINGS. I yield.

Mr. GLASS. I am sure the Senator will acquit me of any purpose to discredit Mr. Whitney, because he did change from one proposition to another. I saw no reason why Mr. Whitney should have been introduced into the discussion at all, except to accentuate the common prejudice against what is known as "Wall Street." I recited the fact that Mr. Whitney had changed from one proposition to another, and had not stood hitched, in order to minimize the impression sought to be created that because Mr. Whitney had suggested something it ought not to be adopted.

Right here, I may say that the committee itself accepted seven or eight amendments to the bill proposed by Mr. Whitney and Mr. Redmond, the lawyer of the New York Stock Exchange; and nobody then suggested that the amendments ought not to be adopted because they were proposed by Mr. Whitney or by Mr. Redmond.

Mr. HASTINGS. Mr. President, the position of Mr. Whitney reminds me of the practice and law in my own State with which many people are disgusted, and about which many people in years past have complained; and I sometimes wonder if I am not myself as old-fashioned as the State I represent. We still maintain the whipping-post for certain crimes, and I am not quite certain that in some of the Western States where they are having much trouble with criminals this practice and this law of ours could not be defended. The man who is whipped, however, is fastened to a post, and he changes his position between every stroke of the whip, with the hope that next time it will hurt a little less. So as I was considering Mr. Whitney's position I was reminded of the man who did not know what the next stroke was going to do, whether it was going to hurt him more or whether it was going to hurt him less; and he undertook to change his position between strokes so as to make them as light as possible upon him.

I think that might be urged as an illustration of Mr. Whitney's position in trying to defend the organization which he represents.

But, Mr. President, if we could approach this subject bearing in mind what the distinguished chairman of the committee declares is desirable and is the real purpose of the bill, with a view of doing as little as possible while still accomplishing that purpose, it seems to me we would write

a very different bill, and one that would be very much less objectionable than the bill now pending.

I am one of those who believe that when Congress finds an evil existing, it ought to do no more than to correct the evil as best it can with the least legislation that is necessary to accomplish the result.

In this case we have gone to just the opposite of that proposition. We have not confined it to any such principle as that. We have not confined it, I submit, to any such good sense as that. We have not said that we will do as little as we can, but, on the contrary, we have said here that we will do as much as we possibly can; that we will make this as near perfect as it is possible to make it by correcting not only all the evils we discover but all the evils which we think may possibly occur in the future with respect to stock-exchange transactions.

Mr. President, one of the early prejudices I had against the enactment of this bill was due to my view—which I think must be well founded—that the Congress of the United States cannot enact legislation to protect the "suckers" of the Nation. We heard yesterday about the stock market being merely a gambling place. Some prefer to call it a place where speculation is going on. It is immaterial to me what it is called. I do not believe what goes on there can be stopped by legislative fiat.

I remember the various efforts made by the States of the Union to control the miserable liquor traffic. I remember how they tried local option, how they tried State-wide prohibition. Ever since I can remember it has been a constant issue in my State and, so far as I know, in communities in every State in the Union. I had much to do with it as a prosecuting officer. I saw crimes committed due to excessive use of alcohol. I saw women and children put into the streets because the husbands and fathers, intelligent enough, and able to earn a good living for a family, would not do so because they could not control their appetites for strong drink.

I believed, with millions of other people of this Nation, that the only way in which we could get rid of it was to make it unlawful all over the country, and to do it by an amendment to the Federal Constitution. I was thoroughly in accord with that. For a year or two I saw what convinced me conclusively that the conditions had improved. Then, as it went along, I became somewhat doubtful about it, and I am not one of those who agree today that the eighteenth amendment ought to have been repealed. I have been in doubt about it for many years and never could reach a definite conclusion, and I have not as yet done so. But the American people did reach a conclusion, and they did so by such an overwhelming vote that there could be no doubt that they did not want to bother any longer with trying to enforce that kind of a law.

In my judgment, what is sought to be done through the pending bill is pretty nearly equal to that. The attempt is to say to people that they cannot do what they please. I do not mean exactly that; I do not mean that people will not be free to do what they please after this measure shall have been enacted, but, in order to protect them from doing what they desire to do, in my judgment, the industries of the Nation and the trading in securities will be loaded down in a way which will greatly retard recovery instead of promoting it.

Mr. President, besides all this, and regardless of whether that argument be reasonable or not, I desire to call attention to the fact that our wish to cure a great evil is leading us a very much greater distance into that new and dangerous path which we have recently begun to tread.

The acts of Congress of the past year or more, with many of which I disagree, and many of which I think are dangerous for the Nation, were enacted under the plea that there was a great emergency, and that relief measures such as those being considered were necessary. No such claim as that is made with respect to the pending bill. It has no relation to the emergency. It has no relation to relief, except as to those persons who voluntarily try to make money on the stock exchange. This is a reform measure; not a relief measure; and, in my judgment, is the definite beginning of the passing of the operation of American business over to the Government upon the excuse that back of it is the popular support of the people of the Nation.

It is impossible to read with any degree of care this entire bill without reaching the definate conclusion that the operation of the stock exchanges of the country would be definitely and positively turned over to the Government of the United States should the bill be enacted.

I shall use the New York Stock Exchange as an example. Though there are 25 other exchanges in the country, apparently the entire discussion and all the evidence relate to the New York Stock Exchange.

The New York Stock Exchange is a voluntary organization, which has been in existence some 150 years. According to the testimony in the record, it has 1,375 members, and the high price for stock-exchange seats has been $600,000, although at the present time it is estimated that the seats are selling for only $190,000. If we figure the seats at $200,000 a piece, there is an investment of $275,000,000.

I suppose the physical property of the exchange is owned by a corporation, and that the interest of the members of the exchange in that corporation is based upon their membership in the stock exchange itself.

Under the bill, the Federal Government would be given the absolute power to destroy everything that association has, except its physical property. The Government control over it would be complete. The matter of the hours of trading by the stock exchange would be under the control of the Government. The time of opening and the time of closing might be fixed by the commission provided for in the bill.

More than that, upon the recommendation of the commission, the stock exchanges of the country might all be closed for a period of 90 days upon the approval of the President of the United States. When that 90 days had expired, the stock exchanges might again open, but, so far as I know, and so far as I can discover from a reading of the bill, the commission, with the approval of the President, could close them before the end of the day for another 90 days.

At the expiration of 181 days, upon the recommendation of the commission and the approval of the President, the stock exchanges might be closed for another 90 days; and upon the expiration of 252 days, on the recommendation of the commission and with the approval of the President, they might be closed for another 90 days. So that, so far as the bill is concerned, so far as the power of the stock exchange itself is concerned, after the bill shall have been enacted, the commission and the President may close every stock exchange in this land, so that they will operate less than 4 days in every year. But that is not all, by any means.

In this bill itself there is the distinct and definite provision that the proposed commission may fix the rate of commission which the stock-exchange members may charge for the service they render. They cannot by rule and regulation govern it any longer. They cannot by rule and regulation fix it at an amount which they believe will return to them a fair amount of money annually, or that will increase their business. They may not use their judgment about it any longer. It passes to the commission.

In addition to that, the rate of interest which they may charge may be fixed by the commission. We heard argument yesterday that we ought to do away with the margin account. We do not need to do that here. We do not need to fix, in the bill, anything with respect to margins. The commission may control the whole thing by fixing the amount of the commission and fixing the amount of interest that may be charged.

Mr. President, I make these statements for the purpose of showing that, in the case of this great institution having today physical assets of $275,000,000, based upon the price of stock-exchange seats, we of the Congress are running ourselves ragged to pass the bill quickly in order that we may

protect some person who ought to have known better in the first place than to be trying to guess whether a stock was going up or whether it was going down.

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

Mr. HASTINGS. I yield.

Mr. FESS. What is there in the bill that will make impossible in the future such a condition as existed, for example, regarding the stock issued 5 years ago by the Radio Corporation? In a field that was wholly unsurveyed, was illimitable with respect to future accomplishment, the prospect became so inviting that speculators ran the stock up to over $500, the directorate of the company itself being concerned about the elevation of the prices, all due to speculative buying and selling. What is there in the bill which will prevent a man from buying any stock on the stock exchange and paying any price he pleases? How can we protect the man who is willing to do that?

Mr. HASTINGS. There is nothing in this particular bill which will protect him, except that if it seemed desirable to do so the commission could entirely suspend trading in the stock of the corporation on the stock exchange. In that way they could control the speculation, and in certain instances that might be helpful. That is the only answer I can make to the Senator's question.

Mr. FESS. If the Senator will permit me further, usually the price paid for any stock is based on the prospect that the stock is going to be valuable, and usually that idea is obtained from the data purporting to state what is back of the stock. The Senator knows as well as I know, however, that people get into such a psychological condition that machine guns cannot keep them from buying and selling stocks.

Mr. HASTINGS. Mr. President, with respect to the control of this business passing to the Federal Government, I insist that what I have said is not in any sense an exaggeration. What I have said is positively true under the pending bill. It can be answered in one way only. Those who are satisfied with the bill say, "We know that the President never would agree to closing the stock exchange, as you have outlined, and to keeping it closed most of the time, and letting it transact business only 3 or 4 days a year. We cannot conceive of a President's doing that. We know that the present President will appoint capable men on the commission to manage the stock exchange. For that reason we think the alarm which you sound ought not to be responded to in any way, because in actual operation it is a false alarm."

Mr. President, I learned long ago that it is dangerous for any legislative body to pass legislation because a certain individual whom the members of the legislature or the Members of Congress knew and believed in would be the person called upon to administer a particular law. Legislation of every kind ought at all times to be upon such a firm foundation that no person occupying any official position in connection with it could under any circumstances do a wrong under the act itself. In other words, this ought to be, and we have been led to believe that it is, a country which is protected by the Constitution and the laws of the Nation, and that its security does not in any sense depend upon the character of the person who administers the law.

Of course, it is always important to have good administrators of laws. It is important to have good executives, because we always get better results with such executives. We ought not, however, to pass a law which puts into the hands of any man who may not be what we think he ought to be an opportunity to do under the law something that will be hurtful to the people of the Nation.

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

Mr. HASTINGS. I yield.

Mr. FLETCHER. Speaking of the power to close the exchange, the Senator has reference, I take it, to paragraph (4), on page 42, which reads:

> And if in its opinion the public interest so requires, summarily to suspend trading in any registered security on any national securities exchange for a period not exceeding 10 days, or with the approval of the President, summarily to suspend all trading on any national securities exchange for a period not exceeding 90 days.

I direct attention to the fact that that power now exists and is exercised by the stock exchange itself. That is not a new power; but instead of the stock exchange itself exercising the power, the commission is allowed to exercise it in the public interest, with the approval of the President.

That is the first point.

The Senator seems to be apprehensive that the commission will have such power that it will manage and control the exchanges of the country. I think we have carefully guarded against that. Instead of attempting to do that sort of thing, or authorizing the commission to do it, the Senator will find that on page 44, paragraph (c) we provide that—

> The Commission is authorized and directed to make a study and investigation of the rules of national securities exchanges with respect to the classification of members, the methods of election of officers and committees to insure a fair representation of the membership, and the suspension, expulsion, and disciplining of members of such exchanges. The Commission shall report to the Congress on or before January 3, 1935, the results of its investigation, together with its recommendations.

The matter is to be investigated by the commission, and it is to report to Congress what it recommends.

Mr. HASTINGS. But in the meantime what happens? In the meantime does not the commission have all the control I have suggested?

Mr. FLETCHER. No; I do not think so. It has nothing to do with the election of officers or the qualification of members or personnel.

Mr. HASTINGS. What will anyone care about the election of officers after this act shall go into effect? The election of officers will become of the least importance to any member of the stock exchange. The kind of rules and regulations that can be made by the members of the stock exchange will amount to nothing to any member of the exchange or to the public after we shall pass this bill.

What the Senator states is true. The Senator says the stock exchange has that power now. Of course it has the power. What I am complaining of, and the only point I make about it, is that we are taking away from the stock exchange the power which it now has and putting the power in the Federal Government. The sole point I have made up to this time in that connection is that we have transferred to the Federal Government this great institution, with $275,000,000 of property, and the control of its operations.

Because of the urgency of the demand for that action, because the public is demanding that something of the kind be done, I have expressed great fear that this is but the beginning of the taking over by the Government of other great institutions in which the public is interested.

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

Mr. HASTINGS. I yield.

Mr. FLETCHER. The Senator says that the stock exchange now has the power and authority to adopt rules and regulations and to regulate its own members. I simply desire to mention the fact that the New York Stock Exchange is not the only exchange in the country. It has competition right in New York City. I think there are eight or nine other exchanges in New York City. There is competition there. The control of an exchange extends only to its own membership, however. The nonmembers, those outside of its own membership, are the people who are giving the exchange trouble, and it cannot control them.

Mr. HASTINGS. Mr. President, I desire to call attention to section 2 of this proposed act, in order that we may try to find wherein lies the authority to enact this kind of legislation. Here is what is said in the proposed act itself:

> In order to prevent obstruction of the normal flow of interstate commerce and also to preserve and protect the national credit, the Federal taxing power, the national banking and Federal Reserve Systems, and the proper use of the mails and the facilities of interstate commerce, it is imperative that legislation be enacted to regulate and control such transactions.

Mr. President, I suggest that those who had to go to these sources to find authority for this proposed legislation are stretching to the limit the provisions of the Federal Constitution. It never was intended that Congress should interpret the grant of power to control interstate commerce to do such a thing as this. It never was intended that it should prevent the use of the mails except for some improper purpose, and it is undertaken here to make a purpose improper by imposing certain conditions.

However, Mr. President, besides the control of the hours, the days, the rates of commission, the interest, and so on, there is a further provision which ought at least to be shocking to the American people.

Under the provisions of this proposed act there are five commissioners to be selected at a salary of $12,000 a year each. I may say in passing that I think it is a little surprising that this Congress and this administration should suggest any such salary as $12,000 a year for any man when the average income for 1932 was but a little more than $300 for each person. With an administration that is urging upon us the importance of a better distribution of the income of the Nation and with many members of the administration insisting that there must be an equitable distribution of the wealth of the Nation, it is now proposed to give to five men $12,000 a year each in order to administer this proposed law.

Mr. LOGAN. Mr. President, will the Senator from Delaware yield?

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

Mr. HASTINGS. I yield.

Mr. LOGAN. Is that an unusual salary for commissioners who perform such important duties as are to be imposed upon these commissioners?

Mr. HASTINGS. No.

Mr. LOGAN. I will ask the Senator if it is not true that he has voted for bills carrying such a salary during the last 3 or 4 years on several occasions?

Mr. HASTINGS. I am not quite certain about that, but I am quite certain that I would have so voted if the occasion had arisen and I believed that it was a reasonable salary.

Mr. LOGAN. The Senator is not complaining about the amount of the salary?

Mr. HASTINGS. I am not complaining about the amount of the salary, but I am expressing this thought and this thought only: When I read what has been said in this RECORD and remember what I have heard upon the floor of the Senate during the past year or so, and what I have read of the statements made by the President, and by many of his advisers about a better distribution of the income of the Nation and a better distribution of the wealth of the Nation, I merely express surprise that this administration should be urging upon Congress the payment of a salary of $12,000 a year for anybody to do any kind of service and under any kind of circumstances, when it is remembered, as I repeat, that the average income is but a little over $300 a year for every man, woman, and child in America.

Mr. LOGAN. As I understand, the Senator was not expressing any personal objection to the amount of the salary——

Mr. HASTINGS. Not at all.

Mr. LOGAN. But was simply expressing his surprise that some of those whom he has indicated should have proposed such a salary?

Mr. HASTINGS. That is correct.

However, Mr. President, there are some things in the pending measure touching that subject to which I do object. I should like to call attention to the powers given under this proposed act to the commission.

(c) The Commission is authorized to appoint and fix the compensation of such officers, attorneys, examiners, and other experts and employees as may be necessary for carrying out its functions under this act, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States.

There is no limit to that authority. The Congress has nothing to do with it; the President of the United States has nothing to do with it; the Secretary of the Treasury of the United States has nothing to do with it. While the salary paid to the commissioners is fixed in the proposed act, it is the only thing that is fixed, and immediately after the passage of this measure the commission, if it cares to do so, may employ Mr. Pecora at a salary of $100,000 a year, and there will be nobody under the sun who can complain about it.

Mr. LOGAN. Mr. President——

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

Mr. HASTINGS. I yield.

Mr. LOGAN. Are the expenses of the commission to be paid out of the Treasury of the Federal Government or are they to be paid by levying on the various stock exchanges?

Mr. HASTINGS. They are to be paid by levying on the stock exchanges.

Mr. VANDENBERG. Mr. President——

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

Mr. HASTINGS. I yield.

Mr. VANDENBERG. With respect to this staff of employees, I suggest to the Senator that there is another hazard which perhaps could be corrected, but which certainly now stands wide open. Although there are penalties provided in this bill against every man, woman, and child who may be externally related to these transactions in stocks and bonds and other securities, there is not a word in the bill which attaches penalties for the misuse of information on the inside of the commission and its staff. That, it would seem to me, is a tremendous weakness in the bill.

Mr. HASTINGS. Is the Senator quite certain about that? It seems to me that somewhere in the bill there is a provision making it unlawful for an employee of the commission to give out certain information. I am not sure that there is any penalty attached, but I remember distinctly that somewhere in this bill there is a prohibition against that.

Mr. VANDENBERG. I just canvassed the matter with one of the experts, who was under the impression that such a provision was in the bill, but he could not find it.

Mr. HASTINGS. Perhaps he is right.

Mr. VANDENBERG. If he is right, the defect ought to be corrected.

Mr. HASTINGS. I agree with the Senator.

Mr. President, the salary of the five commissioners is the only thing that is fixed. I take it that every commissioner will be entitled to at least one secretary, and I take it also that the secretary to one of the commissioners will be quite as important as is the secretary to General Johnson who administers the N.R.A. According to the newspapers that particular position now pays $5,600. I doubt very much whether the amount thus paid would be $5,600 if it had been fixed by the Congress of the United States. I doubt whether the commissioners to be appointed under this bill would be able to pay their secretaries anything like that sum if they depended upon Congress for the appropriation and depended upon the Congress to fix the amount; but under this bill they can pay their secretaries and their experts and other employees whatever they please. I care not how much one may speculate upon it, there is nothing under the sun to prevent them from doing as they please except their own conscience.

Who pays the bill? There would be some control over this question if Members of the House and Members of the Senate were charged with the responsibility of making the appropriations for the expenses of the proposed new commission. We would have an opportunity to have the commissioners brought before us and examined as to whether they were paying reasonable or unreasonable salaries. We would have a hearing; we would have an opportunity to discuss the subject in the Senate, because we would be interested. We would know that back in the States where we live there would be somebody complaining about the salary paid, saying that such salary affected the taxes he

paid to the Federal Government, and entering complaint about it. No such thing as that can happen here.

O Mr. President, as I read this bill my mind goes back to the Revolution, and the period before the Revolution, when the people in the American Colonies rose in their might and said, "There shall be no taxation without representation." We based the whole theory of our Revolution upon that principle, and here, 150 years afterward, not in the form of emergency legislation but permanent legislation, we find the Congress enacting a measure contrary to that principle, notwithstanding the provision in the Constitution which gives to the Congress alone the right to levy taxes. There is a provision in the Constitution that all legislation involving taxation shall originate in the House, that taxes shall be levied by the Congress, and that they shall be uniform in their nature. All those requirements are written into the Constitution; but, notwithstanding that fact, we find in the year 1934 the Congress rushing headlong to give away this power to a commission created by the Congress, and putting the stock exchanges of the country in a position where they cannot even complain. The commission may be as extravagant as it pleases; it may pay everyone in its employ what it pleases; and then the Congress says to the stock exchanges of the country, "You must pay the bill."

Is there any provision in the bill about the division of the expense? Not at all. The only provision is that it shall be distributed in a way that to the commission seems to be fair and equitable. Is the junior Senator from Ohio [Mr. BULKLEY], who is much interested in the bill, willing for the two stock exchanges of his State to depend upon equity, as the five commissioners may see it, when it comes to assessing those two stock exchanges out of existence if the commissioners happen to be opposed to them? Is the Senator from Kentucky [Mr. LOGAN] willing that the stock exchanges in his State shall be dependent upon a commission which may be so prejudiced against the New York Stock Exchange that it will impose the whole burden upon that exchange?

There is no court review; there is no review anywhere after the matter passes out of our hands. We give the power to the commission, without knowing who the commissioners will be, without knowing what their sympathies may be, whether their sympathies will go out to the stock exchange in Detroit or Pittsburgh or New York or California or elsewhere. We have no way of knowing. We are letting this power go from our hands into the hands of five commissioners to say what shall be done with respect to the matter.

Mr. President, the temptation is left with the new taxing authority to be liberal in the matter of the money it deems necessary to carry out the provisions of the bill. When a commission is appointed that is dependent upon Congress for appropriations for its expenses we may naturally expect that commission to use some care with the money it is called upon to expend, because some day it must account to somebody; but a broad authority is about to be given to this new commission, without any power anywhere to check it, without any responsibility or requirement to respond to those who pay the bills.

Mr. LOGAN. Mr. President——

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

Mr. HASTINGS. I yield.

Mr. LOGAN. I should like to ask the Senator, purely for information, if the same broad powers which are found in the bill now before us were granted to the Radio Commission and the Power Commission and possibly some other commissions?

Mr. HASTINGS. Am I to understand the question to be whether some such powers have been granted elsewhere?

Mr. LOGAN. Is this bill, so far as these provisions are concerned, along the same lines as the provisions in the acts creating the Radio Commission and the Power Commission?

Mr. HASTINGS. Not at all. I think I am correct in my answer. The only thing I recall that is comparable at all grows out of the emergency legislative acts we have passed. When we created the Coordinator for the Railroads, a temporary affair to last for a certain number of years, my recollection is there was some provision by the Congress whereby the railroads should pay a certain amount per mile to cover the expenses involved. But there is no such provision with respect to the expenses of the Interstate Commerce Commission itself or the Radio Commission. It might very well be. It is just as applicable to those commissions as to the commission we are about to create.

I will tell the Senator from Kentucky whence the idea comes. It comes from the administration of the emergency measures. It comes from the administration of the N.R.A. My attention was first called to the fact when I heard from a constituent of mine who operates a grocery store, and who sent me a letter showing that there was a demand made upon him by those who were administering the retail grocers' code to pay a dollar for himself and a dollar for each of his clerks toward the expense of administering the retail grocers' code. Subsequently I found that was based upon an Executive order and that it applied to every code.

I may say to the Senator that just recently I have discovered the automobile-truck code alone has a budget of $2,977,500, within $22,500 of $3,000,000, for the administration of that code. There are 408 codes already adopted. I suppose it would be unfair to multiply that $3,000,000 by 408, because I assume the motor-truck industry is probably one of the larger ones. But if we multiply it by $3,000,000 and divide it by 10 we have a tremendous tax imposed upon the people of the United States which the Congress never intended to be imposed upon them.

These cases are not similar to those where organizations, such as the Federal Reserve member banks, are involved. The banks do not have to become member banks. They may do as they please. So far as I know heretofore there has never been any effort to tax the people of the Nation under a plan like this. If this were a scheme set up whereby the stock exchanges wanted to participate in it or not, then it would be perfectly all right to let those who did want to participate bear the expense, and those who did not want to do so to stay outside. But here we are imposing a tax upon people without their consent and through commissions and through code authorities on a basis which I say is un-American and foreign to any ideas we ever had up until the past few months, and which, in my judgment, is exceedingly dangerous.

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

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

Mr. HASTINGS. I yield.

Mr. DAVIS. Can the Senator tell me what it will cost to conduct the business of the commission?

Mr. HASTINGS. I have not seen it estimated anywhere. I do not believe anyone has any idea what it will cost. After a while I shall discuss the great task to be imposed upon the commission and let each Senator judge for himself whether or not it will be a huge sum or whether it will be a small sum. I may a little later be able to answer the Senator's question. Of course, a good deal will depend upon whether the commission shall be administered economically or whether the gate shall be thrown wide open and an effort made to be as liberal as possible with the employees of the commission.

Mr. President, before I leave this subject I wish to impress upon the Members of the Senate one further thought. We have on one side a tax, imposed by the commission, uncertain in amount and with nobody daring to estimate what the total will be. On the other side we have the right on the part of the commission to fix the amount of the commissions which may be charged by members of the stock exchanges and the rates of interest that may be charged on the debtor accounts.

If that is not putting stock-exchange members between the two millstones, without any certainty on the part of

anybody as to what the result will be, I cannot conceive of anything being true.

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

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

Mr. HASTINGS. I yield.

Mr. FESS. The salaries fixed for the members of the commission will be paid out of the Federal Treasury, will they not?

Mr. HASTINGS. Oh, not at all.

Mr. FESS. Not the salaries of the members of the commission?

Mr. HASTINGS. Not at all.

Mr. FESS. I understood that the expenses of administering the organization were to be assessed on the exchanges, but I supposed that the salaries of the commissioners would be paid out of the Federal Treasury.

Mr. HASTINGS. That is not true. The bill provides that the original necessary expenses may be drawn from the Treasury; but that is only until the commission can get its machine operating so that it may make the assessments and collect the money. The bill distinctly provides that when that is done the money shall be returned to the Treasury of the United States, and ultimately not a dollar is to be charged against the Treasury.

Mr. FESS. So the commission will not only fix the charges but will have authority to fix the number of employees and the size of its budget, and assess the expense upon the exchanges without having to come back to Congress for authority?

Mr. HASTINGS. That is quite correct.

Mr. FESS. Is there any limit on the expenses the commission may incur?

Mr. HASTINGS. Not at all.

Mr. WALCOTT. Mr. President——

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

Mr. HASTINGS. I do.

Mr. WALCOTT. The House bill provides that the registration fee shall be 0.05 of 1 percent of the money value of the securities dealt in on the exchange. A rough estimate of that on a 5-year average, which I believe was taken, comes to $5,000,000 in cash to be raised in that way. That, however, would go into the Treasury, and would be budgeted out in accordance with an amendment that has been offered here, provided we have a new commission. If, however, the administration of the measure should rest in the hands of the Federal Trade Commission, the money would be budgeted automatically from the receipts of the Treasury; and the $5,000,000, or approximately that sum, would go into the Treasury to offset whatever might be spent for the Budget.

Mr. HASTINGS. Is the $5,000,000 the annual amount?

Mr. WALCOTT. That would be an annual receipt, computed on the average of the 5 years just preceding.

Mr. HASTINGS. Mr. President, I thank the Senator; but I am quite certain that nobody can make a very accurate estimate of what this new machine and its operation will cost.

Mr. FESS. Mr. President——

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

Mr. HASTINGS. I yield to the Senator from Ohio.

Mr. FESS. Is not that an unusual set-up? I cannot recall at the moment any other agency where the officers are appointed by the Government to administer a law enacted by the Government and are authorized to assess the cost on some institution outside the Government. Is not that entirely new, unless we might say that some phase of it is involved in the processing tax? It seems to me that we are entering upon a very strange field.

Mr. HASTINGS. Mr. President, I will say in that connection that I do not recall that I have had a single protest about that provision. I observed it as I read the bill, and I talked to some members of the committee about it, to see whether that was what was intended. I received from everybody the answer that that was what was intended; and, if you please, that removes one of the objections to the bill. People who are not interested in the stock exchange, people who are not interested in this business at all, might very well say to the Senator and to me, "We see no particular objection to annual salaries of $12,000. It makes no difference to us whether the commission costs $5,000,000 or $10,000,000 or $15,000,000 or $20,000,000 annually. It is no skin off our foreheads. It comes out of the stock exchange." So I suppose one of the purposes in putting this provision in the bill is to get rid of the opposition to it, so that nobody can possibly object to it, because none of the people back home, with the possible exception of a few people interested in stock exchanges, are concerned.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Delaware yield for that purpose?

Mr. HASTINGS. I do.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

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

Mr. HASTINGS. Mr. President, it might be well at this time to call attention to the fact that the beginning of the inquiry into the stock exchange was a resolution which I introduced suggesting that an inquiry be made as to short sales being then made on the stock exchange. I was not responsible for the development into a wider inquiry, but, Mr. President, I have no complaint on that score, and I join in the compliments other Senators on the floor have extended to the committee for their investigation. I think they discovered evils which ought to have been discovered, and that they discovered much that was worth while that does not in any way enter into the bill now before the Senate. I am not complaining about the discoveries made, but I am complaining about trying in one act to remedy all the ills and cure all the injuries being inflicted upon people by reason of the transactions taking place at the time the committee began their investigation.

Mr. President, before I read the portion of the proposed act, which affects the stock exchanges alone, and referring again to the prejudices which have been created against the stock exchanges, I call attention to an editorial appearing in the Herald Tribune under date of May 2. The editorial is based upon a statement made by Mr. Ferdinand Pecora to the effect that nearly a billion dollars was made in the commission business by members of the New York Stock Exchange during the period of 5⅔ years. This newspaper says the exact figures were $833,000,000, and then calls attention to the fact that that was something like $140,000,000 a year. The editorial proceeds to state that during the period from January 1, 1928, to August 31, 1934, there were slightly more than 4,360,000,000 shares of stock bought and sold, and that a rapid calculation shows the average price to be $63. They add to that amount $17,000,000,000 in bonds, making a grand total of $292,000,000,000.

Then the editorial calls attention to the fact that as against this $292,000,000,000 the figures $833,000,000 are less impressive. They represent—the newspaper figures—three tenths of 1 percent of the amount of business transacted.

Then the newspaper calls attention to this fact:

> Indeed, it is only a little more than twice as large as the stamp tax on security sales that went to the Federal and State Governments during the period, which item Mr. Pecora conveniently forgets to mention. The transfer taxes on this huge turn-over amounted, the record shows, to more than $360,000,000.

Nothing is said in this connection with respect to the income taxes paid by the various members of the exchange upon these transactions.

Mr. President, after reading from that editorial, let me refer to the speech delivered by the chairman of the committee [Mr. FLETCHER], on page 8165 of the RECORD, in which he called attention to this billion-dollar profit. The Senator from Florida says:

> Mr. Whitney made some reply to that, according to the press, claiming that we do not take into consideration what they have lost in the value of their seats; in other words, that the seats have gone down from $600,000 each to about $190,000, I believe they are at this time, and that there was a loss to the stock exchange in the value of their assets by virtue of that fact. That is true in a way. There was a shrinkage in the value of the seats on the stock exchange, but, as Mr. Untermyer pointed out a day or two ago, they have during that time sold some 350 seats. Let us say they sold them at $190,000 each. At that figure their assets must have been considerably built up. Multiplying $190,000 by 350 gives quite a neat little sum.

Mr. President, I, myself, have done a little figuring on that matter, and I should like to submit the figures to the Senate with the hope that we may place in a little truer light the many things which are being said against the members of the New York Stock Exchange at this time. My primary objection to this bill is not because it imposes a great burden upon them. It is for the additional reason, as I have pointed out, that I think this bill in section 4 violates an important principle of our form of government, namely, taxation without representation, and not only that but taxation by other institutions than the Congress itself.

Mr. LEWIS. Mr. President, will the able Senator——

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

Mr. HASTINGS. I yield.

Mr. LEWIS. Will the Senator give me his information as to whom go the $376,000,000 referred to by the Senator as transfer taxes?

Mr. HASTINGS. They go both to the State and the Federal Government. I have only the record which I quoted from the Herald Tribune. The greater part of it I am quite certain, however, goes to the Federal Government, but I think in New York there is also a tax upon the transfer of securities, which tax goes to the State of New York, and, as I understand the editorial, $360,000,000 is the total of such taxes paid both to New York State and the Federal Government.

Mr. President, in order that we may analyze for a moment the statement which was made by Mr. Pecora—and I remember seeing it in the headlines of all the newspapers for a day or two—that the stock-exchange members had made in a period of 5⅔ years nearly a billion dollars, I desire to call attention to the fact that if we take that huge sum and divide it by 1,375 members of the New York Stock Exchange the result shows a profit to each member of $605,800 during the period, or a little more than $100,000 a year for each member.

I should like to present these additional facts in order that Senators may better understand just how much they did gain. Bear in mind that at the time this period began a stock-exchange seat was worth $600,000; so that, for the purpose of my figures and for the purpose of illustration, I shall assume that at the very beginning some person purchased a seat on the New York Stock Exchange for that large sum. Figuring the interest at 6 percent upon that amount during that period will disclose that it amounts to $36,000 a year and for 5⅔ years it will be $214,000 interest on the investment, making the principal and interest up to that time $814,000.

If, on the other side of the ledger, we take the profit for that period of $605,800 and take the value of the seat at the end of that period at $190,000, we have at the end of the period $795,800 as against an investment and interest of $814,000, or an actual loss of $18,200. The stock-exchange member not only has the loss of $18,200 but he has spent his whole 5⅔ years in actual service in trying to make a profit.

I think the distinguished Senator from Michigan [Mr. COUZENS] should be interested in those figures and I hope he may be able to tell the Senate later whether or not they are correct.

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

Mr. HASTINGS. Certainly.

Mr. COUZENS. I can find much fault with them right now, but I do not want to interfere with the Senator's discourse. The Senator has fixed a maximum of $600,000 for a seat. I wonder how many who invested their money through the brokers during that time got 6 percent through all the years? The figures presented by the Senator are so out of line with the experience of those who patronize the brokers as to be laughable.

Mr. HASTINGS. The Senator may laugh at the figures, but ordinarily a laugh will not change the result of accurate calculation. If he wants to figure on some other basis, if he can find something wrong with my figures and will point out the error, I shall, as I said, be very pleased to have him do so. It is true I have taken a larger sum, but if we are to be influenced by Mr. Pecora's figure, which was used by the chairman of the committee on the floor of the Senate, $833,000,000, which he had expanded to $1,000,000,000, I see no harm in calling attention to the fact of the larger sum and how it works out. I think it was true that at that time seats were selling for $600,000. I think it is true the lawful rate of interest is 6 percent. If we assume those facts, it will be found that at the end of the period the broker had an actual loss of $18,200.

Compare that figure with the salary which the commissioners are to get. During the period of 5⅔ years they will have received the sum of $68,000 with no investment of any kind and with authority to employ all the people they care to employ to assist them so as to lighten their burden. It seems to me under these circumstances that a member of the stock exchange in the end would probably be delighted to have a position as secretary to one of the commissioners rather than to retain his seat on the stock exchange itself.

Mr. President, I desire to discuss another phase of the bill. The distinguished junior Senator from Oregon [Mr. STEIWER] the other day pointed out that his principal objection to the bill is to be found in the burden placed upon the corporations of the country. That is the basis of my principal objection. That is found in section 12 (a). The particularly objectionable feature is the one which provides for—

> An agreement by the issuer * * * to comply with the provisions of this act and any amendments thereto, and with the rules and regulations made or to be made thereunder.

And so forth.

In the bill as it passed the House that provision has been eliminated. There is no such provision in the House bill. As the Senator from Oregon pointed out, it is particularly important that the issuer shall not be compelled to sign an agreement. It is wholly unnecessary to compel him to sign an agreement. There have been so many safeguards thrown around it in the bill, there is such a heavy penalty imposed upon those who violate any of the rules and regulations when their stock is listed, that it is wholly unnecessary and a useless burden upon the corporations to compel them to sign an agreement to do these things.

Mr. President, I desire to invite attention to what a corporation must do in order to have its stock listed upon any of the exchanges under the terms of the bill.

First. It must sign an agreement.

Second. It must comply with the provisions of the act and any amendments.

Third. It must comply with the rules and regulations of the commission.

Fourth. It must not lend funds at the money post, or to any member.

Fifth. It must not lend money to any broker or dealer.

Sixth. It must furnish full and complete information covering the following items:

Seventh. Organization, financial structure, nature, and operations of the business.

Eighth. The terms, position, rights, and privileges of the different classes of securities outstanding.

Ninth. The terms on which their securities have been or are to be offered to the public.

Tenth. The directors, officers, underwriters, and each security holder of record holding more than 10 percent of any class of equity security of the issuer.

Eleventh. Remuneration to others than to directors and officers exceeding $20,000 per annum.

Twelfth. Bonus and profit-sharing arrangements.

Thirteenth. Management and service contracts.

Fourteenth. Options existing or to be created in respect of their securities.

Fifteenth. Balance sheets for not more than the 3 preceding fiscal years, certified, if required by the rules and regulations of the commission, by independent public accountants.

Sixteenth. Profit-and-loss statements for not more than the 3 preceding fiscal years, certified, if required by the rules and regulation of the commission, by independent accountants.

Seventeenth. Any further financial statements which the commission may deem necessary or appropriate for the protection of investors.

Eighteenth. Copies of articles of incorporation.

Nineteenth. Copies of bylaws.

Twentieth. Copies of trust agreements.

Twenty-first. Copies of underwriting agreements.

Twenty-second. Such other documents as commission may require.

Twenty-third. If the requirements under subsection (b) be inapplicable, then such other information as commission may require.

Twenty-fourth. Reports provided in section 13.

Twenty-fifth. Correct information.

Twenty-sixth. Annual reports.

Twenty-seventh. Quarterly reports.

Twenty-eighth. Such other reports as are essential.

Twenty-ninth. Form of report.

Thirtieth. Items to be shown on balance sheet.

Thirty-first. Earning statement.

Thirty-second. Methods to be followed in preparation of report.

Thirty-third. Method to be followed in the appraisal of valuation of assets and liabilities.

Thirty-fourth. Method to be followed in determination of depreciation and depletion.

Thirty-fifth. Method to be followed in the determination of differentiation of recurring and nonrecurring income.

Thirty-sixth. Method to be followed in the determination of the differentiation of investment and operating income.

Thirty-seventh. Method to be followed in the preparation of separate or consolidated balance sheets.

Thirty-eighth. Method to be followed in reporting income accounts of any person directly or indirectly controlled by the corporation.

Thirty-ninth. Method to be followed in reporting income accounts of any person under direct or indirect common control with the corporation.

Fortieth. If any of these things be inapplicable, commission is authorized to require any report of comparable character.

So there are 40 things besides those which may be required by the rules and regulations that may be fixed by the commission.

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

Mr. HASTINGS. I yield.

Mr. FESS. On page 20 of the bill it is made unlawful for any dealer or broker or other person giving information for the purpose of inducing the purchase or sale of securities to make—

> Any statement which was at the time and in the light of the circumstances under which it was made false or misleading in any material respect.

Then follows this language:

> As used in this paragraph, the term "statement" shall be construed to mean any omission to state a material fact.

In other words, the statement must be limited to the facts; but if any statement is omitted that might be regarded by somebody to be material, the person omitting to make it is subject to punishment. How is a man to protect himself where he is under penalty for omitting a statement that somebody might regard as material? Is not that language unusually broad?

Mr. HASTINGS. I think the specific language mentioned by the Senator merely undertakes to give a definition. I see no particular objection to requiring a full disclosure. As I read the language, its only purpose is to give a definition of what is meant in the form of a statement. That is, if a statement is presented, and something material is left out, those who drafted the bill have been careful not to let the person escape punishment.

Mr. FESS. In other words, a man is responsible for what he says, and he is equally responsible for what he does not say?

Mr. HASTINGS. That is correct.

Mr. FESS. That is pretty broad.

Mr. HASTINGS. That is true; but this bill is so broad that it is difficult to tell what to do about it anyway.

Mr. President, there are two points to which I particularly desire to call attention. The Senate is familiar with the fact that there must be originally a balance sheet for not more than the 3 preceding fiscal years. I assume that that language is clear enough to let in a corporation that has not been in existence for more than 2 years, although my attention has been called to the fact that it might entirely eliminate a corporation that has been in existence only 2 years; but I think the language is unobjectionable. It might be made a little clearer, but it is not of great importance. To my mind, however, the provision running all through the bill providing for independent public accountants is of the very greatest importance.

Here, let us say, is a corporation which desires to have its stock registered on the exchange. It is required to have a balance sheet for the 3 preceding fiscal years certified, if required by the rules and regulations of the commission, by independent public accountants.

In the case of a large corporation, for instance, such as the United States Steel Corporation or the du Pont Co.—both of which, I assume, have independent public accountants to examine their books, as most corporations do, at least annually—does that or does it not mean that under the bill it is within the power of the commission to hold that such public accountants are not independent public accountants, because they were employed by the corporation itself, and that independent public accountants, under the bill and under the rules and regulations adopted by the commission, means such public accountants as the commission may select?

If that be the case, that which appears on the face of the matter to be a great burden, namely, the submission of annual and quarterly statements and such other statements as the commission may require, is greatly increased, because corporations cannot be certain that their own independent public accountants whom they have selected will be satisfactory to the commission. It might mean that the

public accountants will be selected by the commission themselves, and that all the work will have to be done over.

Mr. President, a casual glance at the bill will indicate that a corporation will have a right to withdraw and have its stock stricken from the stock exchange. The Senator from Michigan called my attention to the matter the other day, as I recollect, when I raised some question about it. The language is:

A security registered with a national-securities exchange may be withdrawn or stricken from listing and registration in accordance with the rules of the exchange and after at least 30 days' notice by the issuer to the exchange and to the Commission; except that if the Commission deems such action necessary for the protection of investors, it may require ratification by the holders of a majority of the voting stock of the issuer prior to such withdrawal or striking from listing and registration.

In that connection I desire to call the attention of the Senate to section 19 (b), to see whether or not my interpretation is correct. Section 19 is the one which gives the broad powers to the commission. Paragraph (b) of that section provides:

The commission is further authorized, if after making appropriate request in writing to a national securities exchange that such exchange effect on its own behalf specified changes in its rules and practices, and after appropriate notice and opportunity for hearing, the commission determines that such exchange has not made the changes so requested, and that such changes are necessary or appropriate for the protection of investors or to insure fair dealing in securities traded in upon such exchange or to insure fair administration of such exchange, by order to alter or supplement the rules of such exchange.

Of course, everybody must admit that that language, if it means anything, means that the commission is in control, and the stock exchange must do what it is requested to do by the commission; but here are some of the things that are specified that the commission may do if the stock exchange does not do them voluntarily. All of these things are in respect to such matters as—

(1) Safeguards in respect of the financial responsibility of members and adequate provision against the evasion of financial responsibility through the use of corporate forms or special partnerships; (2) the limitation or prohibition of the registration or trading in any security within a specified period after the issuance or primary distribution thereof; (3) the listing or striking from listing of any security—

"The listing or striking from listing of any security."

(4) Hours of trading; (5) the manner, method, and place of soliciting business—

And so forth.

And then, to be certain that everything is covered, the paragraph concludes with:

(13) Similar matters.

Mr. President, I am quite certain that under the provisions of section 19, regardless of what a corporation may want to do, when its securities are once listed on an exchange it cannot withdraw them without the consent of the commission.

Passing from that for a moment, because I do not want to overlook the matter I am about to mention, I desire to call attention to the very extraordinary power given the commission by section 21 of the bill. It provides that:

The commission may, in its discretion, make such investigations as it deems necessary to determine whether any person has violated or is about to violate any provision of this act or any rule or regulation thereunder, and may require or permit any person to file with it a statement in writing, under oath or otherwise as the commission shall determine, as to all the facts and circumstances concerning the matter to be investigated. The commission is authorized, in its discretion, to publish information concerning any such violations, and to investgate any facts, conditions, practices, or matters which it may seem necessary or proper to aid in the enforcement of the provisions of this act, in the prescribing of rules and regulations thereunder.

Listen to the last three lines of that paragraph:

Or in securing information to serve as a basis for recommending further legislation concerning the matters to which this act relates.

If I know anything about what that means, it means passing over to this commission all the things the Committee on Banking and Currency has had the authority to do, and to do the things the committee has been doing for something like a year or more. In other words, the authority to investigate is to be passed over by the Congress, not to some committee of the Senate, but to be passed over to the commission itself, and with authority to punish persons who fail to comply with their requests and appear as witnesses, to furnish books and papers, and what not. They can delve into every corporation, and, so far as I can see, the power extends to corporations which have nothing to do with the stock exchange, and do not care to have anything to do with it, and might disclose, and in many instances would disclose, the most secret formulas of many of the corporations.

In that connection, I have some comments made by the National Automobile Chamber of Commerce in that regard. Referring to the corporation control section of the bill, it goes on record as follows:

The automobile industry believes that the proposed bill, through the provisions of the above sections, goes far beyond the legitimate purposes of stock-exchange regulation, and under the guise of that purpose extends to industry in general an unjustified governmental supervision over certain phases of its internal management. Aside from the question of the constitutional power of Congress to so extend governmental supervision to business in general, the chamber believes that there is no justification for governmental interference with the normal functions of private management. If long-recognized principles are to be discarded and all business is to be supervised by a governmental agency, then, in effect, all business is being put into the category of the railroads. To such a general theory that all industry should come under Government bureaucracies, this chamber is unalterably opposed. If control of certain features of corporate management is to be given now to a Federal agency, it is likely to be but the beginning of the usurpation of other functions of management.

In addition to its general objection to the regulation of phases of general business management by a Federal agency, the chamber submits that the sections referred to impose undue hardship on business without compensating advantages to the public. * * *

Much of the specific information required by the sections would be of little benefit to the public but would seriously affect the interests of the corporation by the disclosure of facts intimately related to confidential affairs of the corporation to competitors and to prying individuals with no legitimate ends to be served. It is reasonable to assume that the average investor is primarily interested in the true character of the security and the actual assets and the actual earnings of the corporation. The giving of information which goes beyond these phases of the corporation's affairs exceeds the legitimate requirements of investors and the public interest. * * *

Mr. President, there are other protests. Whether the Durable Goods Industries Committee spoke spontaneously or at the suggestion of stock-exchange members, as charged, is of little moment. The point is that they endorsed the judgment of alert business men who have read and studied the unusual and alarming features of the bill directly affecting corporations and corporate executives rather than the stock exchanges:

"Existing unemployment in industry", the letter states, "is traceable in large part to the reduced volume of private capital flowing into private enterprise and to the enormous losses sustained by business since 1929. Durable goods, the source of the greater part of all industrial unemployment, are financed largely by the proceeds of security sales. In addition, many enterprises within the group are so short of capital, due to past losses, as to be unable to operate effectively without new financing.

"These conditions make it imperative to restore the normal flow of new capital into private enterprise. In the 10 years ended with 1930 the volume of new capital moving into enterprise in the United States was about $4,000,000,000 per annum. In 1933 this had been reduced to $160,000,000, or about 4 percent of this annual average. This compares with about 56 percent in 1933 of the same 10-year annual average in the United Kingdom.

"Industry is in accord with the President in his judgment as to the necessity for regulating securities exchanges as expressed in his message to Congress on February 9. This proposed bill, however, goes far beyond anything dealt with in that message or required in the situation. It includes may detailed provisions for regulation which the committee believes are wrong in principle and if adopted would create many difficulties in administration. * * *

"If business needs capital for prosperity, it is in public interest not to burden corporations issuing securities for the procurement of such capital or investors purchasing such securities with regulations so stringent as to discourage such transactions."

Mr. Samuel W. Reyburn, president of the Associated Dry Goods Corporation, in an address relating to the Securities Act and the Stock Exchange Act, delivered on Thursday, May 3, made these observations:

The Fletcher-Rayburn bill adds to the citizen's confusion. It is intended to eliminate crooked speculation and to prevent management from taking advantage of inside knowledge to the detriment of the investor and the fellow in the street. Simple laws with real teeth in them can accomplish these desirable ends without placing the corporate executives and management in the strait-jacket the Securities Act of 1933 and the stock-exchange bill of 1934 will provide. Again there is no disposition to deny that speculation exceeded reasonable bounds in the period 1928–29 or that some executives clearly violated their fiduciary responsibilities and played fast and loose with their knowledge and power. It does not follow that the exchanges, as institutions, should be strangled and honest business men subjected to the continuous danger of persecution. The speculation which proved so harmful took place, it is true, upon the exchanges, but they were merely passive market places in which the exaggerated optimism of millions of men and women found expression. History abounds in illustrations of tyrants who beheaded messengers that brought them unfavorable tidings. It seems that something of this spirit is back of the Fletcher-Rayburn bill.

According to the income-tax returns, there are more than 500,000 corporations doing business in the United States. Probably no less than 2,000,000 individuals operate these enterprises and could be classed as business executives. It is reasonable to suppose that such a large group of men and women contain some whose spirit is predatory, whose conduct is antisocial. It is equally reasonable, however, to assume that the great majority of these are law-abiding citizens with just as decent a regard for the welfare of their employees, stockholders, and the general public as may be found among those who hold public office. The Fletcher-Rayburn bill insists on treating all these people as potential crooks.

The Securities Act and the stock-exchange control bill mislead the public and undermine its faith in values by attributing all losses to the deceit of investment bankers, to speculative excesses induced by the exchanges, and to the larcenous conduct of business executives. The real basis of values is entirely ignored.

Mr. President, before I leave the subject, I desire to call attention to what is called the Roper committee. I quote from Mr. DICKINSON, who, I think, was perhaps the person in control of the committee. I am not certain as to that, but I remember that Mr. DICKINSON had much to do with the pending bill.

I read from the House hearings, page 513, where Mr. Roper said:

The point which I have last made suggests the primary point of distinguishing between the theory upon which the report of the Roper committee was constructed and the theory of the present bill.

Having in mind, now, a bill similar to the one before us, but perhaps somewhat more drastic.

The Roper committee report went on the theory that if governmental regulation attempts to do too much directly and to control and intervene directly in the first instance over the whole field which it covers, it is in danger of breaking down under its own weight and proving ineffective. In the report of the Roper committee, therefore, the action of the Government through the proposed stock-exchange authority—which, incidentally, was to have no other duties than to be a stock-exchange authority and was to be free to devote its entire time to the task of exchange regulation—nevertheless the functions, the regulatory functions of this governmental agency were held in reserve and were employed only to supplement and supervise what in the first instance was self-regulation of the exchanges.

No doubt the exchanges will frequently fail to do a good job of regulating their members, but even so, it seemed to the Roper committee during their deliberations likely that Government regulation was likely to be more effective and less unwieldy if it was applied to the exchanges in an effort to make them do their own job and to come down on them like a ton of bricks if they did not do their job, rather than for the Government itself to take over from them that job of direct regulation and attempt to perform it from the very beginning and in the first instance by governmental policing methods.

In framing a regulatory measure the practical problem of administration has always to be faced, and when regulation gets beyond a certain point the sheer ineffectiveness of attempting to exercise it directly through government on a wide scale counterbalances the fact that possibly the exchanges might not be as diligent as we would wish them to be about regulating themselves or as diligent as the Government would be if the task were compact enough to fall within the limits of effective governmental performance.

Now, it may be said, of course, cynically—and I think that there is a good deal in it, and of course we have to recognize the weakness of human nature—it may be said that the idea of self-regulation is just a device to avoid regulation, and so in some instances it no doubt is; but self-regulation in the first instance, with the Government holding its power in reserve to see that that self-regulation is exercised, is after all a necessary recourse in view of the mere physical limitations in time and in personnel, which operate on the direct exercise of the powers of government as the task of regulation becomes more and more extensive over a wider and wider field.

Now, in what I am saying, I hope I will not be regarded as speaking in any attitude of negative criticism of this bill. I believe that regulation of the stock exchanges by Federal legislation should be enacted at this time by the present Congress; that it is demanded by the conditions which exist and by the pledges of the party platform.

I do not, however, believe that those demands will necessarily be satisfied by any or every type of bill that might be adopted irrespective of its provisions. I envisage a type and method of regulation which will be effective because it does not go beyond the limits of what is feasible and necessary in order to accomplish its objective.

I can conceive a type of Federal regulatory authority which will not undertake to burden itself by dividing the control of banks and bank credit with the established financial agencies of the Government, and which will not be swamped by an attempt to exercise drastic control over thousands of corporations and municipal bodies.

If stock-market regulation is to be effective and not a mere peg upon which to hang other regulatory activities, the Federal agency which is charged with such regulation should be free to devote itself to that task, which is a large enough one to require the full attention of any governmental agency if it is to be successfully performed.

Mr. President, much has been said here about all the corporations of the country coming under the provisions of this measure. It is undoubtedly true that the bill in effect grants to the commission control of all the corporations of the country which desire to sell their securities outside the State in which they are incorporated. Section 15 of the bill, under the heading "Over-the-Counter Markets", is a section which has nothing at all to do with the stock exchanges. It is an effort to control the broker or dealer, and it provides that—

It shall be unlawful for any broker or dealer, singly or with any other person or persons, to make use of the mails or any means or instrumentality of interstate commerce for the purpose of making or creating, or enabling another to make or create, a market, otherwise than on a national securities exchange, for both the purchase and sale of any security (other than an exempted security or commercial paper, bankers' acceptances, commercial bills, or other similar obligations) in contravention of such rules and regulations as the commission may prescribe as necessary or appropriate in the public interest and to insure to investors protection comparable to that provided by and under authority of this act in the case of national securities exchanges. Such rules and regulations may provide for the regulation of all transactions on any such market, for the registration with the commission of dealers and/or brokers making or creating such a market, and for the registration of the securities for which they make or create a market. For the purposes of this section the commission may make special rules and regulations in respect of securities or specified classes thereof listed, or entitled to unlisted trading privileges, upon any exchange on the date of the enactment of this act, which securities are not registered under the provisions of section 12 of this act.

In other words, if a corporation, at the time this bill becomes effective, concludes that it does not care to go into this agreement with the stock exchange which will make it binding upon the corporation to comply with the forty-odd things prescribed by the bill itself, as well as all the rules and regulations which may be made by the commission, if the corporation concludes that it does not want to take that chance, that it does not want to enter into an agreement to go on the stock exchange when it is uncertain whether it can ever get off, there is no provision made in the bill to let the corporation alone. If it is a corporation of any size, its securities will be scattered throughout many States. That is particularly true if it is a corporation whose stock has been listed upon the prominent exchanges of the country. So what is the corporation to do with respect to that? It cannot escape by saying, "We decline to go on", because no broker or dealer dare have any transaction with that particular stock until the corporation has complied with the provisions of this bill, until it has filed with the commission three annual statements, until it has done all these things.

In other words, there is only one kind of corporation which is not affected by the bill, and that is the corporation whose stock is dealt in by a broker only in the State wherein the particular broker and the particular corporation are located.

Out of the 500,000 corporations mentioned by Mr. Reyburn in his letter, how many are in such a position as that?

Is it not true that they must comply with the provisions of the bill? Whatever may be said and whatever may be thought about the members of the New York Stock Exchange, is there any reason for and is there any good sense in imposing that kind of obligation upon the corporations of the country? Or is it true, Mr. President, that in the past few months there has developed such a prejudice against capital of all kinds—against capital which is represented by investments in corporations—that we want to destroy them all?

I sometimes wonder whether the suggestion which has been made by Mark Sullivan and by others is, after all, correct, that there are certain persons in this administration, close to the President of the United States, who are deliberately attempting to prevent the country from progressing; who are insisting that the Securities Act of 1933 is a thing that must remain on the statute books without being changed; who insist that we must go further, and strangle other securities by imposing upon them the restrictions contained in this bill, in order that there may be no further progress, and in order that people who have money may find no place to invest it except in the securities of the Government of the United States, and the Government of the United States in return will say, "In view of all these circumstances, in view of the need of these industries to go forward, in order that we may get rid of some of the unemployment, the Government itself must take hold of the industries, and place its own money in them, and place its own officials in charge of them"—in other words, bring all the industries of the Nation, just as they have the farms of the Nation, under the control of some bureau in Washington.

Mr. President, notwithstanding all the prejudices that may have been created against the stock exchange, notwithstanding all the prejudices that may have been created against corporations generally, notwithstanding all the prejudices that have been created against persons of wealth, I am confident in my own mind that unless the Securities Act shall be changed so that capital will be willing to invest in new enterprises, there will be no great progress made in this Nation. At the same time I say, even if we shall do that as is proposed in connection with this bill—amend the Securities Act so as to make it more liberal and attach such amendment to the pending measure—when we pass this proposed act, despite the improvement in the securities law, we shall have made conditions worse than they are at the present time.

I say, in closing, that the majority are proposing to do that which is not necessary to protect the innocent investors of the country. They are taking this action, it seems to me, in order to punish people who they think have done wrong. When they get an opportunity to punish them, they should do it in a way that will be effective; but when they do that, they should at the same time bear in mind that they are doing a great harm to many other people. There are in this country 14,000,000 people holding stocks of corporations to the amount of less than 100 shares each.

Senators must bear in mind that when they destroy corporations, when they destroy the wealth of the Nation, they are destroying the insurance companies which protect me and my family and which protect the families of others. They are destroying the savings banks which, in many instances, have their investments in this kind of securities. They are destroying the widow who has been left a few shares of stock which were once worth a few thousand dollars. They are destroying the very heart of the Nation when they destroy that class of people. This kind of legislation will ultimately do all that; if it shall be persisted in it will retard recovery, and it will be a long time before we get rid of the task of feeding the unemployed of the Nation.

Mr. NORRIS. Mr. President, in a few minutes I will be compelled to leave the city to be gone for the balance of the day, and before I go I desire to make a few remarks upon the pending amendment.

The amendment now pending before the Senate is one which would place the control of the operation of the bill, when it shall become a law, in the hands of the Federal Trade Commission, instead of under the special commission proposed to be set up in the bill.

There has been controversy over that matter for some time. It was one of the points of controversy in the committee. The same controversy arose in the House, and the House provided that the control should be in the Federal Trade Commission.

An amendment similar to that now pending was defeated in the Committee on Banking and Currency of the Senate, we are told by the chairman of the committee, by a very small margin. The chairman of the committee himself stated on the floor of the Senate that in the committee he had favored the amendment. He feels, and perhaps some others feel, that since the committee has not seen fit to put the Federal Trade Commission in charge, he should vote against such a proposal now.

Mr. President, to me that argument has but little weight, especially when we realize that very likely it was fully discussed in the committee, and that the committee is almost evenly divided on this question, or was at the time it was voted on in the committee.

The argument is made that since the House provided that the Federal Trade Commission should be in charge of the enforcement of the law, if we insert such provision in the bill now, there will be nothing in conference. That is one reason why I think that if we favor the Federal Trade Commission having charge of the operation of the law, we ought to vote for the amendment, so as to take it out of conference, and therefore settle the matter once and for all.

After all, we are called upon now, in our vote on this amendment, to decide whether we prefer to have the Federal Trade Commission or the special commission to be set up in the Senate bill take charge of the enforcement of the law. That is the test. As I look at it, our votes should not be controlled by the vote in the committee, especially under these circumstances.

Mr. President, I believe the Federal Trade Commission ought to have charge of the enforcement of the law. I regretted exceedingly that the committee, in framing the bill, did not provide that the Federal Trade Commission should be in charge. It seems to me that in the hearings, remarkable as the work of the committee was, they pulled several teeth out of the bill before they reported it, and I think this is one of them. If we put the amendment of the Senator from Colorado into the bill now, we will be restoring, as I look at it, one very valuable and necessary tooth, which should be in the law in order to aid in its administration.

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

Mr. NORRIS. I yield.

Mr. FLETCHER. I desire to correct one statement from an historical standpoint. The bill as originally introduced in the Senate carried provision that the administration of the law should be in the Federal Trade Commission. The Senator from Virginia offered an amendment to change that so as to provide for a special commission. That was the amendment which by a majority vote the Senate committee adopted. As originally introduced, the bill carried this idea.

Mr. NORRIS. I thank the Senator. That only demonstrates the accuracy of what I said, and I am glad to have the Senator's statement.

As I look at it, when the committee took out the provision giving the Federal Trade Commission control and put the control in the special commission they pulled out a good, healthy tooth that was already in the bill. I want to see it go back.

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

Mr. NORRIS. I yield.

Mr. BARKLEY. According to our view, we not only did not pull a tooth, but we established a tooth that will have nothing else to do except to chew on this particular problem.

Mr. NORRIS. I understand; the Senator can have his viewpoint, but, as a matter of fact, the country and even

the Senate do not look at it that way, and did not look at it that way when that tooth was pulled out. The country was worked up for fear the committee, engaged in pulling teeth out of this bill, would present us with a toothless old woman when they got through. I do not think they did that. As the Senator from Arizona, sitting near me, states, it will be 6 months before "she" can take a bite if they pull many more teeth out. I think there are many teeth in the bill. I do not want to be understood as being opposed to the bill in any respect. With this amendment or without it, I am for the bill, and hope it will be enacted.

Mr. President, in the first place, I am opposed to the establishment, unless it is absolutely necessary, of more bureaus and commissions in our Federal Government. We already have many of them doing good work, it is true; but if we provide for the commission proposed to be set up we are going to duplicate the work, I think. The Federal Trade Commission as now constituted have established offices for the enforcement of the securities law, which will become a part of this work, in different parts of the country. They have the machinery now in operation, practically enough machinery to put this law into operation at once, if it is put on the statute books. They are not inexperienced men who do not understand what this law will be.

It is said, and that is the argument in favor of a special commission, that we shall have specialists in this line on the Commission. I think we can all concede that it should be a commission which is not under the control of the body which we want to govern. The Commission should not be under the control of bankers. It ought to be in the control of independent men. They should, of course, be men who have sufficient ability, wisdom, and courage to carry out the provisions of the bill according to their true meaning. Such are the men now in the Federal Trade Commission. They are able men. They have been engaged in governing business of this kind ever since the establishment of the Commission. They have been dealing with problems which are very much akin to those with which the special commission provided for in the bill will have to deal if the bill becomes law. We shall then have men already tried to a great extent, and ready to go on with the service.

Another reason why I believe the Federal Trade Commission should be designated is because of what I believe to be the economy of the situation. In the last session of Congress we passed a bill authorizing the President of the United States to bring about economy by the consolidation of bureaus and special offices and departments. If there had been then a separate commission doing this line of work, there is no doubt in my mind that the President, in carrying out the provisions of such a law, would have combined the two Commissions. They ought to be combined. They are very much alike in their operations. Economy will result if we adopt this amendment. We shall thereby save money for the taxpayers.

I think the Federal Trade Commission is more likely to be efficient in administering the law than a new commission. If we have numberless commissions doing all kinds of governmental investigation and work, we shall find that the attention of the country will not be attracted to the different commissions. I feel that if this special commission shall be appointed, it will not be many years before the country will lose track of what it is doing. New appointments may be made; inexperienced, really unqualified men may be put on the commission; and its action will not attract the attention that will be attracted by the addition of the Federal Trade Commission, an outstanding investigating governmental body which has been in the eyes of the people of the country for years, in fact ever since the commission was established during the administration of President Wilson.

If appointments are to be made to another commission which is not in the public eye, it is very likely that appointments will be made and changes will be made in its membership to the detriment of good government without the country ever knowing anything about it. That cannot happen with the Federal Trade Commission.

It is said that the Federal Trade Commission is already overworked. It has done, and is doing, a remarkable work. It is easy to increase its membership if necessary to enable it to do the work entrusted to it. The commission that is designated will be in reality the general for an army of men who will be appointed to go into records more or less of a technical nature and get the facts desired by the Commission. The Commissioners will act finally upon the facts thus assembled.

Here we have a Commission already established, equipped as no other branch of the Government is equipped, prepared to do this kind of work. It does not make any difference whether it investigates a corporation which is selling bonds, or whether it investigates a corporation which is making sewing machines; in either case its purpose is to protect the people of the country against fraud and wrongdoing.

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

Mr. NORRIS. I yield.

Mr. COSTIGAN. No one knows better than the able Senator from Nebraska that the Federal Trade Commission was created in large part to deal with unfair practices.

Mr. NORRIS. That is one of the superlative things emphasized at the time of the passage of the original act.

Mr. COSTIGAN. Does not that fact and the experience of the Commission in dealing with such practices especially equip it to serve under the bill being considered by the Senate?

Mr. NORRIS. I think so. I do not think that can be disputed. The members of the Commission are trained and experienced. The very law that provides for their existence requires that they shall be men of the type qualified to undertake this additional work. They have been engaged in work very similar to this—a part of it, I think, in reality—because the Senator from Florida has announced that if this amendment shall be defeated, and if this task shall be left to a special commission, he will offer another amendment to take away from the Federal Trade Commission authority to operate under the so-called "Securities Act." That act has been in operation for some time, and the Federal Trade Commission has had considerable experience with it.

I called on a member of the Federal Trade Commission for some information about the work they had done under that act. I shall not weary the Senate with any long statistics. I shall simply state that they have had a great many cases, running into the thousands, of little things that have arisen under the Securities Act. Every action they have taken stands at the present time. There has not been a single appeal from any action taken by the Federal Trade Commission under that act.

Let me give the Senate some of the figures. Under that act the Federal Trade Commission has made 144 orders. That is quite a number. Some of them are important. Some of them are of minor importance. Altogether there have been 144 orders. Those were what are called orders of withdrawal. Not a single appeal was taken, although appeal is allowed by law, from any order of withdrawal made by the Commission.

A corporation desiring to issue securities files schedules, and so forth, as provided by law, with the Federal Trade Commission; and in case of adverse action by the Federal Trade Commission an order of withdrawal is made. They do not allow securities to be issued in a particular case where they issue an order of withdrawal. Senators should realize that this is of tremendous importance in saving the investors of America from investing their hard-earned funds in securities that would be considered, if the whole facts were known, to be bad. That is what a withdrawal order means.

Altogether, the Federal Trade Commission has issued 105 of those orders. That means that already there have been 105 cases under the Securities Act in which the Federal Trade Commission has not permitted stocks and bonds to be issued and sold to the public. Of those 105 cases, 39 were stop orders. A stop order requires the corporation to

refrain from issuing any stock. From all those orders, as matters stand today, not one appeal has been taken.

I submit that the work already done by the Federal Trade Commission illustrates, and I think practically demonstrates, its equipment for the additional work provided for in this bill.

I said that in carrying out and fulfilling the duties of the Commission it has established offices in different parts of the United States, and has put in employees whose work many times is of a technical nature, whose duty it is to ferret out and assemble the facts before these orders are passed on. So the Commission is already doing a part of this work. It is doing it successfully, I think.

As a matter of fact, Mr. President, I think the work which the bill provides shall be done by this Commission is of tremendous importance. Do not get the idea that the country is not interested in this proposed legislation. People all over the country are watching it. The country, I think, has confidence in the Federal Trade Commission.

Mr. COUZENS. Mr. President, when was the Securities Act passed?

Mr. NORRIS. I do not remember now. If some other Senator has the date I shall be glad to yield to him, and let him give us the date.

Mr. BARKLEY. Mr. President, the act was passed very shortly before the adjournment of the last session, about the middle of last June.

Mr. NORRIS. Mr. President, I have said about all I have time to say. I sincerely trust we will bear in mind, first, that if we shall adopt this amendment there will be no offense to the committee. The committee practically stands even on it.

Mr. BARKLEY. Mr. President, the exact date of the approval of the Securities Act was May 27, 1933.

Mr. NORRIS. When the question was first asked by the Senator from Michigan I was about to say that the bill became a law a year ago. That is practically true. It has been in operation for just about a year.

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 a concurrent resolution (H.Con.Res. 38), in which it requested the concurrence of the Senate, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed 18,000 additional copies of Public Law No. 216, Seventy-third Congress, entitled "An act to provide revenue, equalize taxation, and for other purposes", of wich 10,000 copies shall be for the use of the House document room, 5,000 copies for the use of the Senate document room, 2,000 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,000 copies for the use of the Committee on Finance in the Senate.

The message also announced that the House had passed the bill (S. 3235) to amend an act entitled "An act providing for the participation of the United States in A Century of Progress (the Chicago World's Fair Centennial Celebration) to be held at Chicago, Ill., in 1933, authorizing an appropriation therefor, and for other purposes", approved February 8, 1932, to provide for participation in A Century of Progress in 1934, to authorize an appropriation therefor, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

PRINTING OF ADDITIONAL COPIES OF REVENUE ACT

The PRESIDING OFFICER. The Chair lays before the Senate a concurrent resolution from the House of Representatives, which will be read.

The concurrent resolution (H.Con. Res. 38) was read, as follows:

House Concurrent Resolution 38

Resolved by the House of Representatives (the Senate concurring), That there be printed 18,000 additional copies of Public Law No. 216, Seventy-third Congress, entitled "An act to provide revenue, equalize taxation, and for other purposes", of which 10,000 copies shall be for the use of the House document room, 5,000 copies for the use of the Senate document room, 2,000 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,000 copies for the use of the Committee on Finance of the Senate.

Mr. FLETCHER. I move that the Senate concur in the House resolution.

The PRESIDING OFFICER. The question is on the motion of the Senator from Florida.

The motion was agreed to.

REGULATION OF SECURITIES EXCHANGES

The Senate resumed the consideration of 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.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Colorado [Mr. COSTIGAN].

Mr. COSTIGAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

Mr. LEWIS. I rise to announce the absence of the Senators whose names I previously mentioned, to which I add the name of my colleague, the junior Senator from Illinois [Mr. DIETERICH], who has been summoned to his State on official business.

The PRESIDING OFFICER. Eighty-five Senators have answered to their names. A quorum is present.

The question is on the amendments offered by the Senator from Colorado [Mr. COSTIGAN], it having been agreed that they shall be voted on en bloc.

Mr. McNARY. Mr. President, I do not quite comprehend the suggestion of the Chair about voting on the amendments en bloc.

The PRESIDING OFFICER. It is the understanding of the present occupant of the chair that it was agreed yesterday that the three amendments submitted by the Senator from Colorado should be voted on en bloc.

Mr. ROBINSON of Arkansas. Mr. President, all the amendments, I may explain to the Senator from Oregon, have relationship to the same subject matter and are designed to carry out the principal purpose of the amendment, which is to substitute the Federal Trade Commission for the special commission reported by the committee. It is an entirely consistent proceeding.

Mr. FLETCHER. It is one subject covered by the three amendments.

Mr. ROBINSON of Arkansas. It is really one amendment.

Mr. McNARY. I can appreciate a parliamentary situation where the three amendments might be, in fact, covering one subject matter. If that is the situation, of course, I have no objection.

Mr. ROBINSON of Arkansas. That is entirely correct.

Mr. FESS. Mr. President, am I to understand that there are three places where we are going to strike out the provision for the special commission and insert the "Federal Trade Commission"?

Mr. ROBINSON of Arkansas. As I understand, the changes proposed by the amendments of the Senator from Colorado are designed to effectuate that purpose.

Mr. BARKLEY. If the Senate decides to substitute the Federal Trade Commission for the special commission, there are several places in the bill where the change will have to be made. The amendments of the Senator from Colorado cover all those changes.

Mr. FESS. Very well.

Mr. COSTIGAN. Mr. President, my attention has been called to certain language in lines 23 to 25 on page 10 of the bill, reading as follows:

To complete its organization and to carry out its work during the first year after its establishment.

Those words, of course, imply that the Commission is to be established through the enactment of the bill. If the Federal Trade Commission should be chosen as the agency under the bill by the adoption of my amendment, the words I have read ought to be slightly modified, because it is already established. I ask to have substituted for the quoted words the following:

To carry out its functions under this act during the first year after the date of the enactment of this act.

I request that this substitution be treated as part of the amendments which are to be voted on together.

Mr. COUZENS. Mr. President, I should like to ask the Senator from Colorado if his interpretation of his amendment includes the furnishing of a budget by the Federal Trade Commission for the execution of this work. The Senator will recall that some of our colleagues have complained about the proposed independent commission being free to tax the stock exchanges any amount it may choose. I understand the effect of the Senator's amendment is that the budget shall apply to it in the same sense that it is applied in the Securities Act and to other commissions. Is that correct?

Mr. COSTIGAN. It has been my assumption that the budgetary requirements will prevail under these amendments and under the law. It is true that the language with respect to expenses means that those expenses are to be estimated by the Commission. That is so under the bill as reported to the Senate by the Banking and Currency Committee. I do not interpret that language as obviating the necessity for budgetary precautions.

Mr. President, before the vote is taken I wish to read without further comment two paragraphs from the testimony of Commissioner Landis, an able member of the Federal Trade Commission, who appeared as the first witness in the stock exchange regulation hearings held on H.R. 7852 and H.R. 8720. I read from the testimony at page 23. Commissioner Landis said:

Now it may be said why not take the Securities Act away from the Commission—

Referring to the Federal Trade Commission—

and put it in the hands of whatever administrative authority may be chosen to administer the job of administering this act? It seems to me in a large measure that the answer to that is this—that the Securities Act has been administered and has been developed in the Federal Trade Commission where there is a corps of experts in whom I happen to have confidence. I think they have a morale that I would say is second to none in any Government department. It would be a shame to lose the benefits of those traditions. The building up of a successful, worthwhile efficiency has already been achieved there.

Secondly, I think there is always danger attendant upon the establishment of new commissions. It takes some time for a commission to get started. The Federal Trade Commission, I think, can be credited with efficiency in operation, a tradition of true service, and one of integrity; all qualities demanded by an act of this type, and for that reason, the Commission itself, I think, feels that it would like to undertake an activity of this type.

Mr. President, I ask for the yeas and nays.

Mr. PITTMAN. Mr. President, I am opposed to the amendment of the Senator from Colorado because I do not agree with him that the Federal Trade Commission has experts in its employ who are familiar with the development and condition of the industries of the country. I am positive in my opinion, based on information I have received, that they have not anyone on the force of the Commission or on the Commission itself who knows anything on earth about the development of the mining industry of the country.

Mr. HEBERT. Mr. President, I understand the amendment of the Senator from Colorado proposes to substitute the Federal Trade Commission in every part of the bill for the special commission which is recommended by the committee. I invite his attention to the provisions in lines 16, 17, 18, 19, and 20, page 10, which authorizes the commission to levy certain annual assessments for payment of estimated expenses. There is no limitation upon the use of those funds derived from such an assessment. If the Federal Trade Commission is to be substituted for the special commission now provided for in the bill, there is no way in which such funds can be segregated. They might be used for any or all the expenses of the Federal Trade Commission and not be limited to the expense of supervising the administration of the provisions of this bill.

Mr. COSTIGAN. Mr. President, the House bill contains a provision in effect levying an assessment of one five hundredths of 1 percent on the amount of sales of securities, to be used to administer the provisions of the bill. The view I have of the legislative situation is that in conference some arrangement can be effected to take care of any such difficulty as is suggested by the able Senator from Rhode Island.

Mr. HEBERT. Mr. President, I confess that I do not know how an agreement can be entered into in conference when this provision is absolutely clear as it is worded here, and will be part of the enactment if the bill shall be passed.

Beginning in line 16 of page 10, the bill now reads:

The Commission shall levy semiannually upon such exchanges an assessment sufficient to pay its estimated expenses and the salaries of its members and employees—

What Commission? The Federal Trade Commission.

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

Mr. HEBERT. I yield.

Mr. COUZENS. With respect to the matter that will be in conference, the House bill says, on page 56:

Every national securities exchange shall pay to the Commission—

Referring to the Federal Trade Commission—

on or before March 15 of each calendar year a registration fee for the privilege of doing business as a national securities exchange during the preceding calendar year or any part thereof. Such fee shall be in an amount equal to one five-hundredths of 1 percent of the aggregate dollar amount of the sales of securities transacted on such national securities exchange during the preceding calendar year.

I submit that if the amendment of the Senator from Colorado should be agreed to, this entire matter would be in conference—that is, the paragraph which the Senator read, which appears in our bill, and the paragraph which appears in the House bill—so that our conferees would be in a position, if the Federal Trade Commission should be designated, to adopt the language of the House providing for the collection of one five-hundredths of 1 percent.

Mr. HEBERT. Mr. President, that has absolutely no relation to this provision. This provision would still be in the bill and would provide funds for the Federal Trade Commission if the Federal Trade Commission should be substituted. It seems to me that we should legislate on our own account and not rely upon the conference or upon the provisions of the House bill.

It is not a difficult matter to provide a modification which will take care of this inconsistency. For example, after the words "sufficient to pay its estimated expenses and the salaries", and so forth, we may add the words "for the purposes of this bill."

Mr. BYRNES. Mr. President, I wish to suggest to the Senator from Rhode Island that the vote will be taken upon the amendment heretofore submitted by the Senator from Colorado. If the amendment shall prevail, then the matter to which the Senator from Rhode Island refers can well be considered, and he can offer an amendment to correct the language.

Mr. HEBERT. Mr. President, I understand that this very section is included within the amendment proposed by the Senator from Colorado. If that be so, and the amendment shall be adopted, then it will have been perfected, and will not be subject to further amendment, as I understand the rule.

Mr. BYRNES. I did not know that the amendment of the Senator from Colorado covered that point, but I see no reason why it cannot be perfected at this time. If the Senator has an amendment to offer, why does he not offer it?

Mr. HEBERT. It is not my amendment. I am suggesting a change in the amendment proposed by the Senator from Colorado, to clarify the language of his amendment.

Mr. COSTIGAN. Mr. President, yesterday I indicated to the Senate—doubtless in the absence of the Senator from Rhode Island—that section (d) on page 10 is not included in the amendments. Possibly confusion has arisen from the fact that this afternoon, in order to perfect the amendments, a change was suggested in the language in lines 23 to 25 on page 10; but in other respects the subdivision referred to by the Senator from Rhode Island is not touched by the amendments.

The PRESIDING OFFICER. The question is on the amendments offered by the Senator from Colorado.

Mr. COSTIGAN. I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mrs. CARAWAY (when her name was called). On this question I have a pair with the Senator from Maine [Mr. WHITE]. I understand that if he were present, he would vote "nay." If I were at liberty to vote, I should vote "yea." I withhold my vote.

Mr. McNARY (when his name was called). On this question I have a pair with the senior Senator from Mississippi [Mr. HARRISON], who is necessarily detained. Not knowing how he would vote, I withhold my vote.

Mr. CUTTING (when Mr. NORRIS' name was called). The Senator from Nebraska [Mr. NORRIS], who is unavoidably absent from the Chamber, has a pair on this question with the Senator from Maryland [Mr. TYDINGS]. If the Senator from Nebraska were present and at liberty to vote, he would vote "yea", and I understand that the Senator from Maryland would vote "nay."

Mr. ROBINSON of Arkansas (when his name was called). I transfer my pair with the Senator from Pennsylvania [Mr. REED] to the Senator from Georgia [Mr. RUSSELL] and will vote. I vote "nay."

Mr. WALCOTT (when his name was called). I have a general pair with the junior Senator from California [Mr. McADOO], who is detained by illness. Not knowing how he would vote if present, I refrain from voting. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. LEWIS. I announce the absence of my colleague [Mr. DIETERICH], caused by official business, and desire to state that were he present and voting, I am authorized to say that he would vote "nay."

Mr. BARKLEY (after having voted in the negative). I have a pair with the senior Senator from Iowa [Mr. DICKINSON], which I transfer to the junior Senator from Illinois [Mr. DIETERICH] and will allow my vote to stand.

Mr. TYDINGS. May I ask whether or not my pair has been announced?

The VICE PRESIDENT. It has been. The Senator from New Mexico [Mr. CUTTING] announced the pair of the Senator from Maryland with the Senator from Nebraska [Mr. NORRIS].

Mr. STEPHENS (after having voted in the negative). Has the Senator from Indiana [Mr. ROBINSON] voted?

The VICE PRESIDENT. He has not.

Mr. STEPHENS. I have a pair with that Senator, and therefore withdraw my vote.

Mr. HEBERT. On this question the Senator from Missouri [Mr. PATTERSON] is paired with the Senator from Louisiana [Mr. LONG]. I am advised that if the Senator from Missouri were present, he would vote "nay" on this question, and that if the Senator from Louisiana were present, he would vote "yea."

I also desire to announce that the Senator from Iowa [Mr. DICKINSON], the Senator from Missouri [Mr. PATTERSON], the Senator from Pennsylvania [Mr. REED], the Senator from Indiana [Mr. ROBINSON], and the Senator from Maine [Mr. WHITE] are necessarily absent.

The result was announced—yeas 29, nays 51, as follows:

YEAS—29

Ashurst	Couzens	Lonergan	Schall
Austin	Cutting	McGill	Shipstead
Black	Duffy	McKellar	Steiwer
Bone	Frazier	Murphy	Vandenberg
Borah	George	Neely	Wheeler
Capper	Gibson	Norbeck	
Coolidge	Johnson	Nye	
Costigan	La Follette	Pope	

NAYS—51

Adams	Connally	Hatfield	Reynolds
Bachman	Copeland	Hayden	Robinson, Ark.
Bailey	Davis	Hebert	Sheppard
Bankhead	Dill	Kean	Smith
Barbour	Erickson	Keyes	Thomas, Okla.
Barkley	Fess	King	Thomas, Utah
Brown	Fletcher	Lewis	Thompson
Bulkley	Glass	Logan	Townsend
Bulow	Goldsborough	McCarran	Trammell
Byrd	Gore	Metcalf	Van Nuys
Byrnes	Hale	O'Mahoney	Wagner
Carey	Hastings	Overton	Walsh
Clark	Hatch	Pittman	

NOT VOTING—16

Caraway	Long	Patterson	Stephens
Dickinson	McAdoo	Reed	Tydings
Dieterich	McNary	Robinson, Ind.	Walcott
Harrison	Norris	Russell	White

So Mr. COSTIGAN's amendments were rejected.

Mr. REYNOLDS. Mr. President, I send to the desk and ask the clerk to read an amendment which I desire to offer.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 35, section 13, paragraph (d), to amend by changing the period after the word "issuer" to a comma, and adding the following:

And notwithstanding any of the provisions of sections 12 and 13 of this act, the Commission may require the issuer to file with the exchange or with the Commission only such information as is necessary to protect the public and investors in the securities of such issuer.

Mr. REYNOLDS. Mr. President, the purpose of the pending measure is to control the stock exchanges and to provide protection for the American public and for the investors.

I respectfully request and urge that my amendment be accepted, for it provides that the commission of five shall be privileged to secure from the corporations whose issues are listed upon the exchanges just such information as will be of benefit to the commission or to the Government in protecting the public and investors.

The measure was designed originally exclusively for the purpose of protecting the public and investors, and controlling the stock exchanges, and I can see no reason why this amendment should not be accepted. I ask for the yeas and nays.

Mr. BYRNES. Mr. President, I want to say only a word with reference to the amendment. The language of the bill as it now stands leaves to the commission the determination as to what is necessary or appropriate for the proper protection of investors and to insure fair dealing in securities. That is the language of section 13.

The effect of the language offered by the Senator from North Carolina would be to take from the commission the discretionary power. It would give to the court the power of immediate review and nullify the provisions of the bill as to hearings in cases where the corporation protests against the disclosure of the information.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER (Mr. COPELAND in the chair). Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. BYRNES. I yield.

Mr. COUZENS. I should like to ask the Senator what he conceives the commission might ask for that would not be in the interest of the investor?

Mr. BYRNES. I do not conceive of anything. I am pointing out specifically what the effect of the amendment would be. Under the language of this very section it is provided that the commission may require information necessary or appropriate for the proper protection of investors.

This amendment is evidently for the purpose of making it possible for any person who is asked for information to go into the courts and request an immediate revision on the ground that the Commission is exceeding its authority.

Mr. COUZENS. Mr. President, I hope the amendment will not be agreed to, because I do not think the commission should be hobbled in any such way.

Mr. JOHNSON. Mr. President, may we have the amendment read again? I have tried to get a copy of it but have been told it is not in print.

The PRESIDING OFFICER. The clerk will again state the amendment.

The CHIEF CLERK. It is proposed, on page 35, section 13, paragraph (d), to change the period after the word "issuer" to a comma, and to add the following:

And notwithstanding any of the provisions of sections 12 and 13 of this act, the Commission may require the issuer to file with the exchange or with the Commission only such information as is necessary to protect the public and investors in the securities of such issuer.

Mr. JOHNSON. Mr. President, what does the word "only" relate to there? Will the Senator tell me to what the adverb relates?

Mr. REYNOLDS. The members of the commission proposed to be set up are to be privileged, under the pending measure, to make certain inquiries of corporations whose securities are listed upon the exchange. The members of the commission, under the measure, are privileged to inquire of corporations into their business, only to the extent of securing information sufficient to protect the public and to protect investors in general.

It is not to be the business of this commission, it is not the business of this Government, to inquire into the private affairs of any individual, or to inquire into the corporate affairs of any corporation, unless, under the provisions of this measure, the inquiries directed will be of material benefit to the commission in protecting the public and in protecting investors.

I say to the Senator from California, in passing, that the purpose of the measure is twofold: First, to control the stock exchanges; secondly, to protect the general public and the investors, and under this measure the commission will have the right to inquire into the affairs of any corporation only to the extent of securing information sufficient to protect investors.

Therefore, I have incorporated in the amendment and have employed the word "only", because the power of the commission should not go beyond their authority to collect information sufficient to protect investors.

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

Mr. REYNOLDS. I yield.

Mr. HEBERT. As I listened to the wording of the Senator's amendment, it occurred to me that it was covered in paragraph (K) of section 12, on page 30, which would authorize the commission to require such further financial statements as would be appropriate for the protection of investors. I understood that to be the purpose of the Senator's amendment, but it seems to me that is covered in paragraph (K).

Mr. REYNOLDS. Mr. President, I will say to the Senator from Rhode Island that I think my amendment clarifies the phraseology of the particular section.

I will say to the Members of the Senate that I am desirous of having the amendment adopted in order that the authority of the commission may be limited to the extent that they may not be privileged to delve more deeply into the affairs of a corporation than is necessary in order to protect the public and investors.

I am of the opinion that the public and investors have some rights in this matter, that they have some say-so, and in all fairness to the public and to those corporate institutions whose issues are listed on the stock exchanges, I think the amendment ought to be adopted, and I hope that it will be.

I ask for the yeas and nays.

Mr. FLETCHER. Mr. President, my position is that the amendment is wholly unnecessary. It simply uses language which is not needed or required in any way, and makes for confusion rather than clarity.

In the very beginning, section 13 provides:

SEC. 13. (a) The Commission may require every issuer of a security registered on a national securities exchange to file with the exchange and with the Commission in accordance with, and in such form and detail and at such times as may be prescribed by, such rules and regulations as the Commission may prescribe as necessary or appropriate for the proper protection of investors and to insure fair dealing in the security—

That is in the very outset of section 13, and it applies to all requirements under section 13.

Mr. STEIWER. Mr. President, I have no great concern about this amendment one way or the other, but I think there is some misunderstanding of the effect of the language presently contained in section 13 (a), and in the assumption that that language is substantially identical in effect with the amendment offered by the Senator from North Carolina.

Section 13 provides that the reports which are to be made shall be prescribed by rules and regulations, "as the Commission may prescribe as necessary or appropriate for the proper protection of investors."

Mr. President, that leaves the question of the scope of the reports in the discretion of the commission. I believe there is no question about that at all. When the commission, in the exercise of its power, makes the determination that is permitted under that language, such determination is final; if the amendment is agreed to, it becomes a question of the determination by the commission only in the first instance, and the corporation would have a right to appeal to the courts if the commission exceeded its authority and went further than the proposed limitation permits; whereas in the language as now written in the bill there would be no restraint on the commission, in court or otherwise, because the decision is discretionary with the commission, and its action could only be reviewed for abuse of discretion.

Mr. BYRNES. The Senator will agree with me that that must be the purpose of the amendment; that if the commission must determine, then that discretion is vested in the commission in the first paragraph of section 13. This language is a limitation upon the powers of the commission, and it must be meant by the limitation to give to the corporation the right to go into court, to prevent the commission from abusing its authority.

Mr. STEIWER. Undoubtedly it is a limitation. And I think it is reasonably clear that the adoption of the amendment would permit the corporation to resort to the court to determine whether the commission had exceeded its authority or had abused its discretion in requiring reports which are not related to the protection of the investor. Whereas under the language of the bill the determination by the commission would be final, there would ordinarily be no way to review its conclusion; and the nature, the extent and scope of the reports would be determined by the commission, and its determination would be final upon the subject.

Mr. BYRNES. Except in this respect, the Senator will agree that in the subsequent section of the bill, where it is provided that if the corporation deems the information is such that it should not be made public, they can, in furnishing the information, file such a statement, and they would have a private hearing by the commission, and if the commission then issued an order against the contention of the corporation, the corporation then has a right to go into the courts and appeal from that order.

Mr. STEIWER. I agree thoroughly, Mr. President, and I think if I were preparing the amendment offered by the Senator from South Carolina, I would consider very seriously putting it in the subsequent section, instead of at the end of section 13.

I will not detain the Senate by further consideration of this matter. I rather like the idea of giving to the corporations who are subject to this act the right to protect their essential interests by appeal to the courts. I shall, therefore, vote for the amendment. But I hope that no Senator will vote for it in the belief that it merely restates language already contained in the bill. I believe it does not do that but, on the contrary, makes an essential change in the language of the bill, and I imagine it was so intended by the Senator from North Carolina.

Mr. REYNOLDS. And brings about a limitation.

Mr. BARKLEY. Does the Senator yield the floor?

Mr. STEIWER. I yield the floor.

Mr. BARKLEY. I merely wish to call attention to the fact that section 12 of the bill deals with the registration of securities on the exchanges, and section 13 deals with the reports which are to be made from time to time after the securities shall have been registered.

This amendment is undoubtedly intended to restrict the power of the commission in requiring information for the benefit of investors, because the amendment begins by saying that notwithstanding any of the provisions of sections 12 and 13 the commission shall not do so and so. In other words, it is a nullification of many of the provisions of sections 12 and 13 and is intended to be a nullification of those specific provisions insofar as they may conflict with the language of the Senator's amendment. Otherwise, there would be no object in saying that notwithstanding any of the provisions of sections 12 and 13, which set out somewhat in detail the power of the commission in requiring reports, this language shall govern the commission in requiring these reports. One might as well move to strike out sections 12 and 13 entirely.

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

Mr. BARKLEY. I yield.

Mr. REYNOLDS. I wish to say to the Senator from Kentucky that I am at variance with him upon that question. The intent of my amendment is to restrict the authority of the commission to a certain extent. I am of the opinion that no commission, no government, no one should be given authority to go beyond the intent of the act itself.

What is the intent of the act? There is but one interpretation that I can put upon it.

There is but one intent to it. There is but one thing in which we are all interested, and that one thing is the protection of the American investor. We are more interested in protecting the investor than we are interested in controlling the stock exchange, and I say that it is manifestly unfair to permit any commission, any individual, or any government to inquire into the affairs of a corporation and secure information which is not going to be of a single bit of benefit, material or otherwise, to the American investor.

Therefore I insist upon the employment of the word "only", which in this instance is to be interpreted as a limitation. Why should this commission be permitted to inquire into the business of a corporation beyond securing information that would be of benefit to the commission in protecting the American investor? On the contrary, I say to my colleague from Kentucky that it is not the intention to nullify any portion of the provisions of sections 12 and 13. It is the intention of the amendment merely to limit the prowling powers of the commission created under this act.

Mr. BARKLEY. Mr. President, in voting on this amendment we might as well understand that it is intended as a restriction of the authority of the commission as set out in sections 12 and 13. Otherwise, as I said a moment ago, one might as well strike out the language of sections 12 and 13, and say, in substitution for those two sections, "The Commission may require the issuer to file with the exchange or with the Commission only such information as is necessary to protect the public and the investors in the securities of such issuer", and let it go at that. That is all this amendment would mean, because it starts out, in substance, with the language "notwithstanding anything else in sections 11 and 12." Notwithstanding the subsections which are set out in detail in sections 12 and 13, those sections are to be null and void if they conflict with the language here employed.

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

Mr. BARKLEY. I yield.

Mr. KEAN. Would the Senator rather add that the commission shall have uncontrolled discretion to make any rules it pleases? That is practically what is now provided.

Mr. BARKLEY. No; the Senator does not understand the language employed to mean any such thing.

Mr. KEAN. I understand the English language, and that is what I understand it to mean. It means that these matters are within the uncontrolled discretion of the Commission.

Mr. BARKLEY. Of course, we understand that if any Commission abuses its discretion, the courts are always available to anyone who is injured.

Mr. KEAN. I think that is what this sentence means; and I think the distinguished Senator from North Carolina has put in a limitation which ought to be there.

Mr. BARKLEY. I knew before the Senator spoke that he felt that way about it.

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

Mr. BARKLEY. I yield.

Mr. FESS. I should like the Senator to point out where there is any such authority.

Mr. BARKLEY. It is not a specific authority granted in the bill; but no commission, no Government agency, can abuse a discretion conferred upon it by Congress without someone having the right to go into court and assert his rights as an injured party. The result of this amendment will be that everyone who dislikes any regulation which the commission may make, or is disinclined to furnish any information which the commission may demand, will immediately go into court and tie up the commission indefinitely, so that the information will be obtained so late that it will be of no value to the investing public or the prospective purchaser of an issue.

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

Mr. BARKLEY. I yield.

Mr. REYNOLDS. The authors of the bill evidently have recognized the fact that the commission is to have no right whatsoever to interfere with the management of any corporation whose issues are listed on the stock exchange. That is evidenced by paragraph (d) of section 13, on page 35, which reads as follows:

> Nothing in this act shall be construed as authorizing the Commission to interfere with the management of the affairs of an issuer.

In other words, nothing in the bill shall be construed as authorizing the commission to interfere with the affairs of a corporation. That being true, and that being frankly in accordance with the terms of paragraph (d) of section 13, it naturally follows as a consequence that nothing in the bill shall be construed to empower the commission to extract from a corporation any more information than is necessary to protect the investor. That being true, I cannot see where objection can be found to the employment of the word "only" in the clause which says that the commission shall be permitted to secure only such information as will be of benefit to the investing public.

Mr. BARKLEY. The language on page 35 was put in the bill by the committee in order to allay the fears of business men and corporations that the Government was to be authorized to manage their business. There is a great deal of difference between managing the business of a corporation and requiring information to be filed in a public place for the protection of those who are not investors in it at the time but who may become investors. The bill recognizes the difference between the obligation of the Government and the corporation to those who are already stockholders

and those who are not stockholders but may be induced to become stockholders.

Any stockholder in any corporation has a right to get any information he wants from the corporation itself, but that opportunity is not available to the outsider. Therefore, in order that the outsider, who for one reason or another may be induced to invest his money in the stock of any corporation, may get the information, the commission is given the power to require a report and information on the registration of securities; and after they shall have been registered, the reports are to be made which will advise the public who may become stockholders later, of the true condition of the company in which they may invest.

Mr. HASTINGS. Mr. President, I think a careful examination by those persons who are interested in the passage of the bill will convince them that the amendment would not take away any very great power, but, on the other hand, would in effect be of great service to the commission itself in administering the law. I have carefully gone over the bill and prepared, as I have stated today, many amendments which I believe would improve it.

I believe the amendment offered by the Senator from North Carolina [Mr. REYNOLDS] has great merit and will do no particular harm. I may invite the attention of the chairman of the committee to the fact that if we adopt the amendment of the Senator from North Carolina we will relieve the Commission in many instances of complying with the letter of sections 12 and 13. I think it is readily conceivable that in many instances the Commission might not deem it necessary to comply with all the requirements of sections 12 and 13, but when they go back and look at the law and look at the directions contained in the law they will find that they are compelled to do it. But if we adopt the amendment offered by the Senator from North Carolina, we leave to the Commission some discretion in connection with the matter.

Of course, it has an additional advantage which I think is of great importance and which I think is not contained in the bill at this time. It would give to the persons interested an opportunity to appeal to the courts because of an abuse of the discretion granted under the bill. So far as I can discover, there is nothing in the bill which gives the court jurisdiction of anything except to impose penalties for the violation of the provisions of the bill and the rules and regulations of the Commission. I may be in error about that, but for the moment I do not recall anything in the bill to that effect.

If we shall adopt the amendment and give to the distressed corporation, if it believes it is distressed, an opportunity to go before the court to show that it is an unreasonable request or an unreasonable demand made upon it by the Commission, we will give great confidence to the corporation which is now distressed by the terms of the bill.

But that is not the only advantage in adopting the amendment. If we should adopt the amendment, we would save the Commission tremendous work, in my judgment. We would save great labor to the Commission, because the adoption of the amendment would give the Commission an opportunity to waive in certain instances the requirements now demanded by the two sections. By doing that we would eliminate a lot of the work involved and at the same time give to the Commission, which is provided under the bill, sufficient authority to demand that which may be unnecessary in their judgment.

Mr. ROBINSON of Arkansas. Mr. President, with the approval of the chairman of the committee in charge of the bill, I desire to submit a request for a limitation of debate to take effect tomorrow. It had been hoped that the measure might be disposed of today. Apparently that cannot be done. I therefore ask unanimous consent that tomorrow debate be limited so that no Senator shall speak more than once or longer than 15 minutes on the bill, nor more than once nor longer than 10 minutes on any amendment that may be pending or that may be offered.

The PRESIDING OFFICER (Mr. LOGAN in the chair). Is there objection to the request of the Senator from Arkansas?

Mr. KEAN. Mr. President, I am sorry; I must object. I have an amendment the discussion of which will take longer than the time suggested by the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Very well. I ask unanimous consent that when the Senate completes its labors today it take a recess until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered. The question is on the adoption of the amendment submitted by the Senator from North Carolina [Mr. REYNOLDS].

Mr. REYNOLDS. I ask for the yeas and nays.

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

Mr. ROBINSON of Arkansas (when his name was called). I transfer my pair with the Senator from Pennsylvania [Mr. REED] to the Senator from Georgia [Mr. RUSSELL], and I will vote. I vote "nay."

Mr. TYDINGS (when his name was called). On this question I have a pair with the senior Senator from Nebraska [Mr. NORRIS]. I understand that if he were present he would vote in the same way I shall vote. Being at liberty to vote, I vote "nay."

The roll call was concluded.

Mr. BARKLEY. Has the senior Senator from Iowa [Mr. DICKINSON] voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. BARKLEY. I have a pair with the Senator from Iowa, which I transfer to the junior Senator from Illinois [Mr. DIETERICH], who is necessarily detained, and will vote. I vote "nay."

Mr. ROBINSON of Arkansas. I regret to announce that the Senator from California [Mr. McADOO] is detained from the Senate by illness.

The Senator from Alabama [Mr. BANKHEAD], the Senator from Washington [Mr. BONE], and the Senator from Idaho [Mr. POPE] are detained in a meeting of the Committee on Agriculture and Forestry.

The Senator from Mississippi [Mr. HARRISON] is necessarily detained from the Senate.

The Senator from Georgia [Mr. RUSSELL] is detained by a death in his family.

The Senator from Arizona [Mr. HAYDEN], the Senator from Montana [Mr. ERICKSON], the Senator from Illinois [Mr. LEWIS], the Senator from Louisiana [Mr. LONG], the Senator from Mississippi [Mr. STEPHENS], the Senator from Nevada [Mr. PITTMAN], the Senator from New York [Mr. WAGNER], the Senator from Arkansas [Mrs. CARAWAY], and the Senator from Florida [Mr. TRAMMELL], are necessarily detained from the Senate on official business.

Mr. HEBERT. I desire to announce the following general pairs:

The Senator from Indiana [Mr. ROBINSON] with the Senator from Mississippi [Mr. STEPHENS];

The Senator from Maine [Mr. WHITE] with the Senator from Arkansas [Mrs. CARAWAY];

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

The Senator from Oregon [Mr. McNARY] with the Senator from Mississippi [Mr. HARRISON];

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

The Senator from North Dakota [Mr. FRAZIER] with the Senator from Illinois [Mr. LEWIS].

The result was announced—yeas 22, nays 47, as follows:

YEAS—22

Austin	Gibson	Hebert	Schall
Barbour	Goldsborough	Kean	Steiwer
Carey	Gore	Keyes	Townsend
Copeland	Hale	McGill	Vandenberg
Davis	Hastings	Metcalf	
Fess	Hatfield	Reynolds	

NAYS—47

Adams	Barkley	Bulow	Clark
Ashurst	Black	Byrd	Connally
Bachman	Brown	Byrnes	Coolidge
Bailey	Bulkley	Capper	Costigan

Couzens	Johnson	Neely	Thomas, Okla.
Cutting	King	Norbeck	Thomas, Utah
Dill	La Follette	Nye	Thompson
Duffy	Logan	O'Mahoney	Tydings
Fletcher	Lonergan	Overton	Van Nuys
George	McCarran	Robinson, Ark.	Walsh
Glass	McKellar	Sheppard	Wheeler
Hatch	Murphy	Shipstead	

NOT VOTING—27

Bankhead	Frazier	Norris	Smith
Bone	Harrison	Patterson	Stephens
Borah	Hayden	Pittman	Trammell
Caraway	Lewis	Pope	Wagner
Dickinson	Long	Reed	Walcott
Dieterich	McAdoo	Robinson, Ind.	White
Erickson	McNary	Russell	

So Mr. REYNOLDS' amendment was rejected.

REPEAL OF CERTAIN SECTIONS OF REVISED CODE OF LAWS RELATING TO INDIANS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2671) repealing certain sections of the Revised Code of Laws of the United States relating to the Indians, which was to strike out all after the enacting clause and insert "That sections 2111, 2112, 2113, 2120, 2134, 2147, 2148, 2149, 2150, 2151, 2152, and 2153 of the Revised Statutes (U.S.C., title 25, secs. 171, 172, 173, 186, 219, 220, 221, 222, 223, 224, 225, and 226) are hereby repealed."

Mr. WHEELER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PROGRESS REPORT OF TENNESSEE VALLEY AUTHORITY

The PRESIDING OFFICER (Mr. LOGAN in the chair) laid before the Senate a message from the President of the United States, which was read, and, with the accompanying paper, referred to the Committee on Agriculture and Forestry.

To the Congress:

I transmit herewith for the information of the Congress copy of a communication from the Tennessee Valley Authority reporting progress of the work of the Authority in carrying out the program for the development of the Tennessee Valley.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 10, 1934.*

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LOGAN in the chair), as in executive session, laid before the Senate messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

REGULATION OF SECURITIES EXCHANGES

The Senate resumed the consideration of 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.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that tomorrow, after the hour of 2 p.m., debate be limited so that no Senator shall speak more than once or longer than 15 minutes on the bill, or more than once or longer than 15 minutes on any amendment that may be pending or that may be offered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

Mr. STEIWER. Reserving the right to object, I desire to dispose, if possible, of one very brief matter in order to know whether or not the proposal is acceptable to me.

At the first opportunity I wish to offer an amendment to exclude or exempt the railroads from the provisions of sections 12 and 13 of the bill. I rather think the committee may be agreeable to that proposition; and if so, it will not take any considerable time to dispose of it. If they are going to contest the matter, I desire to argue it, because I think the amendment is of the very greatest importance, almost rising to the dignity of necessity. If the subject is to be debated and argued here, I shall very reluctantly be obliged to object to the unanimous-consent agreement proposed by the Senator from Arkansas, or else ask to be permitted to proceed tonight with respect to the question.

Can the chairman of the committee enlighten me as to the attitude of the committee on that subject?

Mr. FLETCHER. Mr. President, the matter is one which we have not as yet considered. I should like to submit it to the committee and have it considered. In the meantime, I may say to the Senator that I am sure I shall not take over 10 minutes on the subject, and I do not know that any other Senator will.

Mr. STEIWER. An extended debate would require much more time than proposed by the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Let me point out to the Senator from Oregon that under the agreement I have requested there will be 3 hours of debate before the limitation goes into effect.

Mr. STEIWER. That is true; but I had understood that the Senator from New Jersey [Mr. KEAN] wished to consume part of that time. I do not know how much of it he will use.

Mr. ROBINSON of Arkansas. Yes; the Senator from New Jersey has announced that he wishes to speak for some time. I do not anticipate that his address will require over an hour, however, although I have no authority to speak for him.

Mr. STEIWER. Will the Senator from Arkansas yield to me in order that I may offer the amendment at this time? I think that will dispose of the matter, so far as I am concerned.

Mr. ROBINSON of Arkansas. Very well.

Mr. STEIWER. I offer the amendment which I send to the desk. With that understanding I shall not object to the request of the Senator from Arkansas.

Mr. STEIWER's amendment was, on page 34, line 21, to strike out the period and insert a colon and the following:

Provided, That carriers subject to the provisions of section 20a of the Interstate Commerce Act, as amended, shall not be subject to any provision of sections 12 and 13 of this act, except that the Commission may require that such carriers file with it duplicate copies of reports or other documents filed with the Interstate Commerce Commission.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. ROBINSON of Arkansas. The amendment of the Senator from Oregon has been offered. I now ask that the question be put on the request for a unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Arkansas?

Mr. McNARY. Mr. President, I have no objection to the proposal. It quite meets with my accord, except that I desire to have it understood that there will be a recess not later than 5:30 this evening.

Mr. ROBINSON of Arkansas. I understand that the Senator from Florida [Mr. FLETCHER] is ready to have a recess taken. I should like to have this agreement entered into, because I am compelled to leave the Chamber.

Mr. HEBERT. Mr. President, reserving the right to object to the proposed unanimous-consent agreement, I have some amendments which I should like to offer and have lie on the table, reserving the right to call them up tomorrow.

Mr. ROBINSON of Arkansas. Certainly; the Senator may do that. There is nothing in the proposed agreement that would prevent him from offering amendments.

Mr. HEBERT. Very well. I wanted to have that made clear.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement proposed by the Senator from Arkansas? The Chair hears none, and it is so ordered.

PREVENTION OF CRIME

Mr. REYNOLDS. Mr. President, I recall with a great deal of gratification that last summer my colleague from the State of New York, Hon. ROYAL S. COPELAND, devoted his entire vacation to visiting a number of sections of our coun-

try as chairman of a subcommittee making a study of crime, its causes, and its prevention. I recall, likewise with a great deal of gratification, that from time to time I noted through the columns of the press of the country the remarkable work he was doing on behalf of the American people; and during the several months he was engaged in that splendid work he was successful in unearthing a number of facts which were, are now, and will prove to be in the future of inestimable value to the Department of Justice.

I recall at this hour, Mr. President, all the fine work the Senator from New York did, and I think the American people owe him a deep gratitude for his magnificent accomplishments.

At this hour, Mr. President, I wish to bring to the attention of the Senate the fact that the press this morning stated that Mr. Insull had been returned to Chicago and lodged in jail, and soon the prosecutors of the Government will be called upon to prosecute his case in the Federal courts.

I likewise recall at this hour that there is at large one of the most desperate men this country has ever known. If one may believe the press, 35 lives or more have been stricken down as the result of the wanton, willful, murderous acts of John Dillinger. But, with abiding confidence in Mr. Edgar Hoover, the Director of the Bureau of Investigation, Department of Justice, and with abiding confidence in that great prosecutor, Joseph B. Keenan, Assistant Attorney General of the United States in charge of criminal prosecutions, I still believe in the law-enforcement authority of this great Government, and believe that ere long, before many suns shall have set, that dastardly criminal will have been apprehended and punished.

At this time I ask unanimous consent that there be published in the RECORD a most interesting article which I have but recently read entitled "The Price of Crime—Criminals Steal Four Times More Than Government Spends—Racketeers and Kidnapers Toll Mounts into Billions Yearly, Causing Tax Jumps."

In passing, I wish to say that in the body of this article I note that it is stated that for every single dollar an individual pays in taxes to his Government, he pays to the racketeers of this country 25 cents. One fourth he pays to the racketeers, the criminals of the land.

This article I have clipped from the June issue of the Nationalist, a monthly newspaper published in Washington, D.C., by L. M. Cadison.

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

THE PRICE OF CRIME—CRIMINALS STEAL FOUR TIMES MORE THAN GOVERNMENT SPENDS—RACKETEERS' AND KIDNAPERS' TOLL MOUNTS INTO BILLIONS YEARLY, CAUSING TAX JUMPS

The greater problem confronting the people of the United States today is the specter of crime. Not only is there more lawlessness and more sinister type of malefactor in this country than in any other but the increase is appallingly rapid.

You cannot have such a condition of affairs without the cost mounting to figures that stagger the imagination. And the physical injury, the mental anguish, which results to the peaceful, industrious elements of the population is a tragedy not to be computed in the terms of dollars and cents.

The unthinking and the uninformed suppose that all of America's current difficulties can be explained as the fault of nobody in particular, and that it will disappear when the time has come—like a good crop season succeeding a bad one. It has even been said that racketeering has felt the pinch of the shortage of money, and is not flourishing as it used to. Nothing could be further from the truth than this last. The depression was, in a large degree, brought about by crime. Despite the vast boosting of Federal and State budgets to combat unemployment, the criminal still takes a toll four times larger than the sums expended by Government agencies.

If we could conquer crime, there would be an immediate reduction in taxes, direct and indirect, and the depression would be ended. But let us get down to cases, and review some simple statistics.

It has been estimated by experts that some 400,000 men and women in the United States make their living through crime, ranging from murder and kidnaping to the picking of pockets. Of these not less than 120,000 are active, vicious killers and strong-arm men. Their ranks are recruited daily, hourly. For there are actually 121,000 persons confined in Federal and State prisons and reformatories, a figure equaled by the number of the worst desperadoes continuously at large and more than tripled by the main body of the criminal class.

HUGE INCREASE IN CROOKS

The growth of crime has been constantly and progressively augmented since 1850. In that year, when the population of the country was about 23,000,000, there were only 7,000 criminals in jail. Today, with 123,000,000 inhabitants, we have the 121,000 convicts mentioned above. In other words, while the rate of increase in population since 1850 has been 5.4, the increase in crooks safely behind lock and key has been 17.3—more than three times as great.

CRIME

It may be comforting, for a brief moment, to feel that the authorities are jailing three times as many offenders as formerly. But optimism fades when we stop to realize that crimes committed—particularly undetected, unpunished crimes—have multiplied on a far more tremendous scale than that. Murder, for instance, has increased 350 percent in 35 years, or 10 percent per year since 1900.

Twelve thousand murders are now committed annually in this country of ours. An average of 1,000 persons are being murdered every month, 33 every day, 1 every 45 minutes. The overwhelming majority of victims are not being adequately avenged. The rest of the community is not being protected from a similar fate. In 1926, a typical year, when almost exactly 12,000 homicides occurred, more than 99 percent of the perpetrators were either never arrested, or did not receive the death penalty. In round figures, 11,925 fiends escaped execution. Only 75 went to the gallows or the electric chair.

That same year in London, where punishment under English law is certain and swift, just 17 murders occurred, or one to every half million of the population. The United States ratio had been 50 to every half million. It should also be borne in mind that most of the homicides listed as murders in London would not be so classified here, where the term manslaughter is stretched to allow many a cruel-hearted killer to evade full responsibility.

MORE LIVES SNUFFED OUT

During the century and a half since the founding of the Republic we have had six major wars. The number of men killed in action in these wars, excluding those who died from the result of wounds, reached the following totals:

Revolutionary War	4,044
War of 1812	1,950
Mexican War	1,192
Civil War	67,058
Spanish-American War	966
World War	37,541
	112,751

We see, therefore, that with a 12,000 yearly murder rate, it takes less than 10 years for this hideous form of casualty to surpass our entire loss of men who faced their country's foes. In the 15 years that have elapsed since the end of the World War, 180,000, or more than five times as many as perished honorably on the European battlefields, have been murdered in the United States.

The dreadful social cancer of racketeering is a comparatively recent growth. But it has been a very rapid one. It is a gangsterized industry, led by cunning and ruthless master criminals, who buy the cooperation of venal politicians, corrupt police officials, and mercenary lawyers. The term "racket" has been defined as a "getting control of a particular industry or trade, usually, though not always, in a perfectly legal way, for a professedly worthy purpose, and then committing extortion by blackmail, violence, coercion, intimidation, murder, arson, kidnaping, or bombing."

Few businesses or trades have escaped the attention of the racketeers. In many parts of the country they have terrorized milk dealers, with resulting increase of price, which has deprived tens of thousands of babies of the milk they should have had. Racketeers are deep in the cleaning and dyeing, ice, coal, undertakers, florists, ice-cream, laundry, building, and other trades. In Chicago about 200 different kinds of rackets are now being worked. New ones are invented every week.

The atrocities perpetrated by this type of offender to compel obedience on the part of the refractory citizens are so well known that it is scarcely necessary to repeat them. The hand grenade, called a "pineapple", tossed in to wreck the premises is considered a mild reprisal by the gang leaders. Only too often machine guns come into play and there is wholesale murder. Kidnapings, so that the victims may be tortured at leisure, are practiced in cases when the issue is considered of sufficient importance.

THREE THOUSAND KIDNAPED YEARLY

Incidentally there are 3,000 kidnapings annually in the United States, 100,000 felonious assaults, 50,000 robberies, 40,000 burglaries; and 5,000 arsons. No other land on earth is cursed by anything approaching the magnitude of this catalog of evil.

As to the cost to the public in hard cash—the price of crime, so to speak—the figures have reached proportions so great as to be almost incredible. Yet those offered below are the outcome of careful estimates, and are but too accurate.

America's crime bill for the prevention and punishment of lawbreaking, the maintenance of jails and other penal institutions, the loss of property by fraud or destruction by arsons is $13,000,000,000, which is three times greater than the annual cost of conducting the Federal Government of the United States.

In addition the sums looted by racketeers and robbers or obtained through the illicit traffic in narcotics pile up to $17,000,000,000. Of this colossal amount $2,000,000,000 are credited to the dope trade, and that is five times what it cost to dig the Panama Canal.

The human brain reels when asked to contemplate such totals. It is possible to get some notion of their actual meaning only by studying some of the details and by making comparisons.

The first amount—the 13 billions—would naturally be greatly reduced were crime abolished or materially lessened. We now pay high taxes for the support of courts, prisons, police departments, and other crime-combating agencies. We also pay increased rates for fire, burglary, and theft insurance because of the abnormal risk due to the large number of incendiaries, burglars, and thieves there are in this country. Nor is it necessary for a person to be a taxpayer in order to help foot America's tremendous annual crime bill. The business man who is required to pay higher taxes because of crime conditions, or who is forced to pay tribute to the racketeer, naturally adds the amount to the retail price of the merchandise sold or the service rendered. The consumer is the person who, in the last analysis, shoulders the financial burden—and every man, woman, and child is a consumer.

TAXES TAKE A LEAP

According to the figures of the United States Treasury Department, the total Federal, State, and municipal taxes average $78.26 for every individual living in the Republic, of no matter what age or sex, man, woman, or child. The two thirds of this amount goes toward fighting crime with inadequate and even pitiable results has been clearly shown.

But the 17 billions collected by the racketeers must also be regarded as a tax. That literally is what it is, for the sum is not contributed by the people of their own free will. It is extorted and wrested from them. Each one of us pays the underworld an average of $140 a year—in other words, twice the legal tax of $78.26.

There is no better way to make the reader understand this fully than to show him how legal taxation affects him at every turn of his existence, with every breath he draws. The International News Service recently conducted a survey on the subject, which brought out the following facts:

The tax collectors for Federal, State, and municipal government took from the average citizen last year between 15 and 25 percent of the money he earned. When an American is born the lumber in his cradle is taxed as well as the coal in the furnace to keep him warm. The baby powder sprinkled over his body is taxed; so is his baby ring and later on his toys. His swaddling clothes fall within the processing (manufacturing) tax on cotton, and the cost of his cereal is boosted by the processing tax on wheat. The telephone message which brought the doctor and the telegram which announced the happy event to his relatives are gestures upon which a tax can be imposed. The gas with which his milk is heated and the electric light which is turned on when he cries at night are taxable.

As Mr. American grows up, his parents may move to the suburbs to give him more healthy surroundings. The deed to the new house costs more because of the tax levy. The mortgage contributes a tax of $5 for every thousand. There is a tax passed on when the automobile is bought. The tires are taxed. There is a mulcting for the auto license. The State and Federal gasoline tax costs from $35 to $50 a year.

If the family should remain in a city apartment, the real-estate tax of the municipal government is passed on in the form of higher rent charges by the landlord. The baby no sooner reaches an age to buy things for himself than he becomes a constant taxpayer. He learns to chew gum (Federal tax), uses baseball equipment (sporting-goods tax for Federal Government), eats candy (taxed, of course), practices on a taxable piano or violin, listens to a taxable radio, eats ice cream from a taxable refrigerator, and lights his first cigarette (6 cents revenue tax a package) with matches which he only imagines to be free since someone has paid a tax on them.

Arrived at manhood now, Mr. American pays a ticket tax for his football games, his movies, and his theaters. He buys his girl a ring or a fur coat—perhaps both (miscellaneous Federal tax)—looks at his taxable clock and hurries to the marriage-license bureau, where a little fee is extracted from him. He goes on his honeymoon and pays a head tax on the steamer. He chips in with both a Federal and State income tax. He pays 2 cents for every check he draws, 10-percent tax on his safety-deposit box in the bank, and averages about $50 a year for Government internal-revenue taxes on liquor.

DEATH IS ALSO TAXED

Even death brings no release, because he is charged a tax on the cemetery plot he buys, and after he is gone the inheritance tax commissioner gives his estate a final check-up and takes a good slice of it for Uncle Sam.

These details have been insisted upon to give an idea of how the annual $78.26, the average for every living soul within our borders, is obtained by the Government. Now, try to imagine the infinite ramifications by means of which the $140 criminally gouged by racketeers is added to the burden of the citizen's existence. From the cradle to the grave, we pay both the underworld and the Government, and we pay the underworld twice as much!

It is estimated that from $200,000,000 to $600,000,000 is paid out as tribute by business in New York City, practically every legitimate activity being victimized. A good part of the money thus robbed goes into the pockets of the political protectors of the racketeers. Chicago's contribution to this form of banditry is around $165,000,000 a year.

The net income of "Scarface" Al Capone is declared by Charles Francis Coe, author and criminologist, to have been $30,000,000 in good years. He collected immeasurably large sums, of course, but distributed the difference between his gross and net among the official grafters who "covered" him and among his own red-handed associates.

It is true that Capone was finally brought to justice and is now sojourning in Atlanta Federal Penitentiary. But his gang was not broken up. Other brigands are carrying forward his monstrous work in Chicago.

THE FRENCH GANGSTER

The French handle this sort of thing more efficiently than we do. A few weeks ago there was seized in the city of Marseilles a gangster leader named Venture Carbone, whose methods bore a striking resemblance to those of Chicago's Capone. The Marseilles thug ran the sport racket in the south of France, fixed prize fights and bicycle races, operated or collected from gambling dens, handled the far-flung Riveria dope-peddling ring, took a rake-off from a white-slave traffic to Egypt and South America, and juggled the elections of political officials to suit those who paid the highest for his services. Sounds just like home, doesn't it?

When the French police were ready to arrest Carbone, however, they also gathered in his two principal lieutenants, known as "the Baron" and "Spirito." They completely smashed the gang and have promised to finish the job of cleaning up Marseilles before the year is ended.

How is America to save herself from the damnable incubus of crime? That is the crux of the matter, the justification for spreading horrible truths before the public. It has become the duty of every honest medium of the printed word, of every sincere writer, to warn America of the utter destruction toward which she is heading and to call upon her to protect future generations of her children by scotching the criminal class now.

PERSHING WARNS NATION

Gen. John J. Pershing struck the right note in an article published in the American Magazine of June 1932 when he wrote:

"Make no mistake about this: Our Nation is confronted by a crisis as serious as the crisis of the war. * * * In the war, once we were aroused, we made an effort that astounded the world. Just so today the American citizen, once he is aroused to the dangers that menace his country, will, I devoutly hope and believe, gloriously redeem his indifference of the past."

The subject of General Pershing's article was Crime. Who should know better than he the reality of the comparison he drew with war? With 400,000 vile and conscienceless persons engaged in a civil war with the rest of the community, we have been so blind as to handle their offenses as though the latter were misdemeanors committed in times of peace. That has been the trouble.

Well, the ways of peace for peace—but the ways of war for war! We must organize against the criminals and stamp them out. We must show them no mercy until the lawbreaking has been reduced at least to the rare and furtive phenomenon that it is in England today.

In the month of April this year there was arrested in New York City a malefactor named Vincenzo Tisbo for whom the police had been looking for 12 years. This man had been the head of a private bank, which had failed in 1923 for $2,000,000. Its crash had ruined thousands of poor Italians who had intrusted their entire savings to it. The State contended that the failure was the result of a downright swindle. Nine larceny indictments were returned against members of the Tisbo firm. But the head of it had vanished as if the earth had swallowed him.

His recent arrest was not accomplished by the police. It was the result of the tireless energy and tenacity of another Italian, Joseph Tarantino, who had lost $5,000, and who had sworn to be avenged.

Tarantino visited many American cities in search of Tisbo, but always the clues he had been following up proved to be false. Finally, he went to Italy, located his man's brother and made friends with him. He learned that Vincenzo Tisbo was still in New York, that he had been a bootlegger and was now in the alcohol business.

On a tip he called a telephone number and ordered some alcohol. Tarantino recognized the voice that answered him as belonging to Tisbo. He got the latter over to his house, locked him in the cellar, and forced him to confess. Then he turned him over to the authorities—the score relentlessly evened at the end of 12 long years.

This was a case of private justice, a practice not to be universally recommended because it might be misused by muddleheaded persons and degenerate into lynch law. But it is cited as a unique illustration of resourcefulness and determination, wherein the methods were justified and were brilliantly carried out. It should serve as an example to the police. We must require of our police that they shall always pursue the enemies of society

and effectively as Joseph Tarantino ran down his foe, the fugitive banker, Tisbo.

NEEDED REFORM

One of the most needed reforms today is a tightening of the whole structure of criminal law. Measures which have been endorsed by the American Bar Association have been presented to nearly every legislature in the United States. The program has been supported by leading lawyers and judges everywhere, but has been assailed so bitterly in the legislatures that few States have accepted it even in part, and none in its entirety. It would seem that sinister influences are at work through the lawmakers. The remedy, of course, is for the people—of whom you are one—to bring pressure to bear upon your legislators, and to turn out of office at the next election those who will not vote for criminal-law reform.

In short, America's salvation lies in the creation, crystallization, and operation of public sentiment against crime. Such sentiment must then be made effective through fighting organizations. The loyal citizen is weak as an individual in combating crime, but as a member of a militant organization he is strong.

All well-meaning persons are urged to enlist for the war. They can do this by joining one or more of the many societies which have come into existence for the purpose of redeeming our country from the grip of the murderer, the gangster, and the racketeer. The Councils of '76, of the United States Flag Association, are specifically recommended. They are doing a magnificent work under the inspiring slogan of "Crime Must Go."

REGULATION OF SECURITIES EXCHANGES

The Senate resumed the consideration of 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.

Mr. VANDENBERG. Mr. President, if I may have the attention of the Senator from Florida, I am about to offer an amendment on page 36, which I think meets with the approval of the committee. The amendment relates to the exemption of localized securities from the over-the-counter provision of the bill. It has been the subject of very careful consideration and of conferences for 2 days, and it is my understanding that the Senator from Florida is satisfied to accept the amendment, on the basis on which it is now proposed, and I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 36, line 12, after the word "obligations", it is proposed to insert a comma and the following words: "or unregistered securities the market in which is predominantly intrastate and which have not previously been registered."

Mr. FLETCHER. I have no objection to that amendment, and it may be agreed to, so far as I am concerned.

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

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, I desire to suggest one further amendment, concerning which I think there will be no controversy. I call the attention of the Senator from Florida to the fact that there is no penalty provided in the bill for the misuse of confidential information by any of the personnel of the new commission, which is to be in first-hand touch and often confidential touch with these utterly important sources of information. The only penalty clause which relates to them in any way is found on page 48, subsection (b) of section 23, which is a penalty merely against the disclosure of such information.

I suggest an amendment on page 48, line 22, after the words "Commission", by adding the words "or to use for personal benefit." In other words, we would penalize not only the disclosure of this information, but also we would penalize the use for personal benefit. I am sure there can be no objection to that, and I am certain that it must have been an oversight that it was left out.

Mr. FLETCHER. Mr. President, I have no objection to that amendment.

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

The amendment was agreed to.

Mr. DUFFY. Mr. President, I desire to present an amendment and have it stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 34, line 17, after the words "United States", it is proposed to insert the words "or of any State."

Mr. DUFFY. Mr. President, this amendment has been submitted to the chairman of the committee. It makes the language identical with that of the bill on this subject which passed the House. It was presented to my attention by the National Association of Railroad Utility Commissioners. They were fearful that unless this provision as to transactions which are entirely intrastate were inserted, their power might in some way be limited. I took the matter up with the chairman of the committee, and understood that there was no objection to the amendment.

Mr. FLETCHER. Mr. President, I did see the amendment, and there may be some objection to it. There was discussion of a similar matter before the committee, as I recall. Indeed, I believe the very question was debated, and the committee did not favor it. I think it had better go over until tomorrow.

Mr. DUFFY. Very well.

RECESS

Mr. FLETCHER. I move that the Senate take a recess until 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p.m.) the Senate took a recess until tomorrow, Friday, May 11, 1934, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate May 10, 1934

DEPARTMENT OF THE TREASURY

GENERAL COUNSEL

Herman Oliphant, of Baltimore, Md., to be General Counsel for the Department of the Treasury.

BUREAU OF INTERNAL REVENUE

ASSISTANT GENERAL COUNSEL

Robert H. Jackson, of Jamestown, N.Y., to be Assistant General Counsel for the Bureau of Internal Revenue.

SECRETARY IN THE DIPLOMATIC SERVICE

Leon Dominian, of New York, now a Foreign Service officer of class 3 and a consul general to be also a secretary in the Diplomatic Service of the United States of America.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 10, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Eternal and most merciful Father, how grateful we are that we have in Thee the source and the divine disclosure of all those virtues by which we live and by which the home and friendship survive and man is redeemed. We pray Thee that we may control any pride which lifts us above and out of any sympathy with others. O lead us to stand for the rights, the dignities, and the honors of our fellow men. Blessed Lord, subdue those lower faculties, appetites, and passions which make discord in our country. Deliver all men from the sternness, the restraints, and the rigor of winter, and bring them into the joy of spring and the promise of summer. We entreat Thee, our Father, that we may live and labor for liberty, for the prevalence of happiness, and for the diffusion of noble ideas. We praise Thee that some day we shall know how full and glorious is that truth—"The memory of the just is blessed." Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

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

The SPEAKER. Under the special order for today, the gentleman from New Jersey [Mr. KENNEY] is entitled to 30 minutes at this time.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, if the gentleman will yield, I wish to submit a unanimous-consent request.

The gentlewoman from New Jersey [Mrs. NORTON], Chairman of the Committee on the District of Columbia, asked me a few days ago to submit a request to the House to transfer District business, which will be in order on Monday next, that being District day, to Thursday, May 17, on account of the fact that the primaries in New Jersey are to be held on Tuesday. Since that time the gentlewoman has been called to her home on account of the very serious and critical illness of her husband. I have not heard from her, but I presume she still wants the request submitted.

I have spoken to the ranking member of the Committee on the District of Columbia, and the gentleman says he has no objection to it.

Mr. SNELL. Mr. Speaker, reserving the right to object—and I shall not object—I may say the gentlewoman from New Jersey [Mrs. NORTON] spoke to me about this matter a few days ago. So far as I know, there is no objection on this side to the request.

Mr. BYRNS. The gentlewoman from New Jersey told me she had spoken to the gentleman from New York about it.

Mr. Speaker, I wish to add to the request, if there is no objection, that on Monday it shall be in order to call the Consent Calendar, and if that is concluded before adjournment, that we take up the Private Calendar for the consideration of bills unobjected to, beginning at the star.

Mr. BACHARACH. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BACHARACH. I happen to know that the gentlewoman from New Jersey [Mrs. NORTON] has canceled all engagements on account of the very serious illness of her husband. So it would seem that Mr. Norton is still critically ill.

Mr. BYRNS. What is the reaction of the gentleman to letting it go over beyond Thursday?

Mr. SNELL. I think it would be better to let it go over to Thursday and see what the situation is at that time.

Mr. BYRNS. Mr. Speaker, I wish to submit a double-barreled request: That business in order next Monday, which is District day, be transferred to Thursday, May 17; and that it be in order on Monday to call the Consent Calendar, and if that is completed before the time of adjournment, it may be in order to call the Private Calendar for the consideration of bills unobjected to, beginning at the star.

Mr. BLANTON. Mr. Speaker, reserving the right to object, of course I am, with other colleagues, sympathetic with regard to the situation. While I am very strenuously opposing some bills that will come up on District day, nevertheless I would like to accord any courtesy that is possible to the chairman of the District Committee, and I shall not object. But I want it distinctly understood that the business that will come up Thursday, as District day transferred, will come up under the same rules applying to the consideration of District of Columbia business on the regular District of Columbia day, which is Monday; that must be understood and agreed.

The SPEAKER. Of course, the same rules will apply to the consideration of District business on Thursday as would apply to the consideration of District business on the regular District of Columbia day.

Mr. BLANTON. I shall not object.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that it may be in order on Monday to call the Consent Calendar, and if that is concluded before adjournment that it may be in order to call the Private Calendar for the consideration of bills unobjected to, beginning at the star.

Mr. BLANTON. Mr. Speaker, reserving the right to object, it is understood, of course, that there will be no suspensions.

Mr. BYRNS. That was not included in my request.

Mr. BLANTON. There will be no suspensions.

Mr. BYRNS. Not under my request.

Mr. BLANTON. Usually the Consent Calendar and suspensions are considered the same day, is why I seek the understanding, because suspensions would not be in order next Monday under the rules.

The SPEAKER. Suspensions are not in order on next Monday.

Mr. SNELL. The request of the gentleman from Tennessee did not cover suspensions.

Mr. BLANTON. We want to be sure that it does not, because when the Consent Calendar is called on its regular day, suspensions are in order. I want it understood that there will be no suspensions.

Mr. BYRNS. My request simply applied to the call of the Consent Calendar.

Mr. BLANTON. With that understanding I shall not object.

The SPEAKER. Suspensions will not be in order on Monday.

Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD on the subject of the Catawba Indians and to include therein an article written by Jesse S. Cottrell on the condition of these Indians at the present time.

Mr. RICH. Mr. Speaker, reserving the right to object, I did not understand the gentleman's request.

Mr. RICHARDS. I asked unanimous consent to revise and extend my remarks on the present living conditions of the Catawba Indians in the State of South Carolina, the only tribe we have there or ever have had. I am very much interested in improving their living conditions. I also asked permission to insert in the RECORD in connection with my remarks an article written by Jesse S. Cottrell, who has made an extensive study of the conditions of these Indians. His article has a distinct historical value.

Mr. RICH. Who is Mr. Cottrell?

Mr. RICHARDS. He is a newspaperman.

Mr. RICH. Mr. Speaker, I object to the insertion of the article written by Mr. Cottrell.

Mr. BLANTON. The gentleman does not object to that portion of the request pertaining to the gentleman's own remarks?

Mr. RICH. No.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to extend his own remarks. Is there objection?

There was no objection.

The SPEAKER. The gentleman from New Jersey [Mr. KENNEY] is recognized for 30 minutes.

NATIONAL LOTTERY

Mr. KENNEY. Mr. Speaker and Members of the House, your permission to address you this morning is profoundly appreciated. I cannot help but believe that you are ready to give the subject of my remarks the consideration that it justly deserves. It is an interesting subject forming as it does part of the heritage of this great Republic.

The history of the lottery—my subject—cannot but arouse our interest. It played a potent part in our War of Independence, it helped build many of the public institutions of

our country and furnished the funds to develop the Capitol of the Nation, where we are now met to legislate for our people.

That there is interest in the lottery as a means for revenue is evident from a letter received a few days ago from an economic institution in the West. It reads:

We are very interested in your bill proposing a national plan for raising money by means of a lottery.

Will you kindly send us copies of any material you have prepared in behalf of the bill, and advise us whether or not a transcript of the recent hearings for its proponents has been printed or is available?

We consider this one of the most important matters now pending at Washington, and, therefore, would be grateful for your courtesy.

The bill referred to (H.R. 7316) authorizes the Veterans' Administration, with the approval of the President, to conduct a lottery to raise funds not exceeding $1,000,000,000 in any 1 year, which would be covered into the Treasury from time to time as a miscellaneous receipt.

The bill pending before the House provides that all rules made by the Veterans' Administrator shall be subject to the approval of the Secretary of the Treasury, while the Postmaster General is authorized to place the post offices and postal machinery and facilities at the service of the Veterans' Administration for operating the lottery.

The measure as introduced leaves the details of operation to the Veterans' Administration assisted by the other specified Government agencies, conditioned upon the approval of the President. It would insure generous treatment of all veterans and their dependents.

Every Member of this House, whether in favor of or opposed to a lottery as a revenue-raising measure, could vote for this bill without any scruple, for it will be observed that it does nothing more or less than invest the President with power to say whether or not the Federal Government shall conduct a lottery for public benefit. We have given the President almost every other conceivable power—the power to inflate the currency, remonetize silver, raise or lower tariffs, pay the bonus, do almost everything except resort to the good, old-fashioned way of taking up a collection. And that is all that a lottery amounts to when conducted by Government for the common good.

G. M. B. Hawley, L.L.M., of Geneva, N.Y., an authority on the history of lotteries, writes:

Historical records and documents show that the gambling spirit entered into but few lotteries. In general, the objective was a public or quasi-public benefit, such, for example, the building and support of churches.

Professor Hawley in a recent letter to me remarked:

As a lecturer in the law school, 1896–99, and for more than 30 years engaged in writing a book on the Constitution of the United States, I have written and published 197 articles on historical and constitutional matters.

I have to smile when the history of Federal lotteries is before me to see how righteous the Federal Government has become, attempting to and often sending citizens to the penitentiary and assessing large fines just because they used the mails to send letters and literature on lotteries, when the purpose was a laudable one to raise money for charity.

The lottery goes back to the early days of Rome, when it found favor at the banquets of the aristocracy, much as our "dark horse" does today at lodge, church, and other similar gatherings, for amusement purposes.

In the sixteenth century it was used by the merchants of Europe to promote sales, a practice that has continued in one form or another down to the present time.

Governments soon became interested in the lottery as an available and effective means of raising revenue. In 1569 England employed the lottery to finance its fortifications, and harbor and other improvements. The lottery financed the first adventure in America of the Virginia Co. in 1612. About the same time Italy had recourse to the lottery to provide for its public works. France also saw the efficacy of the lottery and financed its treasury by that means. Later other countries began to raise funds by lottery until today 30 or more countries are gathering needful revenues through government lottery. Since the introduction of my original bill, France has enacted a new lottery law for the benefit of her veterans. England has before Parliament a law for the establishment of a government lottery as an emergency source of operating income, although measures proposing to ban other lotteries are also being considered. And, of course, the United States is contributing heavily to foreign lotteries, although we are heavily debt laden and our Budget is unbalanced.

Perhaps you would like to know how other countries regard their lotteries. I will not tell you. You might not believe me, although you have been exceedingly kind and gracious to me ever since my coming to join you here. I rather will read you testimonials from the governments sanctioning and authorizing lotteries. It is not likely that you will characterize the citizenship or the government of these countries as either irresponsible or vicious for conducting a lottery for much the same purposes as my bill contemplates.

Mr. BOYLAN. Will the gentleman yield?

Mr. KENNEY. I yield to the gentleman from New York.

Mr. BOYLAN. Did I understand the gentleman to say that the income to the Government should not be over $1,000,000 a year?

Mr. KENNEY. One billion dollars a year.

Mr. BOYLAN. That is better. I thought the gentleman said $1,000,000. Why limit it to $1,000,000,000 a year?

Mr. KENNEY. I will be satisfied with a billion.

It is certain that a lottery operated by government relieves the burden of taxation. And it has been unbearable taxation that has ruined nations. Does it not, then, seem ethical, as well as expedient, for the government to establish sources of income that are in conformity with the wishes of the masses? I have heard Members on both sides of the House so often at the top of their voices cry out when appropriations came up for consideration, "Where are we going to get the money to pay the bills?" From sheer necessity we are committed to rehabilitation expenses staggering in their proportions, and our Government must be supplied with larger and steadily larger financial support. The ability of the taxpayer to pay is seriously questioned. It became evident to me when you refused to approve a further rise in the income taxes a few days ago, taxes which are paid by only one fiftieth of our adult population. But the bills must be met. So I believe the wishes of the majority will be served if we raise the needed moneys to balance our Budget by a Federally operated lottery. It is obviously true that the Federal laws against the operation of lotteries are not effective, and it is patent that the anti-lottery laws which are not gentle are deliberately and widely violated. Of that I shall speak presently.

May I read you what other governments have to say about this matter? From the German Government I have received the following advices:

For many years, legalized lotteries have been conducted in various German States under the auspices of the respective governments.

As to the effect of these lotteries upon the citizenry, I can unhesitatingly state that they have been adding to the contentment of a large part of the population. Thus, their reaction upon the state of mind of the individual citizen has been a favorable one.

From Russia comes this testimonial through official channels:

The Union of Soviet Socialist Republics does not have lotteries in the normal sense. Only such organizations as the Red Cross, societies for aid to children, better-road societies, etc., have recourse to lotteries. Their collected funds are used for social purposes. Bonds of the national Government bear a provision for lotteries. About one half of some of the issues consist of interest-bearing bonds, the other half carrying the lottery provisions. The lotteries are arranged to give great numbers of comparatively small prizes rather than a few large prizes. Thus, the gambling features of these bonds is insignificant. Participation in lotteries of the above type has naturally no bad effect upon the individual citizen whose participation contributes to some important social purpose.

The Turkish Government has this to say:

I may say that the Turkish lottery has had no bad effects whatever upon the general welfare of Turkish people, and has in no way increased crimes or misdemeanors.

On the contrary, the lottery, which is conducted for the promotion of aviation, the purchase of planes and the training of pilots, has been beneficial in arousing public interest in the cause which it supports.

This is from the Argentine Republic:

The national lottery in Argentina was created by law no. 3313 in October 1895. It has been in progress since that time except for a short interruption. The liquid benefits of this lottery are distributed as follows:

Sixty percent of it is used for the construction and maintenance of hospitals and public asylums in the Federal capital, Buenos Aires, and 40 percent for the same purpose in the various Provinces of Argentina.

The operation of this lottery has been very successful and satisfactory without affecting the morals, contentment, and happiness of the individual citizen.

Here is testimony from Cuba:

I can say to you that the national lottery of Cuba was instituted by act of Congress in the year 1909, for the main purpose of increasing revenue for charity. Since then it has functioned regularly, although some changes have been made in its administration, which had been subject to severe criticism, thereby placing it on a more sound and economic base.

Among the reasons given by those in favor of the adoption of the lottery law at the time it was being discussed in Congress was that it was almost impossible to eliminate illegal lotteries, which were mostly supported by the poorer class of Cuban people and which did not guarantee any return to them. It was, therefore, considered better to establish an official lottery from which the people generally would derive benefits.

Here is an authoritative message from the Kingdom of Italy:

I want to confirm to you that we have had a national lottery in operation since the organization of the Kingdom. It is conducted with weekly extractions in the 12 most important cities.

The system in question has had no bad results on the general welfare of the people, but has offered, on the contrary, a healthy method of contentment and happiness, with the possibility of drawing a fortune, especially on the part of the people of modest means. The system is under the strictest control of the Government, and since its operation its functioning has been most regular and efficient.

Out of the operation of its lottery, the Italian Treasury has realized a net average income of about 280,000,000 lire during the past few years.

I am informed that Italy maintains her navy out of funds from the lottery.

Direct from the Spanish Government comes its plan of lottery:

The state lottery of the Spanish Republic represents, in the financial economy of the modern world, a truly exceptional case; for it is, in the national budget, an important, steady and almost certain source of income. The estimated receipts from this enterprise in the budget for 1932–33 amount to 420,000,000 pesetas out of a total of receipts estimated at four and one half billions. From this source, the state collected more than 400,000,000 pesetas in 1929 and 1930, as against three hundred millions in 1925.

It must be recognized that the Spanish State Lottery, due to its remarkable organization, has become a real institution in the life of the country.

The organization of the lottery warrants a description first, on account of its size, which is without parallel in any other country; second, because it has contributed, in a large measure and in spite of all obstacles, to the lasting success of the lottery.

In its present form, which superseded the old "lotto" with 90 numbers established in 1763 and definitely suppressed in 1862, the Spanish lottery goes back to 1811; but the legislation connected with it dates almost entirely from the end of the nineteenth century, as well as the general regulations, still in force today, the main provisions of which are given below.

The national lottery is considered as a normal resource of the State budget; as a counterpart, the State guarantees the payment of the prizes.

All other forms of lottery are forbidden, except with special permission.

The tickets of the national lottery are considered as State bonds payable to bearer.

For each drawing, as many numbers must be drawn as stated on the prospectus.

Prizes are represented by a certain percentage of the product of the sale of tickets (70 percent at the present time). This percentage may be changed by a new law.

The dates of the drawings, their annual number, the numbering, the number and the price of the tickets are determined by the general director of the lottery. This official has also the following charges:

(a) To furnish with tickets the sale agencies, taking carefully into account the importance of the demand in each area, in order to avoid any miscalculation and disappointment.

(b) To appoint the various officials in charge of the services of the lottery.

(c) To propose to the Minister of Finance the creation, for the whole country, of first-class "lottery administrations", and to create or suppress, according to needs, a second-class administration.

(d) To witness personally, or to delegate a representative at all drawings.

The sale of tickets and the payment of prizes are made through the "adminstrations" (official agencies) distributed over the whole territory, which may employ, under their responsibility, street vendors, accepted by the Minister of Finance.

Such are the essential principles on which the national lottery is based. It can be seen that they present for the purchasers of tickets serious guarantees, further reinforced by the following rules concerning the drawings.

These are made publicly and by means of two series of balls representing one, the numbers on the tickets (one ball for each number), and the other, the prizes and their amount (one ball for each prize).

On the eve of the drawings the balls have been carefully verified and attached together by groups of hundreds and thousands, which are themselves checked; they are then enclosed into boxes bearing 3 locks, the keys of which are given to 3 high officials of the lottery, these various operations are not made public. Such is not the procedure, however, for the operations which follow, for, in the latter case, the "passive" collaboration of the public is required.

The day of the drawings, the boxes are opened, the strings which hold together the balls representing the ticket numbers are cut, and, under the supervision of the "Junta", committee composed of a president (the general director of the lottery or his representative) and three members, the balls are thrown into a large metallic container where, at a signal of the president, the balls are mixed together thoroughly with the aid of a wooden shovel. After which, to prevent tampering, the balls bearing the ticket numbers are mechanically poured into a drum which is then locked.

The same process is then followed for the balls representing the prizes, which are placed into a second drum, also locked.

After which the two drums are set in motion (the president being careful that they are revolving at the same time) and, by an opening made for this purpose, a ball is drawn from each one, beginning with the ball representing the prizes. In this manner the amount of the prize won by the ball drawn from the second drum is known. Immediately upon being drawn, the numbers are read aloud (three times for the first prizes) by children of the foundlings' home, who then put the balls on a table placed there for that purpose, so that each number shall correspond to the prize allotted to it, a list is established as the drawings progress, then this list is checked against the prospectus of issue.

Inasmuch as all these operations are made with utmost precautions and, except for the last one, under the very eyes of the public, it can be said that they offer all the necessary guaranties of security.

It is in such conditions that the drawings of periodical lotteries, both regular and special, are made. The former occur about three times a month and include, generally, a number of series, of tickets and of prizes very varied. For instance, the first lottery of the month may be of six series of 45,000 tickets (sold at 30 pesetas, or by tenths, 3 pesetas) with 14,000 prizes, the highest being 100,000 pesetas.

The second lottery of the month will have only four series of 34,000 tickets, sold for 40 pesetas (or by tenths) and 6,000 lots, the highest one being 120,000 pesetas.

Finally, the third one will have only three series of 40,000 tickets, sold for 50 pesetas (which also may be divided), with 8,000 prizes, one of which amounts to 150,000 pesetas.

The following are considered as special lotteries: The first drawing in January, the second drawing in May, and especially Christmas drawing. For the first of those the price of the ticket is 150 pesetas, and the first prize 500,000 pesetas; for the second one, the figures are, respectively, 500 and 3,000,000 pesetas; finally, for the third one, they reach 2,000 and 15,000,000 pesetas, not including a certain number of additional premiums.

Moreover, at the end of each regular lottery, the following drawings are made:

First. Five lots of 125 pesetas, for the benefit of young girls admitted into charity homes.

Second. One lot of 625 pesetas, for the benefit of another charity, designated each time.

As for the administrative organization of the lottery, we have seen that it included, in addition to the general director, who is represented by delegates in the capitals of the Provinces, first- and second-class "administrations." Each Province, except that of Madrid, has in addition a central administration.

The first category is made up of administrations the receipts of which are above 50,000 pesetas per annum.

All administrations must be bonded. The bond for administrations of second class is of 2,500 pesetas in cash. But the bond of the first class is fixed by the general director, according to the respective importance of the agencies, and may be made up of cash, State bonds, or real-estate properties.

The remuneration of the "administrations" is represented by a percentage on the sales varying from 2 to 5 percent, according to the importance of the receipts, for regular drawings, and uniformly fixed at 1 percent for the special drawings.

All the administrations are frequently controlled by agents of the treasury, who, in case of error or irregularity, have the power to dismiss administrators and to have them replaced.

Such is the organization which regulates the operation of the Spanish lottery. The brief résumé which has been given makes clear its importance and complexity. It may also be seen that it constitutes a rather heavy charge for the state. However, the ten millions or so of pesetas that it costs the state each year are, after all, very little in comparison with the high returns which the lottery provides and which would be very difficult to replace by any other resource.

The Spanish lottery is for this reason considered as a model.

Mr. Speaker, I have here testimonials from other governments, all speaking in highest terms of the lottery when conducted under governmental auspices.

With our Budget unbalanced, our taxpayers in distress, every dollar is sorely needed, if we are to give our war-impaired citizens the full measure of their country's help, if we are to provide work for our people, if we are to continue our program of recovery. The only revenues that flow into the Treasury are those created by taxation of one type or another. Nobody ever gives money to the Government as a gift. But hosts of citizens, many thousands of persons monthly would cheerfully and gladly contribute small sums of gift money to their Government if they were permitted to do so by means of a national lottery conducted by the Government. The amount would become, I believe, $1,000,000,000 yearly.

Horace J. Donnelly, Esq., solicitor of the Post Office Department, August 23, 1932, in a release from the office of the Postmaster General, made the statement that during the preceding 2 years no less than a billion dollars were kept from going out of the country in support of foreign lotteries. The years mentioned by Mr. Donnelly were the leanest of recent times. And he stated further that operators of lotteries, foreign and domestic, many of them dishonest, did not confine their activities to the large cities but preyed upon those located in every section of the country.

Assistant District Attorney James J. Wilson, of New York City, appeared upon the hearing on the bill before the Ways and Means Committee, stating that he had charge of the prosecution of lotteries in New York County, and that there were certainly 100 lotteries going on in the New York area; that he must have prosecuted 150 cases involving the Italian lottery for tickets sold in that county alone; and he said that according to the figures of Irish authorities, one lottery, the Irish Sweepstakes, took out of New York alone $16,500,000.

It is estimated that $200,000,000 leaves the country every year in foreign lotteries, and, according to our own Post Office Department, $500,000,000 more is willing to be added annually.

Mr. EVANS. Will the gentleman yield?

Mr. KENNEY. I yield to the gentleman from California.

Mr. EVANS. Several of the States—in fact, most of them—have statutes making it an offense with a severe penalty to sell lottery tickets in those States. In California it is in the constitution. I am wondering what would be our position in a State like California that really inhibits such traffic as this. Where would we be? California has not reached the advanced state of favoring gambling in any form.

Mr. KENNEY. I submit to the gentleman that the inhibitions in the constitutions and in the statutes of the States have, in my opinion, been directed against private lotteries. I concede to the gentleman that a lottery in private hands may not be trusted; but, regardless of any State constitution or the law of any State, a lottery authorized by the Federal Government would not in any way be affected by them.

Mr. EVANS. But in the State of California any kind of lottery, either public or private, may not be conducted and cannot be authorized under our constitution. I am wondering just how this law would apply in a State of that kind.

Mr. KENNEY. California, in my opinion, could well have the benefit of this lottery for the reason I believe your own courts would hold that there could be no State interference whatsoever with the right of the Federal Government to raise revenue under the Constitution of the United States, and that the States could not prevent the purchase and possession of Federal lottery tickets.

The grounds of my belief are:

First. The Federal lottery is a Federal instrumentality for raising revenue.

Second. The ticket in hands of the purchaser represents a right to participate in a governmental transaction which is not completed until the drawing.

Third. A State law prohibiting possession of a ticket would discourage the sale of the tickets, thereby hindering and placing a burden upon a means employed to carry into execution the powers of the Government. Under the rule established in *McCullock* v. *Maryland* (4 Wheat. 316, 1819) the States may not interfere with or burden the agencies and instrumentalities of the Federal Government.

Mr. EVANS. The gentleman appreciates, I am sure, that it would be embarrasing at least for a Member from California, which State has an inhibition in its constitution against this kind of thing, to support a bill of this kind. In other words, he would be seeking to overcome a statute or a constitutional provision of his State by act of Congress.

Mr. KENNEY. Does the gentleman mean to convey the meaning that the California constitution in so many words prohibits a State or Federal Government lottery?

Mr. EVANS. It prohibits the authorization of any sort of a lottery by act of the legislature or otherwise. There is a statute in California that makes a violation of that provision an offense. I am quite sure that nearly every municipality in California has a law against lotteries.

Mr. KENNEY. Judging from the letters I have received from California the municipalities of the gentleman's State might be quick to repeal the antilottery laws, and so might his State, so that the citizens of California might participate in a national lottery; but even though such laws were not changed, I am still of the opinion that if the act under discussion were construed by the courts of California, its State laws would be found not to apply to a lottery conducted by the Federal Government. After all, this is a revenue-raising measure. I do not think any State in passing antilottery laws ever had in view interference with Federal acts designed to raise revenue for the conduct of the business of the United States Government under its Constitution.

Mr. THOM. Will the gentleman yield?

Mr. KENNEY. I yield to the gentleman from Ohio.

Mr. THOM. Is not this lottery simply a sly attempt to shift the burden of taxation to the persons least able to bear that burden?

Mr. KENNEY. I do not agree with the gentleman. I have heard gentlemen on the floor of this House state, and probably the gentleman was one of them, when measures for raising revenue for the Government came up, that it was the poor man who had to bear the burden. I reiterate that all our burdens are borne, in the last analysis, by the so-called "poor man"; and when he is out of employment and the C.W.A. has to take care of him, our expenses are not met and our Budget is not balanced.

I give to the poor man credit for having greater intellect than to take upon himself the burden of carrying on the whole expense of a Federal law; I have high regard for his intelligence and more so than ever at the present time, and his contribution, if I am any judge, would be tempered by his means.

Mr. THOM. Does not the gentleman think that we might meet this financial situation occasionally by voting against expenditures?

Mr. KENNEY. I do not see how we can well vote against many of the expenditures that have come up in this House. We certainly have to give employment, so far as we can, to our people. We have to meet what I regard as necessary appropriations. We have cut the current Budget 25 percent; and if the gentleman has any way he can pare it more than that, it is his duty to offer it on the floor an dimmediately.

Mr. BOYLAN. Is there not also the possibility that the poor man by participating in this lottery may become a rich man?

Mr. KENNEY. Rather a man with a competence. Absolutely. It holds out to the forgotten man practically the only hope he has of becoming comfortable in the near future, and let me also remind you of the fact that the poor men are already contributing to the revenues of other nations. May I exhibit to the House the finest collection of foreign lottery tickets to be found anywhere. I hold up to your view these lottery tickets emanating from foreign countries and sold here. It is "a worthy exhibit", as it is styled, the tickets being mounted on parchment 8 feet long and 2 feet wide. Printed at the top are significant lines:

We should have a national lottery.

There is a billion dollars going into foreign channels each year.

It could be put into our own coffers.

And most of these are frauds.

Your bill should receive solid support from Congress.

I wish you success in this worth-while legislation.

It was sent to me by John Weigand, Jr., Glendale, Long Island. Included in the vast swarm of foreign tickets are government and private lotteries. Our people who have been patronizing them extensively would much prefer, and they are ready and willing, to buy American and help defray the cost of our own Government, including expenditures authorized for veterans and their dependents and other worthy purposes.

Mr. BLANTON. Will the gentleman yield?

Mr. KENNEY. I yield to the gentleman from Texas.

Mr. BLANTON. Is the primary purpose of the gentleman's bill to produce revenue for the Government or to make a few poor people rich?

Mr. KENNEY. The primary purpose is to produce revenue for the Government. The funds raised by lottery would constitute a gift from the people to their Government—shall amounts of giftmoney from our millions of people to our Government—and we are not unmindful that ours is a government of, by, and for the people.

Mr. BLANTON. I have another question, if the gentleman will permit. If Congressmen are indifferent about the means of raising revenue, why do we not build here an American Monte Carlo, with every kind of gambling device imaginable in it? This would certainly bring in revenue.

Mr. KENNEY. I will say to the gentleman that if we had Monte Carlos established here by foreign countries, I would much prefer an American Monte Carlo. But that is not the question before us. However, I must remind the gentleman and the other gentlemen and ladies of the House that one of the greatest charitable undertakings that this country has ever known took place only a little while ago, yielding an enormous amount of money for crippled children—a worthy cause. That undertaking had its lottery features. The lottery for worthy purposes has never failed. You, with all the good people of the Nation, contributed, as you and all throughout the Nation have been contributing yearly to similar causes. The Government needs our aid more than it ever did in peace-time annals. Shall we not rally to its need? And I now ask the gentleman please to let me proceed.

Mr. BLANTON. Will the gentleman permit just one other question?

Mr. KENNEY. If the gentleman wishes.

Mr. BLANTON. Is it not a fact that the Methodists, the Baptists, the Presbyterians, the members of the Christian Church, and every other Christian denomination in the State of New Jersey, are against lotteries and against national lotteries?

Mr. KENNEY. For my answer, I shall read to the gentleman from Texas the statement of one of the leading clergymen of my State of New Jersey, Rev. Dr. Allan MacNeill, pastor of the Community Church of Ridgefield Park, N.J. Here is what my good friend Dr. MacNeill says:

> I am in favor of the bill on general principles. I can see no reason why there should be any objection to it on the part of anyone. George Washington and Benjamin Franklin played lotteries in their day, and a number of churches in New England were built by lotteries.
>
> There is too much money going abroad on these lotteries which are sanctioned in other countries. It would be better to have the money in the United States go to our disabled service men than being sent abroad year after year. I sincerely hope that the bill passes.

Many of the States are now considering validating the lottery. New York, Maryland, and Massachusetts are among them. In this country a national lottery is the logical thing. The Federal Government alone should operate it. But the States would be benefited indirectly, for then certain taxes now imposed by the National Government could be turned back to the States. Obviously the Federal Government should act, and act now.

How many of you realize the part that the lottery played in the Revolutionary War? Do you know, with the States not yet organized, the Continental Congress had no means at hand to defray the expenses of the war or the new Government? Has it occurred to you that, faced with failure and defeat, the Congress turned to the lottery as a means of raising money to carry on? On November 1, 1776, it passed a resolution, and it was in part as follows:

> *Resolved*, That a sum be raised by way of a lottery for defraying the expenses of the next campaign, the lottery to be drawn in the city of Philadelphia, Pa.

Under it the Government was to retain the whole $10,000,000, a gigantic sum in those days, and the prizes issued were to be in Government securities.

It is not known how many lotteries were conducted to carry on the Revolutionary War; but, in view of the sum involved in the first one, the total amount realized for the war was probably tremendous.

When the First Congress of the United States met, it held its session in the city of New York. The war was over, and our independence had been won. But the Congress had not yet a meeting place nor the means to provide one. It was in 1789, and the city of New York offered its city hall for the new Nation's legislative body, which was gratefully accepted. But the city was obliged to alter and improve the building to furnish suitable quarters, which it did. In 1790 the city had not yet paid for the alterations in full, and there was still a deficit of about $65,000. The city could not shoulder the expense it had incurred. It was a post-war period of hard times and high taxes—words weighted with significance to us of today. So the city laid its problem before the State legislature. Quickly a law was passed permitting the city to conduct a lottery, and the city paid its bill.

Lest you should not believe, let me read to you from the preamble of the law:

> * * * The mayor, aldermen, and commonalty of the city of New York by their petition have represented to the legislature that from a desire to accommodate the Congress of the United States in the most convenient and satisfactory manner they have not only expended in repairing and improving the city hall such money as has been heretofore raised for this purpose but are also indebted in the further sum of 13,000 pounds on this account, a sum far beyond their power to discharge without legislative aid, and have prayed that a law might be passed to authorize the raising the said money by one or more lotteries.

Again Congress found the lottery a solution of its problem when the city of Washington and the Capitol were being established. In 1795 Congress authorized the old city of Washington, then under construction, to operate lotteries for public purposes. Washington was President. John Adams was Secretary of State. At the dedication November 22, 1800, John Adams, then President, in the course of his address said:

> May this territory be the residence of virtue and happiness. In this city may that piety and virtue, that wisdom and magnanimity, that constancy and self-government which adorned the great character whose name it bears, be forever held in veneration. Here, and throughout our country, may simple manners, pure morals, and true religion flourish forever.

Have any of you anywhere read of the self-respecting, sturdy American patriots of that time feeling any shame because their country's lawmaking body raised its revenue by citizens' contributions made in the form of lottery participation? I have not, nor have I found that the guiding

sense of social propriety, which may God preserve to us, was damaged by any of the lottery participation that created funds for the building of churches and public edifices throughout our country. Yet it may be that some zealous gaolers of the public will cry out against the spectacle and call it "gambling." We have had always perhaps, doubtless always shall have, sincere, conscientious objectors who counsel extremely because they have not counseled to think straightly.

Nevertheless, we cannot deny, nor lose sight of the fact, that the lottery has never failed the Government. Our Government saw the need for banning the private lottery and early in our history the several States passed laws reserving the right to conduct the lottery within their borders to themselves or under their immediate supervision. When it passed out of the reach of the Government, it fell into hands that could not be trusted and it is because of the private lotteries that it may be frowned upon.

Untold good has resulted, too, when the lottery has been conducted by churches and colleges and public institutions.

I might mention the following advertisement appearing in the New York Gazetteer:

February 8, 1774. Scheme of a lottery (to be drawn under the inspection of a number of reputable citizens).

For raising the sum of 600 pounds toward purchasing a piece of ground and erecting a church thereon, for the congregation of the Church of England.

It is humbly hoped the benevolent and religious of all denominations will heartily concur in promoting this work which will ultimately redound to the glory of God.

Again in the same paper appeared the following month this advertisement:

March 17, 1774. Scheme of a lottery for raising the sum of 600 pounds, to be appropriated toward building a church at Brookland Ferry, opposite the city of New York, under the patronage of the rector and vestry of Trinity Church, in the said city; there being no place in King's County, for the public worship of Almighty God, where the English liturgy is used.

Little need be said in recommendation of the above scheme, as the careful observer will at once see the propriety of becoming an adventurer; there being no more than two blanks to a prize.

Other churches profited by the lottery as did our colleges. Harvard College authorized a lottery for its benefit; Yale also benefited by it; Old South Middle College, which housed the patriot Nathan Hale, was built in part, at least, by lottery. Among the other institutions financed by lotteries are William and Mary, Dartmouth, New Jersey (now Princeton), and Union. And these are not all.

The lottery, honestly conducted for public benefit, has always been an honorable means of raising revenue. George Washington approved of it, and financed his army by means of it, and it is truly part of our heritage. The names of Jefferson, Hancock, Adams, and other American patriots are interwoven with lotteries. It is an old-fashioned theme. It would come to us now like an old-fashioned song. It would thrill the Nation and you and me. [Applause.]

WORLD'S FAIR, CHICAGO, ILL.

Mr. KELLER. 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 (S. 3235) to amend an act entitled "An act providing for the participation of the United States in A Century of Progress (the Chicago World's Fair Centennial Celebration) to be held at Chicago, Ill., in 1933, authorizing an appropriation therefor, and for other purposes", approved February 8, 1932, to provide for participation in A Century of Progress in 1934, to authorize an appropriation therefor, and for other purposes.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 40 ayes and 4 noes.

So the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. JACOBSEN in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

S. 3235. An act to amend an act entitled "An act providing for the participation of the United States in A Century of Progress (the Chicago World's Fair Centennial Celebration) to be held at Chicago, Ill., in 1933, authorizing an appropriation therefor, and for other purposes", approved February 8, 1932, to provide for participation in A Century of Progress in 1934, to authorize an appropriation therefor, and for other purposes.

Mr. KELLER. Mr. Chairman, I yield myself 10 minutes. As Chairman of the Committee on the Library, I felt it was my duty to introduce this bill, which is identical with the Senate bill now under consideration.

I did it for two reasons: First, the President of the United States wrote a letter to this body asking that it be considered and that it make the appropriation. I want to read that letter. It is as follows:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Chicago World's Fair Centennial Commission to the end that legislation may be enacted extending the availability of funds previously appropriated for Government participation in A Century of Progress, the Chicago World's Fair Centennial Celebration, in 1933, to June 30, 1935, and also authorizing the appropriation of funds in the amount of $405,000 for the purpose of defraying the expenses of participation by the Government of the United States in the reopening of A Century of Progress, the Chicago World's Fair Centennial Celebration, in 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 27, 1934.*

I happened to know that the Director of the Budget had approved of this appropriation.

Mr. BOLTON. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. BOLTON. Has any Budget estimate been submitted to Congress?

Mr. KELLER. I am not sure.

Mr. BOLTON. Usually a Budget estimate is submitted when there is a request.

Mr. KELLER. I do not know. The Commissioners for the fair at Chicago consist of the Secretary of State, the Secretary of Agriculture, and the Secretary of Commerce. Their departments made their estimates and presented them to the Director of the Budget, and the Director of the Budget reported back approving of the estimate of $405,000.

Now, let us get this perfectly clear. The President did not write the letter until the Director had approved of the estimate made by the Commission.

Mr. BLANTON. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. BLANTON. After sending his own personal letter, it would have been perfectly foolish for the President to have done so, had his Bureau of the Budget sent us any recommendation, because the Budget Director is nothing but the President's agent. The Budget message sent here is nothing more than a statement of what the President wants. The Budget merely acts for the President on finances when the President asks for its investigation and recommendation.

Mr. BOLTON. Has the Director of the Budget sent to Congress his approval of $405,000?

Mr. KELLER. I think it has been transmitted, but whether it has been formally transmitted or not, let us get at the facts in the case, because that is what I want—a plain statement of fact. There has been so much misunderstanding in relation to the bill and the history of it that it is time for somebody to state plainly what the facts are during this debate, and I challenge any man to deny any statement that I may make.

Mr. BLANTON. Will the gentleman tell us how much profit was made last year by the Chicago World's Fair?

Mr. KELLER. I will tell the gentleman, but let me tell it in my own way. Here is what happened——

Mr. BLANTON. There were 15,500,000 people attending the exposition and that put lots of money in Chicago.

Mr. KELLER. Chicago came down here and said, "We will not ask for a penny from the Government; we will not ask the Government to contribute a single cent to the World's Fair at Chicago"; and they did not ask a solitary

cent, and they have never received a cent. If anybody denies that when I am through making the statement, then I shall show him that he is wrong. What did they do? They, the Chicago fellows, said, "We should like for our own American Government to have its own exhibit there just the same as the American Government has invited the other governments of the world to come and have their exhibits, and in no way different."

Do I make that plain? The United States accepted that plan and appropriated for its own exhibit in an exposition of the American Government, not for the sake of Chicago, not for the sake of anything except the American people. This is the exhibit of the American people, and they appropriated $1,000,000 for that 2 years ago. That was used by the Commission made up of the three gentlemen whose names I have called, the Secretary of State, the Secretary of Agriculture, and the Secretary of the Interior.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield for a suggestion.

Mr. KELLER. Yes.

Mr. BRITTEN. It is a fact that the Government exhibit at the World's Fair in Chicago was cared for and paid for on the same basis as the United States Government exhibit to the Colonial Exhibition in Paris last year was paid for and cared for.

Mr. KELLER. If the gentleman will permit, I am about to come to that. I am trying to make that point. It is just as the gentleman has said. The American people are carrying on their own exhibit at Chicago, just the same as they have paid for our own exhibits at Paris and London and other exhibits, and just exactly as England and Germany and France and all other countries are doing for their exhibits at Chicago, just the same as the United States is, and in no way different. They are not contributing a penny to the World's Fair; they are only bearing the expense of their own exhibits and nothing else, and that is all that the United States Government is doing.

Mr. FOSS. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Yes.

Mr. FOSS. Are the other governments of the world continuing their appropriations to carry on for this year?

Mr. KELLER. Yes; a large number of the governments that participated in the exhibition last year are continuing their exhibits this year.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Yes.

Mr. BLANTON. Is it not a fact that every large foreign government that exhibited last year there in Chicago, while they were exhibiting and receiving American money, was in default of payment to this Government of a debt of honor honestly due the United States?

Mr. KELLER. I do not see that international affairs over what they owe us as a nation has anything at all to do with this bill. Of course, the exhibitors of foreign countries did not receive any money. They constantly paid out money—the natural expense of carrying on their exhibit, the same as the American Government was doing.

Mr. BLANTON. Were they not defaulters at that time?

Mr. BRITTEN. No.

Mr. BLANTON. Which ones were not?

Mr. BRITTEN. Norway and Sweden and Finland and Japan and various other nations. They never did owe us anything.

Mr. BLANTON. I am talking about the big ones, who took in most on their exhibits.

Mr. KELLER. Mr. Chairman, I am not going to yield for anything except questions. I shall be glad to answer questions, but I am not going to have this subject mixed up any further while I am talking. [Applause.]

Mr. BLANTON. Let me ask just one more question.

Mr. KELLER. If the gentleman will ask a question and not make a speech, all right.

Mr. BLANTON. At the time that the Republic of France was exhibiting the Streets of Paris last year, was it not in default?

Mr. KELLER. Who?

Mr. BLANTON. France.

Mr. KELLER. The Government of France owed money to the Government of the United States, but not the exhibition in Chicago. We are talking about the exhibition in Chicago, and not about the international debt situation. We are trying to discuss here in a few minutes the facts in relation to this bill, and it is nonsense to rise and undertake to interject into it things that have nothing in the world to do with it. I am not going to permit anything further like that.

Mr. BLANTON. I just want to ask one more question, and that is whether we want little American school children to go and see exhibits of a country that is in default of its own honest debts to this country, and will not try to pay a cent?

Mr. KELLER. The gentleman seems to think that the French Government is running "The Streets of Paris", purely a private concession, of course.

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Certainly.

Mr. McDUFFIE. Will the gentleman tell the House whether or not the foreign governments have agreed to maintain their exhibits and will pay for their maintenance for 1 more year?

Mr. KELLER. Yes. A large majority have already done so, and I understand that three more that did not exhibit last year will come in this year.

Mr. McFARLANE. Who are they?

Mr. KELLER. I will give the gentleman the names if he desires.

Mr. TRUAX. How many nations exhibited at the fair last year?

Mr. KELLER. Statisticians can give that; but most of the civilized nations, just as we have done in their countries at their exhibitions in the past.

Mr. TRUAX. I saw only 8 or 10.

Mr. MARTIN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Certainly.

Mr. MARTIN of Oregon. Does the gentleman know that a lot of the States that last year were too small and picayunish to make exhibits are doing so this year.

Mr. KELLER. Yes; and I thank the gentleman for that suggestion. The gentleman calls attention to the fact that a number of our States that did not consider themselves in position to exhibit last year are going to do so this year, because conditions are better in the country.

Mr. MARTIN of Oregon. And because they have seen their mistake in not doing it.

Mr. KELLER. Yes; and I thank the gentleman for the observation.

Mr. TRUAX. What States are they?

Mr. MARTIN of Oregon. My own State for one.

Mr. McDUFFIE. How much profit was made on the fair last year by the fair association?

Mr. KELLER. No profit at all was made. I think something over $4,000,000 was netted, but that was not profit. That was simply paying back the bonds. In other words, the people of Chicago put up the money to build all these great buildings and get the exhibits there. They have paid back to themselves something more than $4,000,000 out of the nearly $9,000,000 which they expended.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. MARTIN of Oregon. Is it not a fact they have paid back about half of what they paid in?

Mr. KELLER. That is correct.

Mr. BLANTON. Will the gentleman yield?

Mr. KELLER. No, no; not now.

Mr. McCLINTIC. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. McCLINTIC. Is the gentleman in a position to say to this House how much the World's Fair in Chicago cost this Government last year?

Mr. KELLER. It cost the Government last year about eight-hundred-and-some-odd thousand dollars.

Mr. McCLINTIC. And how much was appropriated?

Mr. KELLER. There was a total appropriation of $1,000,000. At the end of the fair there was about $172,000 still remaining.

Mr. BLANTON. No; $77,000.

Mr. KELLER. That is what is now remaining at this time, not what was left over at the end of the fair last fall.

Mr. McCLINTIC. How much are they asking for now?

Mr. KELLER. Four hundred and five thousand dollars.

Mr. TABER. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. TABER. According to the tables which I put in the RECORD last night, the fair cost last year $922,625.62.

Mr. KELLER. That is carrying it up to a recent date. The gentleman from Oklahoma asked me how much it had cost at the close of the fair.

Mr. TABER. All I have is this report.

Mr. SNELL. Will the gentleman yield?

Mr. KELLER. Surely.

Mr. SNELL. This boils down to a practical question. Personally, I have never been much in favor of starting these propositions; but this one is started. The question in my mind is, What is the least possible amount they can get along with during the present season and take care of the exhibit we have there at the present time?

Mr. KELLER. I agree with the gentleman.

Mr. SNELL. We have an exhibit there, and it must be taken care of. I understand that they can do it for much less than they have asked for now. If the gentleman is in a position to tell the House the exact amount they can get through with and not waste the money, I am willing to support it.

Mr. KELLER. I am going to suggest to the gentleman that I only have one source of information, and that is from the three Commissioners who made requests for this money. Their statement is that to carry on the fair as it should be it will require $405,000.

Mr. SNELL. That is probably true; but has any information come to the gentleman, such as has been floating around the Capitol, that they could get by with $200,000 and do a reasonable job?

Mr. KELLER. I have been told by a great many gentlemen that they would not vote for more than $200,000. I have not been impressed by it for this reason: The plain facts are these: There is not a man on this floor—and I want the gentleman from Texas [Mr. BLANTON] and every one of the others who criticized me about this to listen—there is not a man on this floor in position to say exactly what we ought to have, whether more or less than this amount asked for.

Mr. SNELL. Now, it is simply a question of finding out how cheaply we can do it and do a reasonable job.

Mr. KELLER. The gentleman is right, and I agree with him completely.

Mr. BLANTON. Will the gentleman yield?

Mr. KELLER. No; not now. I will shortly. I want to answer the question asked by the minority leader. I agree with what he has said. The way we ought to do this, if we are going to be sensible about it, is simply this: There is only one place where these hearings can be had rationally, and that is in the Committee on Appropriations, when you call in these departments before that committee.

Mr. SNELL. I agree with the gentleman there.

Mr. KELLER. I thank the gentleman for his agreement, because that is correct. There is no man here who knows that, or anybody who can know it, except the Committee on Appropriations, and they only after hearing the facts from men who do know.

Mr. SNELL. Will the gentleman yield for one more question?

Mr. KELLER. Certainly.

Mr. SNELL. This is simply an authorization?

Mr. KELLER. Nothing else.

Mr. SNELL. These people have to make their case before the Committee on Appropriations?

Mr. KELLER. Absolutely.

Mr. SNELL. I think the Appropriations Committee can be depended upon to cut them down as far as necessary.

Mr. KELLER. That is indeed correct, and I will vote for whatever they report.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. MARTIN of Oregon. The gentleman is going to stand for $405,000, is he not?

Mr. KELLER. In this authorization?

Mr. MARTIN of Oregon. Yes. You are not going to yield at all, are you?

Mr. KELLER. Why should I?

Mr. MARTIN of Oregon. That is what I say.

Mr. KELLER. I would be foolish to yield on that question.

Mr. BLANTON. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. BLANTON. The gentleman knows——

Mr. KELLER. I only yield for a question.

Mr. BLANTON. I want to ask a question. The gentleman knows that of this money that is provided for in this resolution there is $173,000 earmarked for the Administrator's office alone, is there not?

Mr. KELLER. Does the gentleman know what that means?

Mr. BLANTON. Oh, yes; I know exactly. It means entertainment for somebody.

Mr. KELLER. Now, just a moment. The gentleman will have his 5 minutes here, and whenever he gets up here I want him to tell this House what he really knows about it, and not what he is guessing about it.

Mr. BLANTON. All right. I will not ask any more questions if you are going to give me 5 minutes.

Mr. KELLER. You will get your 5 minutes.

Mr. TERRY of Arkansas. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. TERRY of Arkansas. Can the gentleman say whether or not this is the last summer of the exposition?

Mr. KELLER. Oh, certainly; any other implication is just nonsense.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. LUCE. Mr. Chairman, there are two questions before us. First, shall we continue an exhibit by the Government at this World's Fair through the following year? Second, how much money shall we spend for this purpose? As to the first question, indulge me if I tell you the history of this matter.

Five years ago Congress authorized the President of the United States to invite other countries to share in this exposition. In response to the invitation so extended a large number of other countries undertook to make exhibits and incur expense. At that point we were confronted with a situation that I can in a homely way illustrate by assuming that my good friend from Texas suggested to a group of his colleagues that they attend a theater party, that the colleagues agreed to go, but that when the party was held the gentleman himself did not show up because he did not care to pay for a ticket. [Laughter.]

Nevertheleses we voted to do what we had invited other countries to do and made appropriation accordingly.

You are asked this morning to do the same thing again. You have not only originally invited other nations to make exhibits but you have recently, through your administration, asked them to continue those exhibits. Yet there are gentlemen who now propose that we shall not share in exhibits because we are unwilling to pay for our own ticket.

This is not a decent thing to do; it is not a gentlemanly thing to do. We address each other in this body as gentlemen, the formal method, and we mean what we say. We all try to be gentlemen; and why in a situation like this we should hesitate to act the part of gentlemen I wish somebody would tell me.

I cannot believe that there is a Member of this House who will contest my declaration that to decline by reason of expense to continue our exhibits would not be a decent

and an honorable thing to do. If I am correct in this, there remains simply the question of expense.

If I were to put a title on these remarks in the RECORD, it would be "The Confessions of a Chairman." When appropriation was first asked I was the Chairman of the Committee on the Library, which advised such appropriation. Our first bill was lost in the rush at the close of the session. In the course of that summer I had occasion to pass through Chicago twice. Expecting further responsibility in the matter, on my first transit I viewed the exposition grounds and such buildings as were erected, alone, in order that I might not be subject to prejudice. On the second occasion I was shown over the grounds by officials, who explained the whole purpose, plan, and layout of the exposition. I returned convinced that the fair was to be conducted by honorable men, public-spirited, good business men indeed, as we were glad to find out later was the case, and that it was worthy of the sympathetic interest of the Federal Government.

So when the committee met in the next session I shared with my colleagues in reporting again the bill authorizing the appropriation. I did not know the particular purpose for which a single dollar was to be used; I did not inquire; and here is my confession: I did not inquire as to the purpose of which a single, separate dollar was to be used; I made no attempt at a break-down of the proposal. I have been wondering since whether I did the right thing and whether the present chairman of the committee has done the right thing in not going into the details of the expenditure.

This raises an interesting question of political science, a question with which I was familiar before coming here, because in my State legislature I had served as chairman of legislating committees and also as chairman of the appropriating committee. Also I had some part in the introduction of the budget system in my State, and in my first term here took part with the presumption of a new Member in the discussion of the proposed Budget system for the United States. I felt when in the legislature, and I felt when the Budget system was under consideration in this body, that there was a hole in our financial processes to which we ought to pay attention.

Let us see what has happened in this case. The Bureau heads were asked by the Secretaries to tell them how much money they needed to make a decent exhibit. The Secretaries undoubtedly accepted what the Bureau heads advised. The Secretaries advised your Committee on the Library, and I know we accepted without question what the Secretaries advised; and I feel much confidence in saying that then the Committee on Appropriations accepted what the Committee on the Library advised. Therefore, when that bill came on the floor of the House there was no real authority in point of specific details this side of the starting point. Analyze it and you will find that the Bureau heads really determined what should be the amount of this appropriation. I think that is unfortunate.

I thought so when the present measure came before the committee. Once again we either had to accept someone else's judgment or go into the thing ourselves. Look at the situation; your Committee on the Library is composed of five members, all of them members of other committees and burdened with work. For my own part, I am engrossed with the tremendous problems of the Committee on Banking and Currency. Do you say we ought to have brought down here the head of the Bureau of Education and made him give us an itemized statement about what he thought he should spend, devoting several hours, possibly several days of our time to passing judgment upon that one thing? Is it not rather absurd to expect that task from five men with many other duties?

Then how are you going to find out whether these estimates that come along—because this is only a sample, Mr. Chairman—how are you going to find out whether these estimates are sound and reasonable or not?

At the present time we have but one institution for doing such work, and that institution is the Committee on Appropriations. It is made up of 35 men, who, after the general appropriation bills have been passed, have very little to do. It is their job to go into details; it is not the job of the chairmen or the members of the legislative committees. I noticed yesterday that members of the Appropriations Committee, one from each side—my long-time friend from Texas and my equally long-time friend from New York—tried to induce the House, and I expect they will try again to induce the House, to decide as to what is the right total. Yet there is not a man here who has the slightest basis for saying it should be $200,000 rather than $199,000 or $201,000. They are asking us to legislate, to use a familiar phrase, "by guess and by gosh", without knowing anything whatever about the subject. They want us to act upon a hunch that this Government exhibit will need only half of what in fact may prove to be the actual justifiable expense.

I say frankly that I was surprised at the figure in this bill. I thought it unwarranted that $405,000 should be requested. The President of the United States requested this amount of money. No one here thinks that the President of the United States knew anything about the details of the matter. It would be preposterous to expect him to know anything about them. He took the judgment of his Secretaries, and they in turn took the judgment of their underlings.

Here we are about to be asked to make a guess and nothing more than a guess as to what is the right thing. That is not the kind of legislation commending itself to any judicious man. Legislation ought to be based upon knowledge. We ought to have instruments for determining knowledge, and we have one in the Committee on Appropriations. They have in turn access to the Bureau of the Budget. I feel very sure that they might request of the Budget Commissioner an examination of the detail of this expenditure, and I believe they ought to do that.

I helped, as I could, in the passage of the Budget Law. I did it with some objection. I thought it was incomplete and that it ought to have gone further, but I nevertheless voted for it in the hope that it might fulfill expectations. My doubts continued until in that very period when I saw the fair in its early stage, I traveled for 2 months in company with a subcommittee of the Committee on Appropriations inspecting the activities of the Interior Department in the far West. Incidentally, I might say that anybody who thinks a trip like that is a junket has another guess coming. I never passed 2 more arduous months and perhaps never 2 more useful months. By the way, I may say that among the things we survived was participation in 41 well-meant entertainments by chambers of commerce and like organizations in the course of 60 days. You may imagine the strain that it put not only upon the digestive organs but also upon other parts of the human anatomy. That, however, is unimportant.

I speak of the journey because we were accompanied by one of the assistants of the Budget Commissioner. I found him through 2 months' association to be a man of sound judgment, of indefatigable industry, having a personal acquaintance with all the problems presented, and the experience necessary to aid us in reaching conclusions. I came back with the feeling that in the Budget Office we have an agency to pass judgment usefully upon such questions as the one before us and to advise. Therefore the businesslike way to handle this thing, rather than to assume that by mere conjecture we can decide what is the right amount, is to turn to an agency that already exists for this very purpose, the Committee on Appropriations, in the hope that, either by the use of its own office personnel or that of the Budget, it may be able to advise with knowledge as to what should be done.

To sum it all up, I cannot conceive that anyone desires us to place ourselves in the dishonorable position of refusing to do that which we have invited other nations to do. I cannot conceive that we ought not to await the advice the Committee on Appropriations can wisely give as to what should be expended for this purpose. [Applause.]

Mr. KELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Will the gentleman from Massachusetts [Mr. LUCE] yield me 5 minutes?

Mr. LUCE. With the greatest of pleasure, I yield the gentleman from Texas [Mr. BLANTON] 5 minutes.

Mr. BLANTON. Mr. Chairman, I thank the gentleman from Massachusetts for his courtesy.

Mr. Chairman, his is exactly the kind of a speech that I would expect from a statesman from Massachusetts who had been banqueted 41 times by 41 different chambers of commerce on a 60-day junket. If you banquet a Massachusetts statesman 41 times in 60 days you will have him feeling pretty much like taking money out of the Treasury. Banquets are to get him in a generous frame of mind.

Usually the gentleman's speeches are logical. I followed him with a great deal of satisfaction when I was one of those who helped him pass the Budget system for this Government. His speeches then were logical. The only thing on earth he said here in this 20-minute speech this morning was that if the Members do not vote for $405,000 for the Chicago Fair, the second Chicago Fair since last May, they are not gentlemen, and they are dishonorable.

Who votes money out of the Treasury of the United States under the Constitution? There is but one body that can do it lawfully, and that is this Congress. The Members of this House are the only ones who can initiate a movement to take a single dollar out of the Treasury of the United States. The Constitution of the United States says that it it is the House of Representatives, the Members of which are elected every 2 years fresh from the people, that can initiate a bill to take money out of the people's Treasury. It is your vote that must initiate it, and yet the distinguished gentleman from Boston—he lives near Boston if he does represent another district—tells us it is dishonorable if we do not foreclose this question before we consider it, and it is dishonorable if we do not vote $405,000 for the fair in its second year.

Who said it is dishonorable? Who says it is ungentlemanly? Who is it that can make a man a gentleman or a thug by mere word of mouth? It is what is on the inside of a man that makes him a gentleman. It is what is born and bred into him. It is not the gentleman from Boston who determines whether an American is a gentleman or not. It is what is on the inside of you.

Mr. BRITTEN. Will the gentleman yield for a question?

Mr. BLANTON. I am sorry. I do not think the gentleman can give us any light on that subject. [Laughter.] I take that back, because there is not a man in this House for whom I have greater affection and regard than I have for the gentleman from Illinois [Mr. BRITTEN.]

Mr. BRITTEN. Will the gentleman yield for a question now?

Mr. BLANTON. I yield to the gentleman from Illinois.

Mr. BRITTEN. The gentleman referred to what is on the inside of a man. Is the gentleman referring to the time before the 41 banquets or to the time after the 41 banquets?

Mr. BLANTON. I refer to what is on the inside every moment a man lives, whether he is drunk or sober. A man drunk, if he is a gentleman, is a gentleman drunk the same as when he is sober. You cannot change him.

Mr. BRITTEN. How does the gentleman know? He has never taken a drink.

Mr. BLANTON. I have been with others when they were drunk and I was sober and I observed them.

I want to give you some facts about this matter and I challenge any man on the floor of the House to deny any one of them.

The Chicago officials came to this Congress several years ago and went to the Ways and Means Committee and said—

> We want you to pass a resolution authorizing our World Fair and we will promise you it shall not cost the Government one single dollar.

This is what they promised us and when the Ways and Means Committee brought that resolution on this floor, some of us at least who watch the Public Treasury, got upon the floor and asked whether or not we could depend upon that promise, whether or not they would make good on the promise it would not cost the Treasury anything. They promised us and they assured us it would not cost us anything and we passed the resolution.

Then they came in last year and got this Congress to appropriate $1,000,000 for a Government exhibit and you passed it over my vote—I did not vote it—but you passed it and last year your Government, with 12,000,000 men, heads of families, walking the streets without jobs, without shelter, without food and clothing for their wives and little children, spent $922,000 on this fair, and, Fred, 15,500,000 people went to that fair and they spent at least from the time they left home until the time they got back, an average of $50 apiece. Is not this a fair estimate? How much does that make, Fred? Fifty times fifteen and a half million is how much? Hold up your hand like you used to do in school and answer me. [Laughter.]

This meant a tremendous sum of money in profits to the people of Chicago.

Mr. BLOOM. How much?

Mr. BLANTON. You know 50 times 15,500,000 is $775,000,000, that they spent last year going to this Chicago fair. Sol knows it just like that [indicating].

They have paid off already half of their bonds. They had exhibits there from foreign countries who owe us millions upon millions on a debt of honor, and who refuse to make any effort whatever to try to pay us. They have repudiated a solemn debt of honor.

I saw Mr. Viviani, the French High Commissioner, come over to this very House floor during the war, when Germany had France on her knees and when we agreed to give France money and agreed to send the flower of American manhood over there under the guidance of General Pershing and others, including our good general here [Mr. MARTIN of Oregon]. France said, "We will never forget America." I saw Mr. Viviani kiss both cheeks of the Speaker, and I saw tears come to his eyes and run down his cheeks as he said, "We will pay back every dollar with interest. We will never forget you."

France today has repudiated the debt of honor. She had her exhibits there—"The Streets of Paris." You paid 50 cents to get in, and then you had to pay France 25 cents more at about 25 other places inside before you got out. [Laughter.] You first paid to see one lady dressed up in the mist of the rainbow—all mist—and then you paid 25 cents more to see 2 ladies dressed up in the aurora borealis; and then you would go a little farther and see 3 of them; and so on until finally you could see 15 of them if you continued putting up the cash.

The American people were paying tribute on this exhibit to the Government of France, a country which is an ordinary defaulter on a debt of honor.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. BLANTON. I yield to the distinguished general who led some of the bravest boys in my district across the water.

Mr. MARTIN of Oregon. Was the gentleman at the World's Fair last year?

Mr. BLANTON. Yes, of course I was, and I did some checking up on Government expenditures.

Mr. MARTIN of Oregon. Did the gentleman see all of these things?

Mr. BLANTON. Yes, of course I did.

Mr. MARTIN of Oregon. I did not see them.

Mr. BLANTON. I always see everything there is to be seen wherever I go. [Laughter and applause.]

Now, this year there are 10,000,000 heads of families still out of jobs, their wives and children without any provision except what the Government pays for out of the Public Treasury in the way of relief funds. I am not willing by my vote to take $405,000 out of the Treasury in this crucial year and waste it in Chicago.

No; if they want a fair let the people of Chicago stand on their own bottoms, Fred.

Mr. BRITTEN. It cannot be done. [Laughter.]

Mr. BLANTON. Let them pay their own expenses and let these defaulting governments that owe us money, if

they want to do so, have their exhibits there at their own expense. [Applause.]

Mr. KELLER. I yield to the gentleman from Ohio.

Mr. TRUAX. Mr. Chairman, I agree with everything the gentleman from Texas says with one exception; I did not see everything at Chicago; I saw everything that I could, but I was there only 2 days. I agree with the gentleman that this Congress alone has the right to appropriate—to say whether this money shall be appropriated this year. Having had something to do with the appropriation for State exhibitions for 6 years, I know in my own State that when money was budgeted we saved the taxpayers thousands of dollars every year.

I should like to know where the $172,000 appropriated for the Commissioners is going; I should like to know how it is to be spent; I should like to know what the Agricultural Department is going to do this year; I should like to know what kind of exhibits they are going to have.

Mr. LUCE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman and gentlemen of the committee, I quite agree with the statement made here this afternoon that consideration should be given to the opening of the exhibits by the Federal Government at the fair at Chicago this year, owing to the fact that they have invited foreign countries to participate, but I am unable to fathom how, when the appropriation last year of $1,000,000, with $922,625 expended for the benefit of the fair, and the fact that they constructed the buildings for the housing of those exhibits at a cost of $500,000, I understand, how this year they can ask the Federal Government and the taxpayers of the country to appropriate for the display of the exhibits $482,101. That is the amount with the unexpended balance of $77,324 that they want. In other words, they want over 50 percent as much as we had last year and $44,000 more. I think it preposterous that the people of this country are going to be asked to appropriate $482,000 for further exhibits at the fair at Chicago.

I am in sympathy with continuing the exhibits, but how do they arrive at this sum?

The Commissioners asking us to make this appropriation have expended more money in the last 2 years than has ever been expended before by three men in the history of the world. They are making out the budget for this fair, and I say it is exorbitant.

If we are going back to the taxpayers in this country, who are now deluged with debt, and who are being asked at every nook and turn to pay taxes, if we are going to say that we want the Commissioners at Chicago to have $172,000 to wine and dine diplomats who come there on a visit, it is wrong, and I do hope the Representatives in this House will cut down this appropriation at least to $100,000. I would say $50,000 ought to be sufficient for these exhibits. You have the buildings; you have the exhibits at Chicago. I do not think we should be unfair to the employees there who put on the display and are courteous to the people who will visit this fair, but we must realize that we have to go to the taxpayers and ask them to pay the bills.

Mr. KELLER. Will the gentleman yield?

Mr. RICH. I yield.

Mr. KELLER. Does the gentleman think that $50,000 will be sufficient?

Mr. RICH. No; I never ran a fair; but if you are making the money you say in the operation of the fair, then the people who are making the profit should pay for its continuance.

Mr. KELLER. They are not making money.

Mr. RICH. It is said they are.

Mr. KELLER. What they said is that they paid back to themselves half of their investment.

Mr. RICH. If they got their investment back and had anything over, then you can cut down the expense of the exhibits that we are putting there and make it a reasonable amount, not an exorbitant amount.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. RICH. Yes. I yield to the gentleman.

Mr. SABATH. I think the gentleman is not quite familiar with the expenditures. The Commission has not expended a single dollar. All of the expenditures have been under the supervision of the Commissioner, who, by the way, is the former Postmaster General, Mr. New, under whose direction all of this money has been expended.

Mr. RICH. If you have expended $922,000 and constructed the buildings at a cost of $500,000, that ought to be enough without coming back here now to expend $482,000. Do you not think that is unreasonable?

Mr. SABATH. The recommendations are that it is not.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. PARSONS. If this fair were at Woolrich, Pa., would the gentleman be in favor of it?

Mr. RICH. No; I would not. I am not two-faced. When I think a thing is wrong I say it is wrong because I think it is wrong. I would not spend a dollar of it at a fair in Woolrich, Pa. It would be ridiculous.

Mr. PARSONS. But the gentleman would probably understand more about it if it were there.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. LUCE. Mr. Chairman, I yield the remainder of my time to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Chairman, I listened with real interest to the gentleman from Texas [Mr. BLANTON]. He repeatedly misquoted the distinguished gentleman from Massachusetts [Mr. LUCE] when he said that Mr. LUCE had said that the Members of this House would be dishonorable if they did not vote for the $405,000 appropriation. Mr. LUCE said nothing of the sort. He [Mr. BLANTON] referred to Mr. LUCE as having said that Members of this body would not be gentlemen if they did not vote for this $405,000. Again he was in complete error. Mr. LUCE said nothing of the sort.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. BRITTEN. No.

Mr. McFARLANE. He made use of the word "dishonorable."

Mr. BRITTEN. Yes; he used the word, but he used it in connection with our invitation to foreign governments that we would appear dishonorable and that we would appear ungentlemanly, if we failed to exhibit at a time when they are exhibiting at our request and invitation.

Mr. Chairman, 15,500,000 people attended the fair last year, and on an average they spent something like $1.20 per day within the fair grounds. That was the average expenditure, man, woman, and child. The amount was not generally hurtful, but it did the spenders a lot of good. This was a great educational and industrial exposition. The most money expended by visitors to the fair was expended in your State and in mine and in the adjoining States, where my friend, Mr. BLANTON, says that approximately $50 would represent the expenditure of each person. That was spent for lodging and gasoline and "hot-dogs" and food you eat along the road—and I am not referring to the kind of "hot-dogs" that you have here in the little red house in Georgetown. I mean a real one. Yesterday your distinguished leader [Mr. BYRNS] took the floor and said that the $405,000 is a problematical amount. He assured the House that the Committee on Appropriations would dig into that appropriation and have it thoroughly analyzed. The Committee on Appropriations will determine how much money is to be appropriated for the continuation of the Federal Government's exhibit at Chicago. What more can you ask. The $405,000 is not a positive amount. If the language in the bill makes it positive, let us change it and provide not in excess of $405,000 shall be appropriated, but in the name of Heaven, let us not place ourselves in the ridiculous light of having invited the foreign nations to continue their exhibit, and then not continue our own exhibit. In December 1933 every foreign officer representing the United States in every nation on earth was requested by his superior officer in the State Department to communi-

cate with the country to which he was accredited, and to request them to come and participate in this World's Fair again, and in March of this year another notice was sent out by the State Department importuning the foreign governments to exhibit here. Are we going to be a lot of laggards and not exhibit? I cannot believe that.

Mr. McCLINTIC. Mr. Chairman, will the gentleman yield?

Mr. BRITTEN. Yes.

Mr. McCLINTIC. I should like to know what is the prime reason for having another fair this year.

Mr. BRITTEN. This is not another fair. It is the same fair.

Mr. McCLINTIC. What is the reason for having it repeated?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BRITTEN. Mr. Chairman, will the gentleman from Illinois grant me 1 minute to answer the question?

Mr. KELLER. I yield 1 minute to the gentleman from Illinois.

Mr. BRITTEN. Frankly it is this: I am willing to admit to gentlemen on the other side of the aisle that the country evidently is much more prosperous today than it was a year ago. More money will be spent this year in travel by people who did not see the exposition last year. It was the greatest industrial educational facility that the world has ever known, and the authorities out there and your President down here in the White House are anxious that more people of this country shall observe that institution. That is the only reason for it. Not one dollar of profit was made by the Exposition Co., and none will be made this year. Not one dollar of profit will be made by anybody except the concessionaires. The exhibitors cannot make any money because they do not charge an admission. No foreign exhibitor can make any money.

Mr. McCLINTIC. Does the gentleman believe that the same people who went there last year will go again?

Mr. BRITTEN. No, not all of them; but I think from 5,000,000 to 7,000,000 additional people—people who did not go there last year—will visit the fair this year.

[Here the gavel fell.]

Mr. KELLER. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. Mr. Chairman, I think we are losing sight of the principal proposition before us. That is this: Why should the Federal Government spend this money right in the face of the assurance that the management of this fair originally came before Congress and asked for governmental approval they solemnly promised Congress they would not be asking for any money? That is when they wanted to put over this proposition. Now, they are coming back here and asking us to pay out $482,101, to carry on this fair another year. You cannot get away from those facts. Oh, they say, this is just an authorization bill. I was amused at the remarks of the gentleman from Massachusetts [Mr. LUCE] when he passed the buck to the Appropriations Committee. He knows, as we all know, that if and when we authorize the expenditure of this money that in all probability the Appropriations Committee will consider it a mandate and will allow the full amount. If you are in favor of limiting the amount of this appropriation here is the place and now is the time to vote for such a limitation.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McFARLANE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. McFARLANE. Mr. Chairman, the last Congress appropriated $1,000,000 for the different departments to spend in making their exhibits at the fair and of this amount last year they spent $922,625.62, and have $77,374.38 unexpended. If you now allow their request of $404,726.62 it will give them $482,101 to spend, of which amount $172,954 will be allotted to the Commissioner to spend as he sees fit. Last year he spent $493,618.05, and has left unexpended $16,241.95. The other 20 departments of Government displaying exhibits are requesting the balance of the above sum. This fair was planned for only last year. Their managers solemnly promised Congress they would not ask us for any appropriations to help carry on their work. In order to inveigle Congress into recognizing their fair and give it a national status abroad so that they could have our Government inviting foreign countries to bring exhibits to them. The facts show that more than 15,000,000 people attended the fair last year, probably spending more than $50 each, greatly benefiting all business concerns in and around Chicago.

It is a well-known fact that the hotels and many other business concerns in receivership have paid their indebtedness in full. The Government has been very generous with the Century of Progress, much more so than it has been able to be under the present economic conditions, with more than 11,000,000 men unemployed and they with their wives and children hungry and of necessity being fed at Government expense. Because of insufficient funds, the Government has been forced to discontinue and drop from the rolls many hundreds of thousands of families being fed under the C.W.A. It seems that this is a very bad time to be pressing legislation of this kind when our Government is admittedly unable adequately and sufficiently to take care of our people now in distress.

I, therefore, trust that not only this amendment will be adopted but that the leaders of this movement will not press this measure further.

Mr. KELLER. Mr. Chairman, I yield the balance of my time, 5 minutes, to the gentleman from New York [Mr. BLOOM].

Mr. BLOOM. Mr. Chairman, I only have 5 minutes, so I will have to talk fast and try to answer questions that were asked last night and this afternoon. I want to get the facts before this Committee.

In the first place, the gentleman from Texas [Mr. BLANTON] really placed his finger upon the most important part of this whole argument. The gentleman from Texas stated that the Ways and Means Committee brought in a bill authorizing this fair. The reason that bill was brought before the House at that time, and the only reason, was that the Century of Progress Exposition Co. could invite foreign nations to participate in this fair. That is why we are here today. It was not for any appropriation. It was an authorization, because without that the State Deparment could not have invited foreign nations to participate. The foreign nations were asked to participate, and they are participating. This authorization for an appropriation has nothing to do with the Chicago fair. This is for the Government of the United States to demonstrate 21 different departments of the Government. Twenty-one different departments of the Government have exhibited at this fair. The exhibits are there, and if you will examine the allotments of 1933–34 you will see what this amount, $482,000, is to be used for. That is very easily ascertained. We know what the Government expenditures were last year at the fair. We know how much it was necessary to expend for the State Department, the Justice Department, the Post Office Department, and the other Departments. So this year when they come before the Committee on Appropriations to find out how much appropriation is necessary, they have the figures of what it really cost last year, and that is what it should cost for the remaining time of the fair, outside of taking the exhibits back home and removing the buildings.

You want to know whether this exposition is a success. You want to know whether this year is different from last year. Let me give you some figures. Mr. Henry Ford is spending more money for an exhibit at the Century of Progress this year than any other exhibitor spent last year. Is that not proof positive that this exposition will be as big, if not bigger, than the exposition last year?

Let me give you some more figures, comparing this year and last year. At the different institutions this year the

attendance, according to the papers, is four times as great as the same month last year. In fact, people are more prosperous. They have more money to spend and they want more recreation.

Now this bill calls for only one thing, and that is an appropriation of money for the Government exhibits. No one can say that the Century of Progress commissioners ever came before this House and asked for one penny for the Century of Progress. The money was expended for the Government of the United States. This is the only time in history—and I go back over 40 years on expositions—that any city ever held an exposition without asking the Government of the United States to subsidize them or underwrite them. There has not been one cent expended for the Century of Progress.

Mrs. KAHN. Will the gentleman yield?

Mr. BLOOM. I yield.

Mrs. KAHN. The Panama-Pacific Exposition held in San Francisco did not ask for Government underwriting.

Mr. BLOOM. But there was money appropriated.

Mrs. KAHN. For an exhibit, exactly as it was appropriated for the Chicago World's Fair, but there was no money appropriated for the expense of the Panama-Pacific Exposition.

Mr. BLOOM. Well, the lady may be right in that case, but I am going to look it up. I have the figures.

This exposition could not have been continued for another year if it were not for the fact that the Government of the United States promised to continue its exhibits.

The CHAIRMAN. The time of the gentleman from New York has expired.

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

SEC. 2. For this purpose the act entitled "An act providing for the participation of the United States in A Century of Progress (the Chicago World's Fair Centennial Celebration) to be held at Chicago, Ill., in 1933, authorizing an appropriation therefor, and for other purposes", approved February 8, 1932, as hereby amended, is extended and made applicable to the continuance of the participation of the United States in the said exposition in 1934 in the same manner and to the same extent and for the same purposes as originally provided in said act, except insofar as the provisions of that act specify the erection of a building or group of buildings: *Provided*, That there may be expended a sum not to exceed $2,500 for the purchase of a passenger-carrying automobile for the official use of the Commissioner of A Century of Progress.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 2 line 10, after the colon following the word "building" strike out the remainder of the section.

Mr. KELLER. Mr. Chairman, I know of no objection to the amendment.

The amendment was agreed to.

Mr. TRUAX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, one Member tells us that this is strictly an educational institution. The gentleman from New York [Mr. BLOOM] just said it was a recreational institution, that the people wanted recreation. I presume they are given education through the Government exhibits and recreation in the "Streets of Paris" and the "Streets of Cairo."

I call the attention of the House to the fact that this is the only world's exposition, in my recollection, that did not have an exhibit of the livestock that is raised on our American farms; and I go back to the Chicago exposition of 1893, the St. Louis exposition of 1904, the exposition at Philadelphia, and many others.

The Department of Agriculture last year spent $104,000. What for? I want someone to tell me what will be done with the $172,000 that is appropriated to the Commissioner this year. I want someone to tell me what was done with the $509,000 that was spent last year through the Commissioner's office.

The gentleman from New York stated that the country was more prosperous. If he refers to the farming country that is not true. If, as he said, the exposition itself is more prosperous, that is the greater argument why this Government should not appropriate money for it this year. As you came to your office this morning, did you see the bread line that I saw, those boys who are here looking for their rights, their bonus, feeding at the soup house paid for by the Government?

Do you see, as I see over this country, 10,000,000 men still tramping the streets looking for work? Do you see 3,000 farmers being sold out and having their homes confiscated day by day while we stand here and devote nearly a day to the question of whether or not we are going to underwrite to a certain extent this great institution in Chicago?

Why do you not get your hotels to chip in, hotels charging $7, $8, and $10 for a $2.50 room? How much are they going to chip in this year? Are you going to compel your hotels to get health certificates so people can go to the fair without danger of catching dysentery? What about your business men there who made millions and millions, who enjoyed the greatest prosperity last year they have enjoyed in 15 years; how much are they going to "kick in" this year? Yet you come here and ask the taxpayers of this great country of ours, 90 percent of whom cannot even dig up the money with which to go to Chicago, to have saddled on their backs $405,000 to maintain "The Streets of Paris", and "The Streets of Cairo", the fan dancers, and other exhibits.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. BRITTEN. I wish to correct the gentleman in his statement with regard to farm animals, and to inform the gentleman that all during the fair last year the greatest exhibit of farm animals in the United States, and probably in the world, was in Chicago. That exhibition was held at a place called the Union Stock Yards.

Mr. TRUAX. Yes; I have been there many times, but the smell drives most people away.

Mr. BRITTEN. The gentleman from Ohio ought to be accustomed to that.

Mr. TRUAX. I am; that is the reason I go [laughter], but the gentleman is not. The regret I expressed was that there was no exhibition of American livestock at the fair. There was no effort made by the Government at the fair to tell the farmer how to get the most out of his livestock. It matters not whether the old brindle cow got foundered in the cornfield or whether the little farmer's humble jackass was doubled up with the colic—nothing was done to help the farmer learn how to meet the situation.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. SABATH. I desire to state to the gentleman that I am informed that arrangements have been made whereby a livestock show will be made part and parcel of this exhibition. In addition to that, I wish to remind the gentleman that the continuance of this fair will give employment to 5,000 or 10,000 unemployed.

Mr. TRUAX. I do not doubt my colleague's statement, but I want to see the money budgeted for a livestock exhibit before I will believe it.

If some of us are determined to spend $405,000 for educational expositions, why not appropriate this money for the State fairs. The amount that we are asked to appropriate for the Chicago exposition, if made available for State fairs, would provide 40 of them with an appropriation of $10,000 per year.

This appropriation would be a godsend to them. Every State fair is having a hard time of it. They are having to reduce their expenditures and admissions. Why not give part of it to county and independent fairs and expositions, of which we have approximately 2,500 in this country. These county and independent fairs are practically every one of them an agricultural educational institution. They face a Herculean task in raising funds to properly finance their expositions. They have been compelled to reduce their admissions from 50 to 25 cents. They have a difficult time

to get along. Many of them are dropping out of existence year by year.

An appropriation of this size distributed among these county agricultural institutions would be the means of rehabilitating and perpetuating those institutions, whereas under present conditions they are foredoomed to failure and oblivion.

In my judgment it is time that this Congress cease spending the taxpayer's money for non-essentials of life. If left unmolested, the tax-spender will always keep ahead of the taxpayer. This seems to be the trend in many phases of Government activity today.

At a time when farmers everywhere from Gulf to Lakes, from coast to coast, are being strangled to an economic death by those human hyenas known as money lenders, at a time when 10,000,000 men still wear out shoe leather and hand and heart and soul seeking a job that becomes ever more distant, ever more a mirage, at a time when schools are closing by the score for lack of funds, at a time when dimpled babes cry for milk and the sorrowful mother is in need of food and clothing, it is time that this Congress quit spending the people's money for the benefit of the private business interests of Chicago.

At a time when this Congress refuses to consider such meritorious bills as the Frazier-Lemke bill, which will save the farmer from ruination and damnation, which will save the farmer from the further encroachments and abuse of the most despicable bureaucracy ever created in the Federal Government, known as the Farm Credit Administration, it takes superabundant gall and unadulterated, triple-distilled intestinal fortitude to ask this Congress to make this appropriation.

The gentleman from Massachusetts [Mr. LUCE] inferred in his remarks that Members who refused to support this bludgeoning of the taxpayers were not "gentlemen", that it would be "dishonorable" to vote against this bill. In the eyes of some, Mr. Joseph Nutt, former treasurer of the Republican National Committee, and former chairman of the board of the defunct Union Trust Co. of Cleveland, would be a gentleman, but only 2 days ago he was indicted by a Cleveland grand jury on the charges of making false entries in the accounts of the bank, and of using the mails to defraud.

Brutus was considered by some an honorable man. Yet he slew his best friend, the mighty Caesar, with the assassin's dagger. So, if to be classed as honorable gentlemen by some Members of this House, we must agree without even a murmur of protest to plunder the taxpayer for the benefit of the tax collectors at the Chicago Fair, then my vote will be cast in the negative.

The contention is made that the United States Government collected more than a million dollars revenue from taxes on admission tickets to the exposition, and that therefore we ought to appropriate a second time so that we can collect more toll and tribute from thousands of our citizens who can gather together barely enough coin of the realm to make the trip to Chicago.

It is not enough that these citizens of ours, who have the same desires for education, the same desires for entertainment, the same desires for recreation that my friend from New York [Mr. BLOOM] mentions, have to dig and scrape and rake all their nickels and dimes together to make the journey to Chicago, but the Federal Government itself must make their lot even harder by taxing them for the privilege of entering the gate of this educational institution.

The argument is also used that because the motorist who travels by that method to the World's Fair leaves additional tribute and toll in the States through which he passes, that that form of extortion justifies this Congress in making further appropriations for the Chicago Exposition, which I admire and praise, but which should be financed by the men who are reaping the rewards, who are scooping in the dollars.

In the first place, neither the present high amusement tax or gasoline tax can be justified. The first is a nuisance tax pure and simple, a yoke about the necks of the wageworkers, the farmers, and unemployed of this country, a tax upon these toilers merely because we do not have the courage to tax the public utilities and to tax wealth the way it should be and some day will be taxed.

Some of us cackle like the dunghill rooster at the break of dawn, and we thrust our chests out like pouter pigeons, because we have discovered that in our great wisdom and beneficence we have taxed the people who were spending the last dollar they can rake up to see this World's Fair. We are taxing them a million dollars so that when they arrive at the front portals of this great institution they shall have to deposit their nickels and their dimes in the amusement-tax box, so that their Congress will be justified in making further appropriations for the exposition and will be justified in imposing nuisance taxes on these people who will visit the fair this year.

It has been said that thousands of dollars have been left in States by motorists passing through on their way to the exposition and that that is a good argument why every Representative of every State should vote for this unjustifiable gift to further finance the business men of Chicago, to further enrich the once debt-burdened hotels of Chicago, to further enrich the beer barons and the liquor kings and the proprietors of la danseuse, commonly known as the "dance of the streets of Gay Paree, the dance of the streets of Cairo, and the fan dance" so ably exploited by one of our distinguished female citizens, Sally Rand.

Someone else had it that our way to future prosperity lies in the path of spending more and more and more. Spend money for gasoline so that your State and the Federal Government will exact their toll. Spend money for admission tickets to the Chicago fair so that the Federal Government could wring a nickel or a dime out of the fifteen and one half million sojourners there last year.

My reply is that for every dollar left in any single State $50 will be left in the city of Chicago. It will be left with the merchants. It will be left with the hotels, which have not only hijacked their rates, but which in some cases infected their guests with a deadly disease which has already exacted its toll in many sections and has made of many citizens helpless invalids.

Instead of crowing about the gasoline taxes which we take from the masses of the people, we should be doing something to scale down that tax and place it upon the sleek and fat public-utility barons. Instead of shouting to the housetops that we collected over a million dollars from the visitors to the Chicago exposition last year through nuisance and amusement taxes, which fall with equal burden upon the

Mr. TRUAX. Mr. Chairman, instead of shouting to the housetops that we collected over a million dollars from the visitors to the Chicago exposition last year through nuisance and amusement taxes, which fall with equal burden upon the shoulders of the unemployed, the bankrupt farmer, the toiling wage worker, the little child who has a dime to spend at the movies, we should be repealing that infamous tax and placing its burden upon centralized plutocratic wealth.

We could repeal every amusement tax in this country today and levy a 5 percent additional tax on all personal incomes over $100,000 a year, and collect more than we are now collecting from the poor by the vehicle of the amusement tax.

The most obnoxious of all the nuisance amusement taxes is the tax on the traveling circus. The traveling circus is an American institution—an American tradition handed down from the generations that are now gone. Is there one among us who does not remember the immortal words of P. T. Barnum when he uttered his famous adage "A sucker is born every minute." Is there one among us who does not remember the little one-ring circus of our boyhood days, of earning an admission to the show by carrying water for the elephants. If there be one who has missed that boyhood thrill, then he has missed something that has served as an ennobling influence down through the decades.

Is there one so callous, so hardened, so immune to the impressionistic stage of youthful life that he cannot see now the coming of the circus to town, that he cannot visualize

the elephants pushing the heavy trucks, the big "cats" commonly known as lions, tigers, and leopards, pacing restlessly back and forth behind their iron-barred cages?

Can you forget the circus band; the red lemonade; the peanuts; the side-splitting clowns; the bareback riders; the high-wire performers; the aerialists in their marvelous twists, turns, side-slips, and nose dives? Has the ear become deaf to the inspiring chords of the steam calliope; the ringmaster's cracking whip; the equestrian director's throaty announcements; the grunt of the trained pig; the chatter of the monkeys; the roar of the lions? Is the modern eye obscured to the blazing, dazzling, florescent side-show banner depicting the bulging curves of the fat lady; the spangles of the Egyptian dancer; the tattooed man; the bearded lady; the three-legged calf; the courageous sword swallower; and the heroic snake charmer?

Few can recall even the names of all of the Presidents, but the names of Ringling Bros.-Barnum & Bailey, Buffalo Bill, Pawnee Bill, Carl Hagenbeck, Wallace Bros., John Robinson, Sells-Floto rush to the lips of the kiddies like a song learned at the mother's knee.

Other forms of entertainment and amusements may have their questionable features. They may depict wrecked morals, perversion of character and of sex, but the circus, as we have known it in the past and shall know it in the future, is the one outstanding amusement and entertainment that never yet has been censored and never yet has been the cause of legislation and enactments of laws in State or in Nation to compel adherence to the principles of common decency and the proper regard for safeguarding the morals and character of our youth.

The circus is, and always has been, an amusement where the whole family can be entertained. Father and mother, with the kiddies trailing along hand in hand, and even grandpap and grandma can laugh with the youngsters and enjoy the show.

The crowds that flock to the circus today to be entertained are not made up of the high-browed, hifalutin' aristocracy of wealth, the male species of which must be garbed in white boiled shirts, long-tailed coats, and a breath disguised with cloves or chewing gum; the fat female dowager, of which are attired alike unto Solomon's wives, in all their glory, with mattressed fronts, poodle dogs, and lorgnettes. If you doubt the wisdom and truthfulness of these words, just attend the circus this summer; get there early and observe the class of people who enter the marquee.

There is the worker, who earns his bread by the sweat of his brow, who has not of worldly riches, but who possesses the boundless wealth of a good wife and healthy, bright-eyed children. There you will see the farmer, who braves the chill of wintry, icy blasts, so that beef and pork and poultry may be produced, and who bares his brawny arms and chest to the sun's scorching rays to harvest the wheat so that the people may have bread. With 3-cent hogs and 4-cent cattle, his income and his earnings are at the zero point, yet when he goes to his one favorite amusement, the circus, he is taxed 10 percent for the privilege of enjoying his day of pleasure and recreation.

Go to the circus and you will see there the small business man and producer. He may be wearing a celluloid collar. He may have a day's growth of whiskers. He might flash a red bandana; but here he is to see the circus and to spend his money for the sideshow, the peanuts and pop corn, and the red lemonade.

Watch the parade that moves along Main Street. See the throngs standing by. Note the automobiles parked in every available foot of space. See the craning necks. Join the crowd and watch the procession go by. See the prancing menage horses. The comely and attractive equestrians; whooping cowboys from the far-off plains; Russian Cossacks; Arabian riders of the deserts; the copper-hued Indians; the acrobats, aerialists, high-wire artists; the long-necked kangaroos; the hippopotamus; the homely ships of the deserts—the camels—ending up with the clown band and the caged animals. Capt. Clyde Beatty, the world's greatest animal trainer, a resident of my own State of Ohio; "Poodles" Hanneford and the famous Hanneford family; Jess Adkins, Eddie Vaughn, and all of the rest of the "big shots" of the show. Then you, too, will feel that old surge and urge to follow the crowd and see the circus once again as you did in your boyhood days.

When you stop at the ticket office you object, however, and rightly so, to the payment of a 10-percent amusement tax. I object to it; thousands of other Americans object to it. It is an impost on the pocketbook of the poor man, so let us correct this indefensible tax by repealing it. Let us give the struggling masses a break. Let us give the little kiddies a break. What the Federal Treasury may lose through repeal of this section of the amusement tax it can easily gain by a heavier tax on the rich.

I am introducing a bill to preserve and encourage a declining national institution which has been of great educational and recreational benefit to the people of the Nation, popularly known as the "circus", to accomplish this end by removing the tax on admissions thereto as provided by section 500 of the Revenue Act of 1926, as amended:

Be it enacted, etc., That section 500 (b) of the Revenue Act of 1926, as amended, be, and is hereby, amended by striking out the period at the end thereof and substituting therefor a semicolon and adding the following: "or (3) any admissions to any performance of a traveling company exhibiting miscellaneous shows, performances, and entertainment consisting of menageries, acrobats, horsemen, etc., performing in 'rings' or 'sideshows'; in other words, that class of educational and recreational amusement known as the 'circus.'"

By unanimous consent, the pro forma amendment was withdrawn.

Mr. BLANTON. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Motion offered by Mr. BLANTON: "Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out."

Mr. BLANTON. Mr. Chairman, I want to give you one view to show that some of these Government exhibits are not worth while and are not in the interest of the people.

I went to the Chicago fair last year and went into the exhibit of the Department of Agriculture. They had what was called the "Chamber of Horrors", one of the special pets of Dr. Rex. Tugwell. He had in it various things that he thought were deleterious to the public health. I noticed, and I happened to have some friends with me from my part of Texas, a product of my own district that every reputable doctor in the United States who knows anything about it will say is a splendid product that has brought health to many people. It is Crazy Crystals, manufactured in Mineral Wells, Tex., in my district.

Mineral Wells is one of the greatest health resorts in the United States. Many Congressmen have been there. Why, our good friend, Mr. Sproul, of Illinois, used to go there every summer for his health. I have seen men go there on crutches, men who had to be helped into hotels, so crippled up with rheumatism that they could not walk unaided or raise their arms, go away cured in a few weeks' time. Fifty, sixty, and seventy-five years ago the Indians used to go there, whole tribes at a time, and camp for months in the summer, to take advantage of the health properties of the mineral-wells water.

The crystals which are produced from those mineral wells down there were in the Chamber of Horrors. It was stated there that they were nothing in the world but a fraud, that they were Glauber salts that could be sold for so much a ton. Any posted physician on earth knows that Glauber salts are not palatable, and that they are distasteful. You cannot drink water containing Glauber salts. It would be nauseating.

The crystals from the health-giving waters of the mineral wells of Texas are palatable and pleasing to the taste and reputable physicians all over the land have sent patients to Mineral Wells for the benefits to be derived from this water.

We told Dr. Tugwell that he was going to have to take Crazy Crystals out of the Chamber of Horrors. He said he was not. After a hearing on the matter finally he was convinced he had been in error about the product and took it out. There were thousands of people from that part of Texas there seeing an exhibit put there by their Government that did them and their country an injury. Why, it would take years for that legitimate company down there to overcome the loss occasioned by the error of Dr. Rex Tugwell, and may I say that there are lots of those exhibits sometimes that do not do much good after all.

Mr. BRITTEN. Will the gentleman yield for a question?

Mr. BLANTON. The gentleman from Illinois said that they spent only about $1 a day in the fair grounds on the average. The gentleman from Illinois knows that most of those big hotels there in Chicago were in the hands of the receivers when the fair started. During the fair last year you had to wire most of them 2 weeks in advance in order to get reservations. I stated that $50 was about the average amount that each person spent on the entire trip to the fair. Why, some friends of the gentleman from Illinois when they went there I dare say would spend $50 a day for their suite at the hotel. I understand these hotels have gotten out of debt and out of the hands of receivers. God pity you if you ever get into the hands of a receiver.

Mr. Chairman, I think we should strike out the enacting clause of the bill and save this $405,000 for the people.

[Here the gavel fell.]

Mr. SABATH. Mr. Chairman, I rise in opposition to the gentleman's motion.

Mr. Chairman, I appreciate that the country has derived a great deal of benefit from the gentleman's section, and especially his district. I recognize the wonderful qualities of the waters of the springs in the gentleman's district, and the good they have accomplished. Not only are these wonderful waters, but Texas has given the country a wonderful legislator, a man who is always ready and willing to fight not only for his district, but for the best interests of the country as a whole. He is sincere, he is brave, he is able, and he is courageous, but sometimes even the gentleman from Texas [Mr. BLANTON] makes a mistake in opposing an appropriation bill.

Mr. BLANTON. I am almost inclined to withdraw my motion.

Mr. SABATH. If the gentleman will agree to do that, I am willing to desist right now.

The gentleman from Texas should not blame the fair for any Assistant Secretary of Agriculture or even the Secretary of Agriculture himself. Chicago is not responsible for either of them, and we are hoping that in the course of time we will be able to have a Secretary of Agriculture who will be able to please every farmer in the United States.

Mr. BLANCHARD. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Wisconsin.

Mr. BLANCHARD. Is the gentleman convinced that $405,000 is needed?

Mr. SABATH. I may say to the gentleman that I feel that perhaps the Commissioner might be able to get along with about $200,000, together with the balance that was left over from last year. I am informed, however, that this is merely an authorization and that it is not an appropriation. I have the utmost confidence in the Chairman of the Appropriations Committee, and that great committee consisting of 35 Members.

Mr. MILLARD. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New York.

Mr. MILLARD. Last year we authorized an appropriation of $1,000,000, which was passed by this House. This year we are asked to appropriate $405,000. What does the gentleman think as to whether this will be passed or not?

Mr. SABATH. I do not know.

Mr. MILLARD. Does not the gentleman think we had better pass on the matter here?

Mr. SABATH. I do not know what the Members will do; but may I say that this is simply an authorization? I feel when it comes to the Appropriations Committee it will make a thorough investigation; and from what I have seen in the past, I am satisfied that it will not come in with a larger appropriation than is absolutely necessary. They might be able to cut it down below $200,000, but I do not know about that. I want to be on the square with all the Members that are here, as I always try to be. Notwithstanding the fact that the recommendation is for $405,000, I feel that the Government might be able to get along on less; and in view of the fact that this is not an appropriation but merely an authorization, I feel that this bill should be passed as it is, leaving it to the Appropriations Committee to bring in an appropriation which its members, on examination, find is required.

Mr. BLOOM. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New York.

Mr. BLOOM. The House will have another opportunity to vote on whether they agree to that amount or not?

Mr. SABATH. That is correct. The House will have a chance to vote on the amount that should and eventually will be appropriated.

The CHAIRMAN. The question is on the motion of the gentleman from Texas [Mr. BLANTON].

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 36, noes 87.

So the motion was rejected.

The Clerk read as follows:

SEC. 3. In addition to the sum of $1,000,000 authorized by the aforesaid act to be appropriated for the participation of the United States in A Century of Progress (the Chicago World's Fair Centennial Celebration) and appropriated under section 2 of the act entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes", approved July 7, 1932, there is hereby authorized to be appropriated the sum of $405,000.

Mr. BLANTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 2, line 22, after the word "of", strike out "$405,000" and insert in lieu thereof "$200,000."

Mr. BLANTON. Mr. Chairman, surely no one in the House who wants to save money for the taxpayers would vote against this amendment that will save $205,000 in cash for the taxpayers. Even with this amendment passed they have available now $77,000 left over, which they can spend under the provisions of this bill, and in addition they will have $200,000. This will give them $277,000, or more than a quarter of a million dollars, to spend in the second year.

Mr. McFARLANE. Two hundred and seventy-seven thousand.

Mr. BLANTON. Yes; $277,000 in all. Is not this enough? Do you not think they can get along with this amount? I know these big fair fellows, these exposition fellows, like our friend from New York [Mr. BLOOM], would have the Government engaged in expositions all the time. He is an exposition man, and he is a good one. If he were in charge of this fair at Chicago, I would believe the money would be well spent. Sol gave more to the school children of the United States with the little money he had during the last 2 years than they ever got out of the Federal Treasury since they were born. [Applause.]

However, I am not willing to spend money indiscriminately in Chicago on the second year of the fair. This will make them cut off some of that great, big amount of $173,000 that the Administrator is going to entertain with. Oh, he will entertain our former Chairman of the Library Committee from Massachusetts when he goes out there. He will be royally entertained if they get through this $405,000. Such ex-Chairmen of the Library Committees always get well entertained. It will be a continuation of the 41 banquets he enjoyed on that 60-day junket.

Mr. SABATH. Mr. Chairman, will the gentleman from Texas yield?

Mr. BLANTON. Always, because we have no more delightful companion on this floor than ADOLPH SABATH.

Mr. SABATH. In view of the fact that the gentleman is one of the members of the Committee on Appropriations and this matter will come before his committee, does not the

gentleman think we should leave it with that great committee of his to find out how much money should be appropriated. I have confidence in the gentleman and in his committee.

Mr. BLANTON. I want to tell my friend from Illinois this: I am one member of the Committee on Appropriations. I consider a bill like this passed by the House of Representatives is a mandate to the committee. I am a servant of the House on that committee. I do not ever intend, as a member of the Committee on Appropriations, to try to override your will. If you pass this bill and say that $405,000 shall be appropriated, you will find me voting in committee for $405,000 because I am a servant of the House. [Applause.]

Mr. O'CONNOR. Will the gentleman yield?

Mr. BLANTON. In just a minute. If you want to save this $205,000, now is the time to do it. You can save $205,000 by passing my amendment. I know the Committee on Appropriations. There is not a man on the committee who would override your will, definitely expressed by mandatory legislation like this measure. There is no partisanship in that committee. We are not Democrats and Republicans in the Committee on Appropriations; we are American citizens, Members of Congress, carrying out the will of the Congress. You are passing a bill now to give us a mandate, and I hope you will not approve more than this $200,000. Pass my amendment and you will save the huge sum of $205,000 for your constituents back home. I now yield to the gentleman from New York.

Mr. O'CONNOR. Either today or tomorrow a measure will be passed authorizing an appropriation of $400,000,000 for public roads. There is no chance under the sun of either the Appropriations Committee or the President approving any such amount. A nearer amount will be $100,000,000. This will not be a mandate on the Appropriations Committee, and, although the House will pass the bill, the committee will never appropriate the $400,000,000.

Mr. BLANTON. I would much rather spend money building permanent highways that will be worth the money for many years to come, and at the same time give honest jobs to American heads of families who now cannot get jobs, and let these Americans retain their self-respect, their self-reliance, their own initiative, than to waste it in the way money is now being wasted in Washington, granting relief to 25,000 people here who are not entitled to relief.

But, in conclusion, Mr. Chairman, I sincerely hope that my colleagues here will pass my amendment. It will save $205,000 in cash. Is not $205,000 worth saving for the people? You can save $205,000 by passing my amendment and still allow $277,000 to be spent this year in continuing on the Government exhibits. I know just how beset the President was when the Illinois delegation wanted this $405,000. I know that it was hard for him to turn them down. He is human, just like the rest of us. The influence of this great Illinois delegation is tremendous. I imagine that when they overwhelmed him and he wrote that letter he knew that there would be enough Members on the floor of this House, who help him watch expenditures, who would put up a man's fight on this floor to prevent more than the minimum amount needed to be appropriated. Let us save this $205,000. We can do it by passing my amendment.

Mr. LUCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, although the committee has shown its intention to have an exhibit at the exposition, I would make it clear lest I was misunderstood that not only the original invitation to other nations binds us in all decency but also that on the 19th of last December the Department of State, anticipating action by the Illinois Legislature, sent out invitations again and repeated these invitations on the 19th of March of this year.

Also, I would correct the misunderstanding on the part of my friend from Texas to the effect that I charged there would be something dishonorable or indecent in the matter of the appropriation. At the very opening of my remarks I said there were two questions: First, should we make an exhibit, and, second, how much we should spend on it. As to the first of them it seems to me these statements now made about the invitations warrant the somewhat extreme language which I may have used. As to the amount of the appropriation, it has been repeatedly said—but I would emphasize it again—that we should leave the determination of these things to the Committee on Appropriations. The legislating committee authorizes a maximum, the legislating committee does not appropriate, and the allegation that I have asked this House to appropriate $405,000 is not justified by what I said or by the facts of the case as they are known to every man who has served here even but a few months, and ought to be known to the gentleman from Texas, who has served here for many years. I recognize the magnitude of his knowledge, but some things escape his memory, and he should have remembered that legislating committees do not appropriate but authorize, and when he says that he considers an authorization to be a mandate, he makes us, for the first time, waver in our complete confidence in his omniscience. [Laughter.]

I ask, therefore, that you leave the amount to be spent to the committee whose job it is to determine how much shall be spent, and that you will not guess, conjecture, or surmise what is the right sum, but permit the maximum to go to the Committee on Appropriations to be considered in an orderly businesslike fashion, for that is the right way to do the work of the House. [Applause.]

Mr. RICH. Mr. Chairman, I move to strike out the last word. Mr. Chairman and Members of the Committee, I am sorry that during the course of our debate this afternoon some Members have, because we are trying to economize in the affairs of the Government, claimed that we are opposing anything for the interests of the city of Chicago and the interests of the people of this country.

I have no such thought in my mind in trying to put forth the argument that I believe the expenditure of a fund, say, of $100,000 is too great to carry on the fair that is to be conducted in Chicago this summer.

If we adopt the amendment fixing the sum of $200,000, which is now before you, with the $77,000 they already have from last year, that will give them $277,000 for the purpose of the exhibits and the display. It is simply a disposition to help the taxpayers back home that I am interested in opposing the sum of $400,000. Now, I want to read the philosophy of a former President of the United States, Mr. Coolidge:

> I favor the policy of economy not because I wish to save money but because I wish to save people. The men and women of this country who toil are the ones who bear the cost of government. Every dollar that we carelessly waste means that their life will be so much the more meager. Every dollar that we prudently save means that their life will be so much the more abundant. Economy is idealism in its most practical form. The wisest and soundest method of solving our tax problem is through economy.

I do hope that Members of Congress will allow someone to stand up here who does not agree with the above expression without saying that we who oppose exorbitant expenditures are opposed to the fair at Chicago.

I do not oppose the Chicago fair; I think $100,000 will be sufficient. If you adopt the amendment, you are going to have $277,000. I hope the Members of Congress will do that, because I think it is the right thing to do, and they should not be criticized for taking that position, because they have the right to think in terms of economy, and need no advice from others that they should not do so.

Mr. BRITTEN. Will the gentleman yield?

Mr. RICH. I yield.

Mr. BRITTEN. I have great regard for the gentleman's opinion, but I should like to ask him what specific knowledge he has that $275,000 will be sufficient?

Mr. RICH. I think so, because you have the buildings, you have the exhibits out there. The fact is you want to send a lot of people out there to have a good time. This I am opposed to.

Mr. BRITTEN. The gentleman has not answered my question.

Mr. RICH. I think I have answered the gentleman's question. Learn to economize in governmental activities.

[Here the gavel fell.]

Mr. PETTENGILL. Mr. Chairman, I yield 15 seconds to the gentleman from Texas [Mr. BLANTON] in order that I may ask him a question.

Mr. BLANTON. Yes; I yield.

Mr. PETTENGILL. Would the gentleman vote for this authorization of $405,000 if he thought the Government would make that sum back?

Mr. BLANTON. Would I vote for it now?

Mr. PETTENGILL. Yes.

Mr. BLANTON. I would not vote for $405,000 at all. I believe over half of it will be wasted.

Mr. PETTENGILL. Even if the Government were to make it all back and more?

Mr. BLANTON. I think that is so problematical and so speculative that it would be worse than the lottery speech that we heard this morning.

Mr. PETTENGILL. Mr. Chairman, last year the Government received in revenue in excise taxes from the sale of tickets to the Chicago World's Fair $1,125,000, or three times the amount authorized to be appropriated in this bill. I venture to say that if we authorize this appropriation the Government will make another half million over and above the amount.

Mr. BLANTON. Does the gentleman not know that, except as to taxes, which come anyway regardless of our exhibits, the Constitution forbids the Government receiving any money of that kind at all in the way of profits, and that it would take an act of Congress to put that money into the Treasury?

Mr. PETTENGILL. Oh, I refer to the revenue obtained by the Government in excise taxes from the sale of tickets.

Mr. BLANTON. Oh, the tax? That is revenue that we expect to get from every exposition, whether we exhibit or not.

Mr. PETTENGILL. In addition to that the Government is going to get income from the income taxes that will be paid by everybody on the profits made, from the fair concessionnaires, from the hotels, from the railroads, from the filling stations, and the gasoline distributors. Why, in my own State of Indiana there was $3,000,000 additional from the sale of gasoline. I am in favor of this authorization.

Mr. MARTIN of Oregon. And it will put more money in circulation.

Mr. PETTENGILL. Yes; everywhere in the United States.

Mr. MARTIN of Oregon. And that means prosperity.

Mr. PETTENGILL. Certainly; and it is worth $400,000 to get us to stop thinking about the depression. That is only one third of 1 cent per capita to all the people of the Nation, or one ninth of the cost of a single postage stamp. It is cheap medicine and good medicine against the depression.

Mr. GLOVER. Mr. Chairman, I think the time has come when we ought to begin to think soberly. If the things that my good friend the gentleman from Texas, TOM BLANTON, saw up yonder, and that he has detailed here today, exist, then this fair ought to have closed 3 months ago. Here is a proposition now to take $405,000 out of the Treasury of the National Government, when just a few days ago the Government had to withdraw its support from the men who have been on the pay roll for a few days, to take them out of dire distress, and they are today thrown back on the cities and counties all over this land, with no chance to get work. We have it in our power today to vote this money and to let them suffer; but I stand here as one man, as a representative of my people, to say that I do not propose to do it, regardless of who wants it. I am going to vote for that which I believe to be right. Here is a proposition voted on a moment ago for the Commissioner there to have another $2,500 car, and that is a fair sample of what they are going to do with the rest of it. It is camouflaged and covered up as to what they will do with it. What they want is the cold cash, and they will do the rest of it. The proposition now before the committee of cutting it down to $200,000 is simply a proposition to get that much money—if they cannot get $405,000, then they will take $200,000. If you will stay with this proposition and vote to adopt this amendment, and then stay with the next vote and vote to cut out the balance of it, you will do a service to your country that will be worth while. I should like to know how any of you will go back to your suffering people, which you will have to do in a few days, and look Bill Jones in the face and square yourselves. You will have him asking you why you did not do anything for him, and you will have to tell him that you voted $405,000 to carry on another World's Fair at Chicago. He will then tell you where to go and tell you where to head in, and that is coming now, boys, do not forget that. You are face to face with it in a few days, and I am glad of it, and I say further to you that we will have a record vote on this; and if you want to go down on the record as doing that kind of thing, well and good, but you will not find my name on the record with you in doing it—voting to take away from the suffering people and giving it to this rich city that has prospered so much.

Mr. PETTENGILL. Does the gentleman realize that he is asking one third of 1 cent from every person in the United States?

Mr. GLOVER. I realize that you have gotten about $50 from every man that has ever gone there. You have had enough, and you ought to be satisfied with it.

Mr. TRUAX. Was not that the Hoover policy—to spend ourselves into prosperity, and spend it in Chicago?

Mr. MILLARD. Oh, that is the Roosevelt policy; not the Hoover policy.

Mr. GLOVER. I do not care whose policy it is; I am against it. I am against wasting the money of the American people in such a way as this proposition would have us do.

Mr. BEAM. Mr. Chairman and Members of the Committee, I purposely refrained from making any remarks relative to the World's Fair appropriation until this particular time. I have listened attentively to the arguments advanced pro and con, for the approval or disapproval of this expenditure, and as a Member of Congress from the city of Chicago, naturally I am primarily interested in seeing that the amount of $405,000, as stated in the resolution, remains intact; but before I voiced my sentiments I desired to get the consensus of opinion of Members of the Congress representing districts all over the country relative to the advisability of the adoption of this resolution.

I was particularly interested in the argument advanced by my distinguished colleague from Texas, a man for whom I have the most profound respect as a parliamentarian, and whose opinion I value very highly, but I could not follow the logic of his argument when he insisted that because some foreign nations have defaulted in their payment of debts to the United States, the United States Government should forego any appropriation to making this World's Fair a success in Chicago.

Let me ask you Members of the House, Is it reasonable or just, because some of these foreign countries have failed in their obligations, to deny the people of America, to prevent the millions of school children in Chicago and throughout the entire United States, from having an opportunity for the great educational enlightenment which these exhibits of foreign nations gives them? These displays will afford them a privilege of inspection and an occasion to profit from their study and analysis.

From an educational standpoint alone I say that America owes an obligation to the school children and to the people of our Nation to pass this appropriation at this time. Taking it from an economic argument alone, as the distinguished gentleman from Indiana so forcibly stated a few moments ago, that during the World's Fair period the amount of gas tax collected by the State of Indiana amounted to $3,000,000.

This is not only an expediency proposition from an economic standpoint, which will benefit every State in the United States, but it is a patriotic duty to pass this appropriation. Let me make this appeal to the great farm bloc of America. When legislation comes before this House

every Member from Chicago, every Member from the metropolitan areas throughout the United States supports measures to aid the agricultural sections of this country. I need not recall to your mind the question of flood control, the matter of drought relief, all questions pertaining to the advancement and betterment of the agricultural industry always find a sympathetic response from the Membership of the House residing in the large cities throughout the country.

I do not desire merely to speak in parochial terms, for this measure will not only benefit Chicago, it will not only aid the farming industry throughout the Nation, but it will be a monument of greatness in America. I daresay from a patriotic standpoint and from a standpoint of true Americanism this appropriation should not be reduced, but we should do our duty and authorize the expenditure of $405,000, as stated in the resolution. [Applause.]

Mr. KELLER. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BLANTON].

The question was taken; and on a division (demanded by Mr. KELLER) there were—ayes 79, noes 70.

Mr. KELLER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. BLANTON and Mr. KELLER to act as tellers.

The Committee again divided; and the tellers reported there were ayes 92 and noes 90.

So the amendment was agreed to.

Mr. ANDREWS of New York. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ANDREWS of New York: Page 2, line 22, after the word "appropriated", insert "not to exceed"; and after the figures "$405,000" add the words "*Providing*, That no amount of money be expended by the Government for exhibits of the A.A.A., N.R.A., T.E.R.A., C.W.A., C.C.C., P.W.A., T.V.A., or other emergency relief administrations."

Mr. BLANTON. Mr. Chairman, I make a point of order. The amendment mentions $405,000. It should mention $200,000.

The CHAIRMAN. The amendment does not mention any figure.

Mr. BLANTON. Yes; it mentions $405,000. It should mention $200,000, because the bill has been amended.

Mr. ANDREWS of New York. I accept the modification.

The CHAIRMAN. The amendment will be modified accordingly, without objection.

There was no objection.

Mr. KELLER. Mr. Chairman, I ask unanimous consent that the amendment be again read.

There being no objection, the Clerk again read the amendment offered by Mr. ANDREWS of New York.

Mr. KVALE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. KVALE. The point of order is that the amendment is not in order for the reason that the amendment offered by the gentleman from Texas provided that the Committee do now rise.

Mr. BLANTON. No, the amendment is in order; but there is no debate permitted on it.

Mr. KVALE. I withdraw the point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. ANDREWS].

The question was taken; and on a division (demanded by Mr. ANDREWS of New York) there were—ayes 15, noes 120.

So the amendment was rejected.

The CHAIRMAN. Pursuant to the special Resolution No. 360, the Committee will now rise.

Accordingly the Committee rose, and the Speaker, having resumed the chair, Mr. FULLER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (S. 3235) to amend an act entitled "An act providing for the participation of the United States in A Century of Progress (the Chicago World's Fair Centennial Celebration) to be held at Chicago, Ill., in 1933, authorizing an appropriation therefor, and for other purposes", approved February 8, 1932, to provide for participation in A Century of Progress in 1934, to authorize an appropriation therefor, and for other purposes, and pursuant to House Resolution 360, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. KELLER. Mr. Speaker, I demand a vote on the amendment offered by the gentleman from Texas [Mr. BLANTON] to the last section of the bill.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en grosse.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the amendment upon which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 2, line 22, strike out "$405,000" and insert in lieu thereof "$200,000."

The SPEAKER. The question is on the Blanton amendment.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 78, noes 77.

Mr. BLANTON. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER (after counting). Evidently a quorum is not present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 181, nays 130, answered "present" 1, not voting 118, as follows:

[Roll No. 141]

YEAS—181

Adams	Drewry	Kloeb	Sears
Andrews, N.Y.	Driver	Kniffin	Smith, Va.
Arens	Duffey	Lambertson	Smith, Wash.
Ayers, Mont.	Edmiston	Lambeth	Smith, W.Va.
Ayres, Kans.	Eicher	Lamneck	Snell
Bacon	Ellzey, Miss.	Lanham	Spence
Bankhead	Eltse, Calif.	Lee, Mo.	Stokes
Biermann	Evans	Lehr	Strong, Tex.
Blanchard	Farley	Lemke	Stubbs
Bland	Fiesinger	Lozier	Sumners, Tex.
Blanton	Fish	McCarthy	Sutphin
Boileau	Flannagan	McClintic	Taber
Bolton	Fletcher	McFarlane	Tarver
Brown, Ga.	Frear	McReynolds	Taylor, Colo.
Brown, Ky.	Fuller	McSwain	Taylor, S.C.
Buchanan	Fulmer	Mapes	Terrell, Tex.
Burke, Nebr.	Gilchrist	Marshall	Terry, Ark.
Caldwell	Gillette	Martin, Mass.	Thom
Carden, Ky.	Glover	May	Thomas
Carmichael	Goldsborough	Merritt	Thomason
Carpenter, Kans.	Goodwin	Millard	Tinkham
Cartwright	Greenway	Miller	Tobey
Cary	Gregory	Mitchell	Treadway
Castellow	Griffin	Monaghan, Mont.	Truax
Chase	Hancock, N.Y.	Moran	Turner
Christianson	Hart	Morehead	Umstead
Clark, N.C.	Hastings	Murdock	Underwood
Clarke, N.Y.	Hill, Ala.	Oliver, Ala.	Utterback
Cochran, Pa.	Hill, Knute	Oliver, N.Y.	Vinson, Ga.
Colden	Hill, Samuel B.	Palmisano	Vinson, Ky.
Cole	Hoeppel	Parker	Wallgren
Colmer	Hollister	Parks	Warren
Cooper, Tenn.	Hope	Patman	Weaver
Cox	Howard	Perkins	West, Tex.
Cravens	Huddleston	Polk	Whitley
Cross, Tex.	Imhoff	Ramspeck	Whittington
Cummings	Jacobsen	Rankin	Wigglesworth
Darden	James	Rich	Wilcox
Dear	Jenkins, Ohio	Richards	Williams
Deen	Johnson, Minn.	Robertson	Wolcott
DeRouen	Johnson, Okla.	Robinson	Wood, Ga.
Dickinson	Johnson, Tex.	Rogers, Mass.	Woodrum
Dies	Jones	Romjue	Young
Dondero	Kee	Ruffin	
Doughton	Kenney	Sanders	
Dowell	Kinzer	Sandlin	

NAYS—130

Adair	Beiter	Brunner	Church
Allen	Black	Buck	Claiborne
Andrew, Mass.	Bloom	Buckbee	Cochran, Mo.
Arnold	Boylan	Burnham	Coffin
Bacharach	Brennan	Byrns	Collins, Calif.
Bakewell	Britten	Cannon, Mo.	Condon
Beam	Brown, Mich.	Carter, Calif.	Connery
Beedy	Browning	Chavez	Crosser, Ohio

Crowther	Hartley	McCormack	Rudd
Crump	Healey	McGrath	Sabath
Cullen	Henney	Maloney, Conn.	Scrugham
Delaney	Hess	Mansfield	Secrest
De Priest	Higgins	Martin, Colo.	Seger
Dingell	Hildebrandt	Martin, Oreg.	Shallenberger
Dirksen	Holmes	Mead	Simpson
Disney	Hughes	Meeks	Sinclair
Dobbins	Jenckes, Ind.	Moynihan, Ill.	Sirovich
Dockweiler	Johnson, W.Va.	Musselwhite	Sisson
Duncan, Mo.	Kahn	Nesbit	Somers, N.Y.
Dunn	Keller	O'Brien	Studley
Durgan, Ind.	Kelly, Ill.	O'Connell	Thompson, Ill.
Englebright	Kelly, Pa.	O'Connor	Thurston
Fernandez	Kennedy, N.Y.	O'Malley	Traeger
Fitzgibbons	Kocialkowski	Parsons	Wearin
Fitzpatrick	Kopplemann	Pettengill	Weideman
Ford	Kramer	Peyser	Welch
Foss	Kvale	Pierce	Werner
Gavagan	Lanzetta	Powers	Willford
Gillespie	Lea, Calif.	Prall	Wilson
Goss	Lewis, Colo.	Ramsay	Wolverton
Haines	Lewis, Md.	Randolph	Zioncheck
Harlan	Luce	Reece	
Harter	Lundeen	Reilly	

ANSWERED "PRESENT"—1

McDuffie

NOT VOTING—118

Abernethy	Dickstein	Kurtz	Rogers, N.H.
Allgood	Ditter	Larrabee	Rogers, Okla.
Auf der Heide	Douglass	Lehlbach	Sadowski
Bailey	Doutrich	Lesinski	Schaefer
Beck	Doxey	Lindsay	Schuetz
Berlin	Eagle	Lloyd	Schulte
Boehne	Eaton	Ludlow	Shannon
Boland	Edmonds	McFadden	Shoemaker
Brooks	Ellenbogen	McGugin	Snyder
Brumm	Faddis	McKeown	Stalker
Bulwinkle	Focht	McLean	Steagall
Burch	Foulkes	McLeod	Strong, Pa.
Burke, Calif.	Frey	McMillan	Sullivan
Busby	Gambrill	Maloney, La.	Swank
Cady	Gasque	Marland	Sweeney
Cannon, Wis.	Gifford	Milligan	Swick
Carley, N.Y.	Granfield	Montague	Taylor, Tenn.
Carpenter, Nebr.	Gray	Montet	Thompson, Tex.
Carter, Wyo.	Green	Mott	Turpin
Cavicchia	Greenwood	Muldowney	Wadsworth
Celler	Griswold	Norton	Waldron
Chapman	Guyer	Owen	Walter
Collins, Miss.	Hamilton	Peavey	West, Ohio
Connolly	Hancock, N.C.	Peterson	White
Cooper, Ohio	Hoidale	Plumley	Withrow
Corning	Jeffers	Ransley	Wolfenden
Crosby	Kennedy, Md.	Rayburn	Wood, Mo.
Crowe	Kerr	Reed, N.Y.	Woodruff
Culkin	Kleberg	Reid, Ill.	
Darrow	Knutson	Richardson	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Focht (for) with Mr. Corning (against).
Mr. Ditter (for) with Mr. Sullivan (against).
Mr. Owen (for) with Mr. West of Ohio (against).
Mr. Swank (for) with Mr. Lindsay (against).
Mr. McDuffie (for) with Mr. Granfield (against).
Mr. McMillan (for) with Mr. Schuetz (against).

Until further notice:

Mr. Bulwinkle with Mr. Darrow.
Mr. McKeown with Mr. Guyer.
Mr. Kleberg with Mr. Beck.
Mr. Busby with Mr. Eaton.
Mr. Collins of Mississippi with Mr. Doutrich.
Mr. Griswold with Mr. Knutson.
Mr. Milligan with Mr. McFadden.
Mr. Greenwood with Mr. Stalker.
Mr. Montague with Mr. McLean.
Mr. Gambrill with Mr. Gifford.
Mr. Rayburn with Mr. Brumm.
Mr. Steagall with Mr. Carter of Wyoming.
Mr. Sweeney with Mr. Plumley.
Mrs. Norton with Mr. Connolly.
Mr. Allgood with Mr. Wadsworth.
Mr. Douglass with Mr. McLeod.
Mr. Boehne with Mr. Edmonds.
Mr. Larrabee with Mr. Kurtz.
Mr. Abernethy with Mr. Lehlbach.
Mr. Ludlow with Mr. Woodruff.
Mr. Doxey with Mr. Reed of New York.
Mr. Auf der Heide with Mr. Cooper of Ohio.
Mr. Burch with Mr. Muldowney.
Mr. Celler with Mr. Culkin.
Mr. Hancock of North Carolina with Mr. McGugin.
Mr. Chapman with Mr. Cavicchia.
Mr. Montet with Mr. Mott.
Mr. Maloney of Louisiana with Mr. Ransley.
Mr. Kerr with Mr. Wolfenden.
Mr. Rogers of New Hampshire with Mr. Peavey.
Mr. Shannon with Mr. Waldron.
Mr. Dickstein with Mr. Reid of Illinois.
Mr. Boland with Mr. Withrow.
Mr. Cady with Mr. Swick.
Mr. Crowe with Mr. Taylor of Tennessee.
Mr. Gasque with Mr. Strong of Pennsylvania.
Mr. Eagle with Mr. Turpin.
Mr. Kennedy of Maryland with Mr. Shoemaker.
Mr. Marland with Mr. Walter.
Mr. Thompson of Texas with Mr. Crosby.
Mr. Hoidale with Mr. Carpenter of Nebraska.
Mr. Gray with Mr. Cannon of Wisconsin.
Mr. Sadowski with Mr. Frey.
Mr. Ellenbogen with Mr. White.
Mr. Schulte with Mr. Brooks.
Mr. Bailey with Mr. Berlin.
Mr. Peterson with Mr. Burke of California.
Mr. Jeffers with Mr. Carley.
Mr. Hamilton with Mr. Lesinski.
Mr. Richardson with Mr. Lloyd.
Mr. Wood of Missouri with Mr. Snyder.
Mr. Schaefer with Mr. Rogers of Oklahoma.

Mr. BAKEWELL, Mr. BACON, Mr. CARTER of California, and Mr. CHAVEZ changed their votes from "yea" to "nay."

Mr. McDUFFIE. Mr. Speaker, I voted "yea." I have a pair with the gentleman from Massachusetts, Mr. GRANFIELD, who if present would vote "nay." I, therefore, withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded.

The doors were opened.

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

On motion of Mr. KELLER, a motion to reconsider the vote by which the bill was passed was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 177. An act for the relief of Lottie Bryant Steel;

H.R. 190. An act for the relief of Elizabeth T. Cloud;

H.R. 200. An act for the relief of Jacob Durrenberger;

H.R. 207. An act for the relief of Homer C. Chapin;

H.R. 371. An act for the relief of Peter Guilday;

H.R. 503. An act to authorize the donation of certain land to the town of Bourne, Mass.;

H.R. 878. An act for the relief of Kathryn Thurston;

H.R. 889. An act for the relief of Frank Ferst;

H.R. 1207. An act for the relief of Robert Turner;

H.R. 1208. An act for the relief of Frederick W. Peter;

H.R. 1209. An act for the relief of Nellie Reay;

H.R. 1254. An act for the relief of H. Forsell;

H.R. 2021. An act to place Jesse C. Harmon on the retired list of the United States Marine Corps;

H.R. 2203. An act for the relief of Enoch Graf;

H.R. 2431. An act for the relief of certain newspapers for advertising services rendered the Public Health Service of the Treasury Department;

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

H.R. 3553. An act for the relief of Harvey O. Willis;

H.R. 3673. An act to amend the law relative to citizenship and naturalization, and for other purposes;

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

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

H.R. 4274. An act for the relief of Charles A. Brown;

H.R. 4927. An act for the relief of C. J. Holliday;

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

H.R. 4929. An act for the relief of J. B. Trotter;

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

H.R. 5542. An act for the relief of Joe G. McInerney;

H.R. 7059. An act to provide for the further development of vocational education in the several States and Territories;

H.R. 8052. An act to amend sections 203 and 207 of the Hawaiian Homes Commission Act, 1920 (U.S.C., title 48, secs. 697 and 701), conferring upon certain lands of Auwaiolimu, Kewalo, and Kalawahine, on the island of Oahu, Territory of Hawaii, the status of Hawaiian home lands, and providing for the leasing thereof for residence purposes;

H.R. 8208. An act to provide for the exploitation for oil, gas, and other minerals on the lands comprising Fort Morgan Military Reservation, Ala.;

H.R. 8235. An act to authorize the Secretary of War to convey by appropriate deed of conveyance certain lands in the district of Ewa, island of Oahu, Territory of Hawaii; and

H.J.Res. 311. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at A Century of Progress Exposition, Chicago, Ill., to be admitted without payment of tariff, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 752) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards.

FIRE PREVENTION

Mr. KVALE. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. Mr. Speaker, the Director of the Budget has just informed me that he is sending forward through appropriate channels a supplemental estimate of $600,000 to be expended throughout the various States in further carrying out the provisions of the Clark-McNary bill dealing with fire-prevention work. The Director of the Budget is taking this step because of the fire hazards of a dry spring, and it is going to be welcome news indeed to those States.

I sincerely trust the President will expedite the transmission of the recommendation to Congress in order that it may be quickly enacted into law and these funds made available. [Applause.]

EQUALIZATION OF TAXES

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing, I send to the desk a privileged resolution.

The Clerk read the resolution, as follows:

House Concurrent Resolution 38

Resolved by the House of Representatives (the Senate concurring), That there be printed 18,000 additional copies of Public Law No. 216, Seventy-third Congress, entitled "An act to provide revenue, equalize taxation, and for other purposes", of which 10,000 copies shall be for the use of the House document room, 5,000 copies for the use of the Senate document room, 2,000 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,000 copies for the use of the Committee on Finance of the Senate.

The resolution was agreed to.

REVISION OF AIR-MAIL LAWS

Mr. BANKHEAD. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 373.

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 S. 3170, an act to revise air-mail laws; 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 amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

Mr. BANKHEAD. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MARTIN] the usual 30 minutes on the rule for him to control.

Mr. Speaker, I shall consume very little time in presenting in its initial stage this resolution to the House. The legislation which this rule makes in order is a measure with which all the Members of the House are familiar. As I understand it the bill was reported unanimously. If I am in error about this I wish to be corrected.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes; if he can hear what I am saying.

Mr. MARTIN of Massachusetts. I understand that since the committee reported the bill unanimously there has been a radical change in the bill. Is not this a fact?

Mr. BANKHEAD. I was not familiar with that fact. I did not become acquainted with the change in the situation. My recollection is that when the chairman of the committee appeared before the Committee on Rules, asking for this resolution, it was stated that the bill then under consideration and which had been reported was reported unanimously by the committee. If subsequent developments have changed that situation, then, of course, I withdraw the statement that it is a unanimous report.

The whole air-mail controversy, of course, is a matter that has aroused a great deal of interest in the country, and I think that, rather unfortunately, some phases of the discussion with reference to it aroused unjustified bitterness and passion. I trust that the atmosphere has in a measure been cleared away by the passage of time and by a calmer opportunity to consider the real controversy involved; and I hope that this bill which will shortly be presented by the Committee on the Post Office and Post Roads will be considered by this House as free as possible from the kind of consideration that characterized the original discussion upon it. It is a matter that has been very acutely debated, and long and extended hearings have been held on the question of whether or not the Postmaster General by authority of the President was justified upon the facts presented in canceling these air-mail contracts. This will probably continue to be a matter of great controversy, particularly upon the stump in the coming elections.

I want to take the broad position, because I have undertaken to give some consideration to the study of the record in this case that, upon a calm and dispassionate examination of the facts that were laid before the Postmaster General and the President, they were fully and adequately justified in canceling those contracts.

I know there are many who will disagree with his statement, but I believe that if the facts that were presented to the Senate investigating committee were presented to any jury of 12 impartial and disinterested jurors in any section of the United States of America, such a jury would undoubtedly have justified, upon the facts presented, a verdict of guilty of collusion and fraud with reference to those contracts. As I have stated, however, that will be a matter that we cannot settle in this forum.

The House has given this matter very careful and very detailed consideration, although by the information just imparted by the gentleman from Massachusetts there may now be some sharp division of opinion with reference to this legislation. I feel sure that the chairman of this committee and his associates will be able to explain to the satisfaction of the Members the details of this legislation. The purpose of the rule, of course, is merely to make this legislation in order.

This is an open rule providing for 1 hour of general debate, then absolute freedom of action under the 5-minute rule of the House. I trust there will be no opposition to the adoption of the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 15 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I could not hear most of the remarks of the gentleman from Alabama [Mr. BANKHEAD], and I am sorry, because he is generally worth listening to and generally knows what he is talking about. The only part of his remarks that I heard was to the effect that the air-mail contracts had been canceled for fraud and collusion and if the question was submitted to any 12 men upon the facts that have been developed in the Senate investigation the charge of fraud and collusion would be upheld. Of course, that opens up a very wide argument, and somewhat political.

Before indulging in such remarks, may I say that as far as my limited observation is concerned I think the bill before the House under this rule is a 100-percent improvement over the Senate bill and that the House cannot give too much credit to the gentleman from New York [Mr. MEAD], and the gentleman from Pennsylvania [Mr. KELLY].

Each one of them individually knows 100 percent more about aviation than the Postmaster General ever will know

no matter how long he remains in office. These two Members of the House together with their committee have written a bill that is fair, honest, honorable, and nonpartisan, and one which I believe, with the exception of a proposed amendment, will be welcomed by the American public who are the disinterested parties. I am inclined to support this bill. However, I make one reservation. I desire to hear from the gentleman from Pennsylvania [Mr. KELLY], who is the highest authority on this legislation on our side of the House. He objects to any ratification of the temporary air-mail contracts by act of Congress. In my own estimation the other parts of the bill outweighs that, particularly the part which repudiates Postmaster General Farley and his high-handed and dictatorial action in canceling the air-mail contracts without a hearing or trial, and upholds the contention of Colonel Lindbergh and others who claimed that those contractors who had their contracts canceled should have a right to a court review.

That is now written into this bill. It also repudiates the Postmaster General and upholds Colonel Lindbergh in the contention that those officials whose company contracts were canceled should have the right to rebid for the new contracts. Those two provisions are written into this bill; and, after all, that was the main contention over the cancelation of the contracts, which was simply that the contracts were canceled on the claim of fraud and collusion without a hearing and without a trial, which those of us who oppose that procedure say is unjust and un-American. Evidently the committee thinks likewise, because they have seen fit to write into this bill a clause giving the right to a court review and also to prevent the disqualification of those air-mail officials who attended the 1930 conference.

If the Postmaster General had acknowledged this in the beginning there would have been no trouble whatever.

If when he had attempted to cancel these contracts on the ground of fraud and collusion, and had been forced to prove fraud and collusion by going to court, then there would not have been this great uproar from one end of the country to the other that has not downed. The arbitrary action of Postmaster General Farley is resented by all Americans who believe in the constitutional right to a fair hearing and trial. Instead the air-mail contractors were tried and condemned by Postmaster General Farley on grounds of favoritism without a hearing under the act of 1872, which permits cancelation of mail contracts for fraud and denies the contractor the right to rebid within 5 years. The original gigantic blunder that resulted in a most unfair, arbitrary, and dictatorial concelation of the air-mail contracts without hearing and without trial, has been succeeded by a series of blunders in a vicious circle, each trying to remedy the original blunder and each increasing the previous blunder until we get back to this fairly constructive measure that may undo the wrong and injustice that has been done.

As you all remember, after the air-mail contracts were canceled, the air-mail routes were turned over to the Army Air Corps without even asking the Secretary of War, a Democratic member of the Cabinet, whether the Army Air Corps was qualified to handle the air mail or asking the Chief of Staff his opinion.

It was transferred to the Army Air Corps overnight, with the result that 12 gallant young Army officers were killed carrying out the orders of their Government in a useless and unnecessary sacrifice of life because of a series of blunders.

Mr. WEARIN. Will the gentleman yield?

Mr. FISH. These Army officers have gone to their death largely because of the original blunder. I yield to the gentleman from Iowa.

Mr. WEARIN. May I ask the gentleman to tell us whether or not he thinks the Army Air Corps was qualified and capable of carrying the mail?

Mr. FISH. I shall be very glad to answer the question. I think the blame ought to be fixed, because it has been placed most unjustly on the Congress and "upon a Democratic Congress", because this House has had a Democratic majority for the last 4 years.

Here is an editorial from the Seattle Star, and I do not know whether this is a partisan paper or not. It reads as follows:

> Congressman HAMILTON FISH cries loudly that is is a crime to send half-trained Army aviators out in defective planes to carry the mails.
>
> What Congressman FISH forgets is that if the Army flyers are not properly trained, and if they haven't enough modern planes, then the fault is not the President's, but lies right in front of the door of Congress.

Mr. TRUAX. Will the gentleman yield?

Mr. FISH. I have not answered the previous question yet. I just read the charge made against a Democratic Congress.

Mr. TRUAX. I thought the gentleman would yield when he finished the editorial.

Mr. FISH. I yield to the gentleman from Ohio.

Mr. TRUAX. The gentleman has to go a long ways from New York to Seattle in order to get an editorial substantiating his position.

If there is any fault anywhere, is it not in the preceding administration's weakness and the failure of that administration to properly equip and properly train the Army air pilots to fly blind and failure to furnish the planes with the instruments that every plane should be equipped with?

Mr. FISH. The gentleman is playing right into my hands. I think I can answer him very aptly and very decisively, and I do not do this necessarily in a partisan way, although it will be interpreted as being partisan. The fact cannot be denied in spite of the fact that we are in the midst of a government by propaganda. I doubt if what I say will even be mentioned in the press, but in any event it is merely a statement of the fact and not the usual propaganda that emanates from the publicity agents paid out of the Treasury to cover up the facts.

The Congress of the United States a year ago, after careful consideration of the needs of the Army Air Corps for maintenance and operation, not for the purchase of planes, but for maintenance and operation, including flying time, the training of the members of the Army Air Corps to fly blind, to fly by means of the radio, night flying, and so forth, after committee hearings in the House and after consideration on the floor of the House and then in a committee in the Senate and then again by consideration in the Senate, Congress appropriated for that purpose the sum of $15,195,814.

This was the deliberate and careful action of the Congress for maintenance and operation of the Army Air Corps. Now, what happened? Under the provisions of the economy bill the President of the United States, together with the Director of the Budget, cut this appropriation more than 50 percent, down to $7,393,416.

Mr. TRUAX. Did the gentleman vote for the economy bill?

Mr. FISH. These are simply the facts. The Congress did its full duty. It is unfair to the Democratic Congress and to the Republican Members in the minority to place this blame upon the Congress of the United States because the President cut the congressional appropriations for the maintenance of the Army Air Corps. It must be self evident that the President, using this power, which was given him by the Congress, but certainly not for this specific purpose, helped to destroy the efficiency of the Army Air Corps and provided a maximum flying time of only 25 minutes per day, and then we wonder why the Army Air Corps pilots could not fly the air mail as well and safely as the commercial pilots.

My time is limited, but anyone could talk for half an hour on the subject of why the Army air pilots were not able to fly the air mail without great loss of life and planes.

The main reason was lack of appropriations, because the Budget Director and the President made a serious blunder and applied false economy.

Mr. FITZPATRICK. Will the gentleman yield for a short question?

Mr. TRUAX. Did the gentleman vote for the economy bill?

Mr. FITZPATRICK. The gentleman yielded to me. The Air Corps Act went into effect in 1926, did it not?

Mr. FISH. I believe it did.

Mr. FITZPATRICK. Yes; the act to strengthen the Army generally, and also the Army Air Corps, and what the gentleman is talking about with respect to the economy bill happened in 1933. What happened during the other 7 years?

Mr. FISH. I am telling the gentleman what happened.

Mr. FITZPATRICK. What happened from 1926 to 1933?

Mr. FISH. The Army Air Corps was built up and new planes provided. It had larger appropriations and under those appropriations, of course, it was more efficient; but let me remind the gentleman that of the 12 young Army officers who went to their death flying the air mail, 8 of them had less than 1 year's experience from the time they were graduated from Kelly Field.

Every one of these Army pilots, or, rather, 8 out of the 12, the others having had only 2 years' experience, were operating under the present appropriations. You cannot deprive pilots of time and experience in flying and then expect the highest efficiency.

Mr. FITZPATRICK. Leaving out that end of it with respect to the young men who were killed, what were the conditions prior to 1933 of the Army Air Corps for 7 years under Republican administration?

Mr. FISH. In the first place, we have had 4 years of a Democratic Congress, if the gentleman wants to go into that, and if the gentleman desires to place the blame on Congress, he has the right to his own opinion, but the facts do not warrant it.

Mr. FITZPATRICK. I am placing it on a Republican administration.

Mr. FISH. I am placing it at this time where it belongs, and it is undeniable, whether this is partisan or not, we did our duty and appropriated the sum required, after proper consideration, but the appropriation was reduced 50 percent by the President.

Mr. TRUAX and Mr. ELTSE of California rose.

Mr. FISH. The gentleman from Ohio [Mr. TRUAX] wants to know if I voted for the economy bill. Certainly, I voted for the economy bill.

Mr. TRUAX. Then the gentleman is just as much responsible for this as anyone else.

Mr. FISH. Not at all. I believed as much in the President of the United States as the gentleman did, and I believed he would use that authority wisely, justly, and properly. He was badly advised in cutting the appropriation just as he was badily advised by Postmaster General Farley and his mystery men to cancel the air-mail contracts.

Mr. TRUAX. But the gentleman did vote for the very thing about which he is complaining.

Mr. FISH. I voted to give the President the power to make economies, but not to destroy the efficiency of the Army Air Corps.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. ELTSE of California. Will the gentleman yield?

Mr. FISH. I yield.

Mr. ELTSE of California. As a matter of fact, the gentleman is discussing the question of the ability of the Army men to fly the air mail rather than to act as Army aviators, and is there not a vast difference between them?

Mr. FISH. Of course, as I just told the gentleman, if that subject is to be discussed, it would take at least half an hour. Everybody knows that the Army Air Corps is trained to fly in formation and trained in combat work, machine-gun fighting, and bombing, and not to make long-distance flights, which require an entirely different type of machine and experience in cross-country flying. They have not had practice in this type of flying. This was the reason, together with the lack of appropriations, for the fatalities that occurred.

Mr. ELTSE of California. And the conditions that had prevailed before were entirely different.

Mr. FISH. Let me quote here a great aviation authority. This is the telegram that I tried to get in the RECORD from Colonel Lindbergh to President Roosevelt, and is his original protest, explaining his views against the cancelation of the air-mail contracts. It demonstrates a complete understanding of the air-mail situation and is the real American point of view.

Your action affects fundamentally the industry to which I have devoted the last 12 years of my life. Therefore I respectfully present to you the following considerations:

"The personal and business lives of American citizens have been built up around the right of just trial before conviction. Your order of cancelation of all air-mail contracts condemns the largest portion of our commercial aviation without just trial.

"The officers of a number of the organizations affected have not been given the opportunity to a hearing and improper acts by many companies affected have not been established.

"No one can rightfully object to drastic action being taken, provided the guilt implied is first established; but it is the right of any American individual or organization to receive fair trial.

"Your present action does not discriminate between innocence and guilt and places no premium on honest business.

"Americans have set their lives in building in this country the finest commercial air lines in the world. The United States today is in the lead in almost every branch of commercial aviation.

"In America we have commercial aircraft, engines, equipment, and air lines superior to those of any other country. The greatest part of this progress has been brought about through the air mail. Certainly most individuals in the industry believe that this development has been carried on in cooperation with the existing Government and according to law.

"If this is not the case, it seems the right of the industry and in keeping with American tradition that facts to the contrary be definitely established. Unless these facts leave no alternative, condemnation of commercial aviation by cancelation of all mail contracts and the use of the Army on commercial air lines will unnecessarily and greatly damage all American aviation."

The only answer to this telegram to the President was a short telegram from Postmaster General Farley to Colonel Lindbergh virtually telling him he did not know all the facts, or, in other words, what he was speaking about. The American public have been waiting for 3 months, all in vain, to have the Postmaster General tell them the facts and substantiate his claims of fraud and collusion.

Mr. McCORMACK. Without regard to the share of responsibility, the gentleman favors this particular bill?

Mr. FISH. I do. But I want to listen to the gentleman from Pennsylvania [Mr. KELLY]. I believe this bill is 100 percent better than the Senate bill, and 0.9 of the provisions are sound. It repudiates the contention of the Postmaster General as to the cancelation of the contracts without permitting a court review.

Mr. FOSS. Will the gentleman yield for a correction?

Mr. FISH. I yield.

Mr. FOSS. The gentleman from Pennsylvania [Mr. KELLY] is not going to offer an amendment. As a matter of fact he is opposed to the amendment that will be offered.

Mr. FISH. I thank the gentleman very much. I cannot agree with the distinguished gentleman from Alabama over the air-mail cancelations. I am convinced the cancelations were the result of politics and a desire to smear the party that was in power in 1930. Not being able to develop sufficient facts as to fraud and corruption, not one man the Postmaster General claimed as guilty has ever been put on trial.

(The time of Mr. FISH having expired, he was yielded 5 minutes more by the gentleman from Massachusetts [Mr. MARTIN].)

Mr. FISH. Now, you ask us on the other side to believe that there was no politics in the cancelation of the air-mail contracts. Who recommended the cancelation of the contracts? It was not the President of the United States. It is not fair to blame him, because he was misled by Mr. Farley, the Postmaster General of the United States. He is chairman of the National Committee of the Democratic Party, the dispenser of patronage and favoritism, day in and day out, except when he is a statesman and a member of the Cabinet on Tuesdays and Thursdays.

Mr. BLACK. Will the gentleman yield?

Mr. FISH. No. I am afraid the gentleman might go further than I want to go, and I want to protect Mr. Farley. [Laughter.] The chairman of the national committee and

likewise the chairman of the State committee in New York, Mr. Farley, saw the big opportunity and he misled the President. The President, of course, has not the time to consider the details and ferret out the facts of every issue and permitted cancelation without a full knowledge of the facts. That has been the whole trouble from the beginning. I am also inclined to believe that Mr. Farley was misled by selfish interests and by Silliman Evans, the Fourth Assistant Postmaster General, a former vice president of the American Airways. It is all sheer politics, followed up by vindictive, partisan reprisals, all of which constitutes a radical departure of American practices.

Political reprisals have become the order of the day against any critic of the administration. The former Secretary of the Treasury under three Republican administrations, Andrew Mellon, who reduced the national debt from $26,000,000,000 down to $16,000,000,000, is the most recent political sacrifice. He was selected to go to trial in order again to smear the Republican Party and possibly to influence the primary election in the State of Pennsylvania next week. This un-American policy is a new form of terrorism that has no place in our country. It is a kind of American inquisition or a transplanted Soviet chekka to intimidate American citizens who dare to criticize the administration or to express their views publicly. Mr. Mellon recently said, "Had I not been a member of the Cabinet of the last three administrations, I would not now be the object of this extraordinary procedure."

It is obvious to fair-minded people that the administration tried in every way to discredit Mr. Mellon. But the American people, represented by the grand jury, are not so easily misled and refused to be a party to such a frame-up. That is only one example of what followed from the cancelation of the air-mail contracts. It was simply a question of making might superior to right. The Postmaster General and the Attorney General, both former national chairmen of the Democratic Party, decided they could do almost anything with their autocratic powers, even to setting up a novel system of terrorism. Why, even Colonel Lindbergh had his income tax investigated after he criticized the administration. That was not sufficient, so, of course, now they have turned to Mr. Mellon. Mr. MacCracken was investigated in the Senate and condemned, I think, to spend 10 days in jail; whereas his partner, a man named Frederick Lee, of the law firm of MacCracken & Lee—the man who actually turned over the letters to Colonel Britten when he came in their office, the man who permitted Colonel Britten to take those letters which the Senate committee complains about—has just been appointed by the Democratic Party as chief counsel in the Federal Alcohol Control Administration as a part of his reward, whereas MacCracken, a Republican, gets his by a little quiet rest in jail.

Mr. MOTT. Mr. Speaker, will the gentleman yield for a question on the bill?

Mr. FISH. I would prefer to have you submit your question to a member of the committee.

Mr. MOTT. I thought the gentleman might be able to answer the question.

Mr. FISH. I think I could.

Mr. MOTT. I want to know if there is any material difference between the provisions of this bill and the provisions of the law under which the private air-mail operators were operating?

Mr. FISH. Oh, yes. This provides for only a 1-year contract and for the lowest bidder. Oh, there is lots of difference, particularly as regards a right of court review and permission for officials of companies whose contracts have been canceled to submit new bids.

The SPEAKER pro tempore. The time of the gentleman from New York has again expired.

Mr. BANKHEAD. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. DOBBINS].

Mr. DOBBINS. Mr. Speaker, we have just listened to another of those frantic tirades against the present administration such as we have been hearing so frequently here on the floor during the last few weeks. You have heard characterizations of this bill which do not apply to it at all. The statement is made by the distinguished gentleman from New York [Mr. FISH] that this bill, recommended to you unanimously by the Committee on the Post Office and Post Roads, repudiates the action of the Postmaster General. If this bill were in any respect a repudiation of any action of Mr. Farley, the Postmaster General, I say to you that it never would have received the requisite supporting votes of the loyal majority membership of our committee. I presume the clause in the bill to which the gentleman refers, when he says it repudiates the Postmaster General's action, is the one that allows these contractors who had their contracts annulled to sue if they choose in the Court of Claims of the United States. That clause is in the Senate bill, as well as in the House bill, and it has the approval of the Post Office Department. It is not merely a permissive clause for these suits to be instituted; it virtually dares them to sue. That is what it does, and I do not believe any one of them is going to take the dare.

I, for one, am perfectly willing, if this is to be put upon the basis of partisan politics, to have the record of the present administration in air-mail matters compared with that of the past administration; and we now have ample experience to count upon to obtain the record of both of them. Heretofore we have had only predictions of what would happen in the event of a reletting of these air-mail contracts, but within the last few weeks a convincing reality has transpired. We on this side have always maintained that excessive payments were made to the old operators. In the last year of the Hoover administration that part of the cost of the Air Mail Service paid out to the carriers alone was over $19,000,000. In the first year of this administration that was cut to $14,000,000, and on the basis of the contracts which are now being let by the Postmaster General, the cost for the service for next year will be reduced to about $9,000,000. Not only is the cost cut down to less than half what it was 2 years ago, but the service will be greatly extended. Upward of 3,000 miles of air-mail routes are provided for under these new contracts over that which you had in 1932. Four additional States which have never had air-mail service will now have it provided for them, and the route mileage has been increased from 25,248 to 28,548 miles. Never before has the Nation been so well provided with air-mail facilities. Oh, they will say that there are fewer schedules. There are less frequent schedules on some of the lines but there is adequate service on all of them.

In those frequent schedules on the old lines we find one of the tricks of the old law—more frequent service was provided than many communities or lines needed—and the mail shipments were divided into more than one trip in order to get more pay for the contractor. The new bill guards against further abuses of that kind.

Mr. ROMJUE. Mr. Speaker, will the gentleman yield?

Mr. DOBBINS. I yield to my colleague on the committee.

Mr. ROMJUE. I suggest that 21 additional cities will be served under the present system.

Mr. DOBBINS. I am very glad that the gentleman has brought that out. Service is now provided for many cities that never had it before, and still we have cut the cost to less than half of what it was.

Mr. RANDOLPH. Mr. Speaker, if the gentleman will permit, that is especially true of West Virginia. For the first time in the State's history we are to be served. We are almost up against the Nation's Capital, yet in the previous administrations we have been entirely forgotten in Air Mail Service. Under the new set-up West Virginia at last comes into its own.

Mr. DOBBINS. I thank the gentleman for his comment, and am glad that his great State is to benefit by this new deal for the air mail.

Mr. MOTT. Will the gentleman yield?

Mr. DOBBINS. I yield.

Mr. MOTT. Is there anything in this bill to prohibit an air-mail carrier whose contract was canceled for violation

of law from coming in and bidding for a contract and receiving it, if his bid is the low bid and the best one?

Mr. DOBBINS. Instead of there being anything in the law to prevent it, I will say to the gentleman, in line with the prediction I made in debate on the temporary Army bill, this bill expressly provides that the former carriers may bid, notwithstanding the provisions of the law of 1872. It removes the disqualification from all of the lines throughout the country, so far as anything that has occurred in reference to past contracts is concerned.

Mr. MOTT. Then why were those contracts canceled if, under this law, everyone is guaranteed the right to come in and carry the mail again?

Mr. DOBBINS. The reason this provision appears in the law, notwithstanding the fact that those contracts were annulled, is because of the fact that the fault in the fraudulent contracts let in 1930 lay more with Postmaster General Brown than it did with the contractors. [Applause.] They were invited by him to come to the Post Office Department and divide up this appropriation among themselves as they saw fit. They would have been more than human if they had not yielded to his enticing liberality.

Mr. MOTT. Under this law you propose to invite every one of those violators to come in and get another contract.

Mr. DOBBINS. We permit them to try for one on their merits, in clean competitive bidding, and not collusively as they did before. We invite them also to come to the Court of Claims and sue for damages for annulment of their former contracts, if they dare.

Mr. MOTT. But you guarantee in section 5 that they shall have this right?

Mr. DOBBINS. We do. We remove the disqualification created by the law of 1872.

Mr. MOTT. And you let them come in now. What was the purpose of putting them out, in the first place, if 6 months after that you are going to invite them all in again?

Mr. DOBBINS. You seem to overlook the fact that we do not propose to restore their fraudulent contracts [applause], where they came in without competition, and where the contracts were let to the high bidders instead of to the low bidders. Let me read something that tends to explain why the old contracts were not very much favored by the present administration when the light of day was turned on the practices resorted to in obtaining them. Here is a letter written by the former Second Assistant Postmaster General, Mr. Irving Glover, to his deputy in Washington. This was written in September 1930 when he was speaking about an offer—the high bid, mind you—which he had accepted in defiance of the fact that a much lower bid had been received by him. This is what he said:

> Halliburton is going after Letson, and even Letson's stockholders do not approve of this action.
>
> Do not know what you have told the Postmaster General, but there is no use recommending the award be made to the high bidder and then getting cold feet and saying you will agree that we should throw out all the bids. We had all better stick together or we will all hang together.

[Laughter and applause.]

Mr. Glover was something of a prophet, because it was not very long after that until they did all hang together. [Applause.]

Mr. MOTT. I am not interested in Mr. Glover, but I am interested in what this law provides.

Mr. DOBBINS. Let me finish. Continuing, he said:

> Believe we could make award to the Western Air and T.A.T., and make a statement along with it that no one would object to except the unsuccessful bidders.

He felt he could fool the country, but he knew the unsuccessful bidder would see through his deceptive statement.

Mr. MOTT. It is these same bidders you are letting back into their contracts by the provisions of this bill. Let me ask the gentleman if it is not a fact that at the time the air-mail contracts were canceled it was stated by the Post Office Department and by the President that no carrier whose contract had been canceled for violation of the law, would be allowed to carry the mail again? Is that not correct?

Mr. DOBBINS. No. I do not think that is exactly the statement of the Postmaster General. The President made no statement on the subject. The statement of Postmaster General Farley, after these contracts had been canceled because they had been entered into in fraud or collusion, was made in response to an inquiry as to whether those whose contracts were annulled would be permitted to bid again. He merely referred, without comment of his own, to the previous law of 1872, which provides that where a contract has been so annulled the contractor cannot bid again for 5 years.

Mr. MOTT. Well, whatever the contract was, he said they could not bid.

Mr. DOBBINS. He did not say that directly. He merely called attention to this law.

Mr. MOTT. But in this bill you are guaranteeing him the right to bid again, notwithstanding the provisions of the law of 1872. Is that not correct?

Mr. DOBBINS. I think that is substantially correct.

Mr. MOTT. Let me ask the gentleman one more question: If in defending this bill now you are not repudiating every contention that was made by the Postmaster General and by the administration at the time the contracts were canceled?

Mr. DOBBINS. Oh, if I have not been able to convince my friend that the annulment of a fraudulent contract and then giving the right to the person who held that contract to come in and bid upon a clean, competitive, honest basis is proper as an act of amnesty, and if the gentleman calls that repudiation, I suppose we will have to let him take what comfort he can in his own peculiar interpretation of what this bill proposes.

The SPEAKER. The time of the gentleman from Illinois [Mr. DOBBINS] has expired.

Mr. BANKHEAD. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. ROMJUE. Will the gentleman yield?

Mr. DOBBINS. I yield.

Mr. ROMJUE. What the administration did say was that it did not intend to award contracts to men who were engaged in fraud. That is what the administration said.

I may say to the gentleman from Oregon that this bill simply leaves the matter open for bidding purposes. There is no assurance carried by the bill that any man who committed fraud is going to get one of these contracts.

Mr. DOBBINS. I have tried to make that plain to the gentleman from Oregon.

Mr. ROMJUE. The trouble with the gentleman from Oregon is that the gentleman does not want to see it in this light.

Mr. DOBBINS. Mr. Speaker, the pending bill permits all who have equipment and experience to bid upon a fair and equal basis.

This same man Gove, Deputy Second Assistant Postmaster General, is the gentleman to whom one of the officials of a favored air line loaned $10,000, taking a note which he tore up. Gove, during the progress of the collusive proceedings, in a confidential telegram to his chief, referred to the low bidders as "second-story men."

In other words, the men who proposed to do the business of the Government at a reasonable cost in that heyday of corruption were looked upon with contempt and were classed as burglars. Then the contracts were awarded to the high bidders with the thought in the minds of these unfaithful servants that they could frame up some statement to put before the country that would seemingly justify their action. That is very much in contrast with what is being done under this administration. We have proven it by the fair and open competitive bids that have been received and acted upon, and will continue to prove it throughout the long and happy years that this administration and its successors of like political thought and personal honesty will continue to manage the business of the Post Office Department.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. DOBBINS. I yield.

Mr. TRUAX. The gentleman referred to "second-story crooks." They are usually regarded as the lower grade of

crooks, yet these fellows who got the spoils were the big burglars. I am glad the Air Mail Service is now under a Postmaster General who makes them submit honest, competitive bids.

Mr. DOBBINS. Indeed, they are going to have to put in honest bids; and they are going to be honestly treated in the consideration of their bids, and they will be required to render honest service when they get a contract. But a more important thing is the fact that there will be a new deal for the taxpayer by giving him a break in the matter of the cost of this service. [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. WEARIN].

Mr. WEARIN. It seems only fitting and proper that we should adopt this rule at the present time, for it is a formal proposition to make the consideration of this legislation in order.

I was interested in the statement of the gentleman from New York in answer to my question as to whether or not, in his opinion, the Army Air Corps was capable of carrying the mails. He failed to make a satisfactory reply. Regardless of what happens to this bill, we ought to keep before the country the fact that something is wrong in connection with the charge that the Army Air Corps is unable to carry the mail. I think it is high time that we find out if it is true; and if so, why? I hope that before we go very much farther the answer will be forthcoming.

There was a time a few years ago when a certain gentleman from New York named Thomas L. Hill made serious charges with reference to the activities of the Air Trust in selling improper equipment to the United States Government for the use of the Army Air Corps. If there is any reason why our Army was unable to render the service it was called upon to render in this emergency, it was due to that very fact, and to nothing else.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. WEARIN. I yield.

Mr. KVALE. Does the gentleman know that a subcommittee of the Committee on Military Affairs, under the leadership of the gentleman from New Hampshire [Mr. ROGERS] has been sitting mornings, afternoons, and almost into the evenings, day after day for about 2 months, studying this very problem? We are not yet fully ready to report, but we hope to be soon.

Mr. WEARIN. I understand so.

Mr. KVALE. This is only the second time in almost 2 months that the committee members have been able to attend the sessions of the House.

Mr. WEARIN. I am very glad the committee is doing so much good work.

The gentleman from New York referred to the economy bill and the reductions made with reference to the appropriations for the Air Corps. Mr. Speaker, that was a peculiar statement, in my opinion, for the gentleman to make, for if the Air Corps was unable to carry the mail it certainly was not occasioned by that cut; it was occasioned by what happened a long time before, during the 12 years preceding. We ought to keep this fact before us.

Now, going on a little further into the matter of these charges that have been placed against the Air Trust because of its activities in the United States Government, I want to say that the said charges were placed on file with a committee of the United States Senate under the chairmanship of Senator CARAWAY, but, strange as it may seem, they and the statements substantiating them have never been located in the last year or so, although many of us have been endeavoring to find them. I happen to have, though, in my files the original charges that were made. To my knowledge they have never been answered.

A special dispatch from Washington to the November 9, 1929, issue of Air Transportation, an authoritative aeronautical magazine published at 34 North Crystal Street, East Stroudsburg, Pa., with editorial offices at 1265 Broadway, New York, contained, in part, the following statement:

Charges associating Senator Hiram Bingham, of Connecticut, and the White House itself with an Air Trust lobby have been made by Thomas L. Hill, president of the American Society for the Promotion of Aviation, in a letter to Senator T. H. Caraway, Chairman of the Senate Judiciary Subcommittee.

The letter declares that Senator Bingham, who is president of the National Aeronautic Association, is the "mouthpiece" of the air lobby and that an inquiry into the activities of the lobby will show it has political, financial, and social connections that will astound the country.

In the same story Mr. Hill was quoted as saying:

I therefore publicly charge that—

1. A gigantic Air Trust has been built up in America and that this trust is operated through the workings of the National Aeronautical Association, Aircraft Manufacturers Association, and Aeronautical Chamber of Commerce. A powerful lobby has been created, of which Senator Bingham, of Connecticut, president of the National Aeronautical Association, is the "mouthpiece", as per exhibit A.

2. The Air Trust and its lobby have worked for the passage of legislation that diverted millions of the Government's money to the pockets of the trust despite public protests, as shown by exhibit B.

3. Inferior aircraft, which has taken the lives of scores of pilots, has been forced on the Army and Navy Air Services by the Air Trust, despite the fact that superior and cheaper airplanes could have been secured from independent aircraft manufacturers (exhibit C). Recent developments absolutely substantiate this assertion.

4. Senator Bingham's position as head of the National Aeronautic Association was manipulated by interests profiting largely from Government aircraft contracts. Exhibits D and E.

5. A person publicly denounced for the part he played in diverting aircraft contracts in 1917–18 is now securing large contracts from the Government and is constantly associated in a social manner with those of the Army and Navy Air Services who are in a position to give his company contracts. Exhibit F.

6. Advertising contracts for Government airplanes were not advertised as per House bill No. 10827—Public, No. 446, Sixty-ninth Congress—and this fact was so reported in the February (1927) issue of Aero Digest.

7. Advertising contracts with aviation magazines were used by members of the Air Trust to control the policy of these magazines, and there is public evidence that the refusal of a magazine editor to meet the wishes of one of the group resulted in advertising being withdrawn from the magazine. Exhibit G.

8. As a unit of the Air Trust the Aeronautical Chamber of Commerce did strive to prevent members of the aviation industry from participating in the aircraft show, held in New York City, February 1929, by the Aviators' Post, American Legion, No. 743. This post is composed of war-time flyers, and their past or present patriotic interests cannot be questioned.

9. An investigation of the activities will show that agents of the Air Trust have been placed in positions of honor and trust in the service of this Government and have used these positions to obtain advantages for the group. This is best exemplified by the giving of contracts to the Air Trust of higher figures than offered by independents. Exhibit H.

10. Confidential information relative to aircraft inventions and developments for the past years has been taken from Government departments by agents of the Air Trust, and that independent inventors will not send their products to governmental laboratories for testing, fearful of publicity relative to their work, which they know, from past experience, will be stolen by agents of the organized air group. Exhibit I.

11. Test by the Department of Commerce which would allow independents to manufacture aircraft and aircraft engines has been purposely delayed to allow favored companies to secure licenses on their products and put these products into production and sale. Millions of dollars' loss has been caused to small independent manufacturers by this work. Exhibit J.

12. The use of Government air fields, equipment, and soldiers has been used for private purposes, and that paid admissions were charged at these fields in direct opposition to the law.

13. In general, members of this group not only have placed their representatives in positions of honor, trust, and profit in the Government but have used the machinery of the Government for propaganda purposes that serve to convince the taxpayers that they, the Air Trust, are giving genuine service to the Government.

14. Through Nation-wide paid propagandists they have in many cases duped the press, and their paid representatives, through the use of money, liquor, and other means, have influenced officers of the Army, Navy, Department of Commerce, and representatives of the press.

15. To support my charges I herewith hand you a list of names, with the suggestion that these men be subpenaed immediately to prove the truth or falsity of my statement. Exhibit K.

Where are the statements referred to? Let us find them.

The committee of which the gentleman from Minnesota [Mr. KVALE] has spoken should find them and call Mr. Hill, of New York, before it if he still lives to justify or disavow his charges against former Senator Bingham and other people in connection with the United States Government.

The gentleman from New York who preceded me a few moments ago and the lady from Massachusetts have had considerable to say today, as usual, about the pilots who

were killed carrying the mail. We all regret that very much, but why do not they have something to say about all of the 63 fatalities that occurred in the Air Corps from March 18, 1933, through March 7, 1934? I have in my files the following letter from Brig. Gen. O. Westover:

MARCH 19, 1934.

Hon. OTHA D. WEARIN,
House of Representatives, Washington, D.C.

MY DEAR MR. WEARIN: In compliance with your telephonic request made to Maj. Asa N. Duncan on Saturday, March 17, 1934, there is attached hereto a list of fatalities in the Air Corps as a result of airplane crashes for 12 months starting March 18, 1933, and ending March 17, 1934.

Thanking you for your interest in the matter, I am,

Yours very truly,

O. WESTOVER,
Brigadier General, Air Corps,
Acting Chief of the Air Corps.

(The list referred to is as follows:)

Air Corps, United States Army, fatalities resulting from airplane accidents Mar. 18, 1933, through Mar. 17, 1934

Accident	Date	Name	Status	Connection	Fatality
1	Mar. 19, 1933	Jas. A. Willis, Jr.	First lieutenant (R.A.)	Pilot	1
		Jas. A. Willis	Major (J.A.G.D.)	Passenger	2
		John A. Parker	do	do	3
2	Mar. 24, 1933	Chas. W. Stouff	Second lieutenant (Res.).	Pilot	4
		Gale M. Lester	Staff sergeant (A.C.).	Passenger	5
3	Apr. 23, 1933	Stephen A. Beck	Second lieutenant (Res.).	Pilot	6
		Marjorie P. Hughes	Civilian	Passenger	7
4	May 3, 1933	Herman S. Davis	Cadet	Pilot	8
5	May 5, 1933	E. C. Wolf	Second lieutenant (Res.).	do	9
		R. L. Meredith	Staff sergeant (A.C.).	Passenger	10
6	May 4, 1933	Wayne C. Gardiner	Second lieutenant (Res.).	Pilot	11
		A. R. Huntley	Staff sergeant (A.C.).	Passenger	12
7	June 1, 1933	E. D. Kennedy	Second lieutenant (Res.).	do	13
		L. D. Ramano	Private first class (S.C.).	do	14
		A. C. Spencer	Private first class (A.C.).	do	15
		C. M. Leadbetter	Private (A.C.)	do	16
8	June 9, 1933	Harold A. Moore	Captain (R.A.)	Pilot	17
9	June 17, 1933	Jerome P. Thompson	Second lieutenant (Res.).	do	18
10	June 20, 1933	E. L. Jackson	do	do	19
11	June 24, 1933	L. Horvath	do	do	20
		H. W. Mackelcan	do	Passenger	21
		C. C. Sayre	Private first class (A.C.).	do	22
		A. C. Olive	do	do	23
12	July 13, 1933	R. M. Arrington	Second lieutenant (Res.).	Pilot	24
13	July 20, 1933	K. A. Thompson	Student officer, second lieutenant (Inf.).	do	25
14	July 25, 1933	C. H. Murray	Second lieutenant (A.C.).	do	26
		Sgt. R. W. Snodgrass	64th Service Squadron (A.C.).	Passenger	27
		B. F. Herrick	Sergeant (A.C.)	do	28
		W. T. Caylor	Corporal (A.C.)	do	29
		Overend, Albert	Private (A.C.)	do	30
		Stanley Book	do	do	31
		V. J. Galdis	do	do	32
15	Aug. 27, 1933	E. E. Harmon	Captain (A.C.)	Pilot	33
16	Aug. 29, 1933	H. R. Grater	Second lieutenant (A.C.).	do	34
		H. R. Sandberg	Cadet (A.C.)	Passenger	35
		W. Pasche	do	do	36
17	Oct. 4, 1033	Frank Mathy	Private (A.C. Enl. Res.).	do	37
18	do	R. C. W. Booker	Second lieutenant (Res.).	Pilot	38
		William Rhoads	Staff sergeant	Passenger	39
19	Nov. 3, 1933	L. E. Hunting	First lieutenant (A.C.).	Pilot	40
		J. J. Cunningham	Staff sergeant	Passenger	41
20	Nov. 24, 1933	A. J. Evans	Flying cadet	Pilot	42
21	Dec. 8, 1933	E. E. Holtzen, III	Second lieutenant (A.C.).	do	43
22	Dec. 12, 1933	D. H. Dunlap	Second lieutenant (Res.).	do	44
23	Dec. 18, 1933	G. M. St. John	First lieutenant (A.C.).	do	45
		W. M. Briney	Captain (Res.)	Passenger	46
24	Jan. 23, 1934	J. P. Donlin	Second lieutenant (Res.).	Pilot	47
25	Feb. 6, 1934	L. S. Warner	Cadet	do	48
		H. L. Wells	do	Passenger	49
26	Feb. 16, 1934	Jean Grenier	Second lieutenant (Res.).	Pilot	(MT)50
		Edwin D. White	do	Passenger	(MT)51
27	do	James Y. Eastham	do	Pilot	(MT)52
28	Feb. 22, 1934	Durward O. Lowry	Second lieutenant (A.C.).	do	(MO)53
29	Feb. 22, 1934	F. I. Patrick	First lieutenant (A.C.).	Pilot	54
30	Feb. 23, 1934	G. P. McDermott	Second lieutenant (Res.).	Passenger	(MA)55
31	Feb. 28, 1934	W. H. Brookley	Captain (A.C.)	Pilot	56
32	Mar. 9, 1934	Otto Wienecke	First lieutenant (A.C.).	do	(MO)57
33	do	Ernest B. Sell	Private first class (A.C.).	Passenger	(MO)58
34	Mar. 9, 1934	Frank L Howard	Second lieutenant (A.C.).	Pilot	(MT)59
		A. R. Kerwin, Jr.	do	Passenger	(MT)60
35	Mar. 13, 1934	J. W. Carson	Cadet	Pilot	61
		N. T. Samuels	do	Passenger	62
36	Mar. 17, 1934	H. G. Richardson	Second lieutenant (Res.), inactive mail pilot called to active duty.	Pilot	(ME)63

(R.A.) Regular Army.
(MO) indicates accident which occurred on scheduled mail run.
(MA) indicates accident which occurred during mail administrative flight.
(MT) indicates accident which occurred during mail training (in the above list, all training accidents were on assigned routes).
(ME) indicates accident which occurred during testing of flying equipment.

Mr. WEARIN. Now, why does not the gentleman from New York and the lady from Massachusetts talk about the 53 fatalities not connected with flying the mail that occurred during the 12-month period preceding the date of March 17? Can it be they are afraid their attempt to do so may bring out the fact that the charges of Thomas T. Hill, just quoted, are true? Can it be they are afraid the present administration may discover that the Air Trust has had a "hook-up" with officials during the past 12 years through which it has sold a lot of improper equipment to the Air Corps? If that be true, then there is some real illegal murder.

Now that some of my colleagues insist upon talking about accidents to flyers in the Air Corps, let us stop and have a look at accidents occurring in the field of private and commercial flying. During the period from July 1, 1932, to June 30, 1933, I find that reliable newspapers reported the following "crack-ups":

COMMERCIAL ACCIDENTS

1932

September 8, El Paso, Tex.; 3 killed, 1 injured.
September 27, Bellefonte, Pa.; 1 injured.
December 17, Danville, Calif.; 1 killed.

1933

January 10, Pittsburgh, Pa.; 1 injured.
January 15, Newark, N.J.; 2 killed.
January 20, Marietta, Ga.; 1 killed.
January 24, Eugene, Oreg.; 1 killed, 1 injured.
February 8, Detroit, Mich.; 3 killed.
March 16, Fort Worth, Tex.; 3 injured.
June 4, Brandywine, Va.; 1 killed.

PRIVATE PLANE ACCIDENTS

1932

July 1, Quarryville, Pa.; 2 injured.
July 2, Cincinnati, Ohio; 1 killed.
July 4, Philadelphia, Pa.; 1 killed.
July 7, Redding, Calif.; 3 killed.
July 11, New Bedford, Mass.; 2 killed, 1 injured.
July 13, Niles, Mich.; 1 killed.
July 17, Lafayette, Ind.; 2 killed.
July 20, Gary, Ind.; 3 injured.
July 27, Richmond, Va.; 1 killed.
July 29, Avon, N.J.; 1 injured.
July 31, Wildwood, N.J.; 1 killed. Bay City, Mich.; 1 killed. Dayton, Ohio; 2 killed. Monessen, Pa.; 1 killed.
August 6, Louisville, Ky.; 2 killed.
August 7, Little York, Tex.; 2 killed. Kansas City; 1 killed. Winston-Salem, N.C.; 2 killed. Cameron, Wis.; 1 killed. Salt Lake City; 1 killed. Tucson, Ariz.; 1 killed, 1 injured.
August 12, New York; 2 killed.
August 13, Glen Cove, N.Y.; 1 injured.
August 16, Springfield, Mass.; 1 injured.
August 20, Portland, Maine; 2 killed.
August 22, Washington, D.C.; 3 killed.
August 27, Gary, Ind.; 2 killed.
August 30, Conway, N.H.; 2 injured.
September 2, Cleveland, Ohio; 2 injured.
September 3, Berea, Ohio; 1 injured.
September 4, Cumberland, Md.; 2 killed, 1 injured.

September 11, Clinton, Ind.; 1 killed. Cloverdale, Ind.; 2 killed. Somers Point, N.J.; 1 killed, 1 injured.
September 13, Newark, N.J.; 2 killed.
September 14, Glenwood, Minn.; 3 killed.
September 26, Los Angeles, Calif.; 4 killed.
September 27, Millerton, N.Y.; 2 killed.
October 2, New Haven, Conn.; 4 killed.
October 8, Ithaca, N.Y.; 2 killed.
October 9, Hicksville, N.Y.; 1 injured.
October 16, West Point, N.Y.; 1 killed. Cloverland, Calif.; 2 killed. Milbrook, N.Y; 2 killed.
October 21, Northampton, Mass.; 2 injured.
October 31, Mooresville, N.C.; 3 killed.
November 1, Boise, Idaho; 1 killed.
November 6, Gormania, W.Va.; 2 killed. Randolph, Mass; 3 killed. Chicago, Ill.; 2 killed.
November 10, Denver, Colo.; 1 killed. Kempville, Tenn.; 5 killed.
November 15, Dover, Del.; 2 killed.
November 20, Lawton, Okla.; 1 killed, 1 injured.
November 21, Wharton, Tex.; 2 killed, 1 injured.
November 23, New York City; 1 injured.
November 25, Murianna, Ark.; 2 killed.
November 27, Gallup, N.Mex.; 2 killed.
December 3, Detroit, Mich.; 4 killed.
December 4, Springfield, Mass.; 1 killed.
December 27, New Orleans; 1 injured.
December 30, Boston, Mass.; 2 killed.
January 3, Wichita, Kans.; 1 killed, 1 injured.
January 9, Miami, Fla.; 3 injured. Washington, D.C.; 2 injured.
January 10, Peru, Nebr.; 1 killed, 2 injured.
January 15, Beaver Dam, Wis.; 2 killed, 1 injured.
January 27, Corona, Calif.; 1 killed, 2 injured.
January 31, Miami Beach, Fla.; 1 injured.
February 3, Memphis, Tenn.; 2 killed, 1 injured.
February 18, Richmond, Va.; 1 killed, 3 injured.
February 19, Miami, Fla.; 2 killed. Manchester, N.H.; 1 killed.
February 27, North Wilkesboro, N.C.; 2 killed.
February 28, Newcastle, Del.; 1 killed.
March 10, Los Angeles, Calif.; 1 killed.
March 18, Salisbury, N.C.; 3 killed.
March 20, Knoxville, Tenn.; 1 killed, 2 injured.
March 25, Hayward, Calif.; 3 killed.
March 26, Los Angeles; 2 killed. Knoxville, Tenn.; 1 killed.
March 27, Yuma, Ariz.; 1 injured.
March 31, Neodesha, Kans.; 6 killed, 8 injured.
April 9, Cedar Grove, Md.; 1 injured. Beaumont, Tex.; 2 killed.
April 10, Easthampton, Conn.; 1 killed.
April 11, McCook, Nebr.; 2 killed.
April 15, New York City; 2 injured.
April 16, Eastland, Tex.; 2 killed. Riverside, Calif.; 3 injured.
April 18, Valmeyer, Ill.; 4 killed.
April 23, Winslow, Ariz.; 2 killed. Duncan, Okla.; 2 killed.
April 24, Santa Rosa, Calif.; 2 killed.
April 28, Yorkville, Ohio; 1 killed, 1 injured.
April 30, Pittsburgh, Pa.; 2 killed. Boston, Mass.; 1 killed.
May 2, Chesapeake Beach, Va.; 2 injured.
May 7, Leeds, N.Y.; — injured. Los Angeles, Calif.; 1 killed; 1 injured.
May 13, Oklahoma City; 1 killed. Richmond, Mo.; 2 killed.
May 19, St. James, Mo.; 2 killed.
May 20, Ontario Calif.; 2 killed. Upland, Calif.; 2 killed.
May 21, Binghamton, N.Y.; 1 killed, 1 injured. Alexandria, Va.; 1 injured. Camden, N.J.; 3 injured. Memphis, Tenn.; 1 killed, 1 injured.
May 24, Asheville, N.C.; 1 killed.
May 26, Bast Portal, Colo.; 4 killed.
May 29, Poundridge, N.Y.; 2 killed.
May 30, Boston, Mass.; 1 killed.
June 1, Oklahoma City; 2 killed.
June 3, Tulsa, Okla.; 3 injured. Washington, D.C.; 1 injured
June 11, Cleveland, Ohio; 1 killed, 1 injured.
June 18, Kansas City, Mo.; 1 killed, 1 injured. San Bernardino, Calif.; 3 killed.
June 21, Muskegon, Mich; 2 killed.
June 22, Alexandria, Va.; 1 killed. Frankfort, Mich.; 3 killed, 1 injured.
June 25, Cresco, Iowa.; 3 killed.
June 27, Faribault, Mich.; 1 killed, 1 injured.

The complete stories with reference to the above wrecks are available and would be inserted here in the record but for the fact that I think a summary is sufficient and much more economical.

It should be evident from the above that what some people want to do when they begin talking about the few accidents occuring in the air corps during the time it carried the mail is not to express real sympathy for the men or facts but to drag a red herring across the trail in order to deceive the public. They want to raise a smoke screen to hide the graft the Air Trust has been garnering until such time as Mr. Farley canceled their contracts in accordance with the terms provided therein.

Certain interests have cooperated and spent millions of dollars aiding in one of the most infamous campaigns of propaganda that has ever been directed at the people and Congress. I have in my files literally dozens of copies of editorials from various newspapers that have been sent to the Members of this House in an effort to warp their judgment and place the administration in a false light. Most of the stuff was received in my office in envelops bearing the return address of the Transcontinental & Western Air Corporation. What business, other than an ulterior one, does that outfit have in aiding in such a campaign? If their efforts to imply inability on the part of the Air Corps to carry the mail because of improper equipment is true then lets find out who sold us the stuff, who bought it, and what reason they had for doing so.

Mr. Speaker, the question of whether or not the United States is in a position to legislate with reference to air mail is the matter which is to be discussed under the bill made in order by this rule. I am inclined to be of the opinion that we should have permitted the Air Corps to continue carrying the mail until we complete our investigations and settle upon a method of punishing the offenders; but the question now before the House is whether the bill revised under the leadership of the able Chairman of the Committee on the Post Office and Post Roads is of the type and character which warrants the support of this Congress. Much can be said in its favor. I trust, Mr. Speaker, that this rule will pass and be accepted by the Congress in order that we may take up consideration of this all-important question at the present time pending completion of the work undertaken by our investigating committees, at which time I hope it will be possible for the taxpayers to recover any improper subsidies that have been awarded to the interests back of the big air-transport companies.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the rest of my time to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. The Chairman of the Rules Committee, Mr. BANKHEAD, said that we should not speak about this problem with bitterness in this debate. It is impossible not to feel bitterly about what has gone on in the past. It is not because I am a Republican or because you are Democrats. Our cry has always been, "If fraud be found, punish the guilty, not the innocent." Many Democrats may feel just as bitterly for the blunders in connection with the ruthless cancelation of the air-mail contracts without warning and without a hearing. They feel just as badly as I do for the fallen pilots. What do you think of the bitterness of those families? What do you think of the bitterness of those men who have been flying the air mail over unknown routes, the men who went out in bad weather unequipped in any way? They did so without complaint. They had a remarkable record in spite of all this, and you on the other side know that. It was very tragic for them. The experiment cost the lives of 12 men; their tombstones bear mute testimony for all time of tragedy and the folly of the administration in this matter.

I should like to pay tribute to the Army pilots who have flown the mail. I have talked to commercial pilots about the matter, and there has not been one who has not agreed with me that the Army men have done a remarkable job in flying over unknown routes with unequipped planes. The Army men fly well, and you know that as well as I. In formation flying and in combat flying they are among the best in the world. We have every reason to be proud of them. We have every reason to be proud of Lieutenant Quesado, who flew the last mail across the country in almost record time. I have flown with him and have the greatest admiration for his ability.

Some weeks ago, rather than entertain my joint resolution on this subject, the Democrats adjourned the House in 13 minutes. People have written me from all parts of the country, stating: "Thank Heaven, you have the courage to say what you think. We have been living in fear and do not dare say anything." That means that business is living in fear. It means that business men do not know what the Government may do in the cancelation of their contracts. They feel that the honor of the Government in business may be a thing of the past.

The people of the country, the taxpayers who pay the bills, do not need to be reminded of the cost to them in the loss of Government property, the destruction of expensive airplanes and the expensive operating costs under the Army's carrying the air mail. They are conscious of the damage done to aviation and to the airplane industry.

I remind the Members that since the Army took over the air mail they have flown four times less mileage, which, of course, was not their fault. The following Government statistics prove this:

	Total route mileage	Daily trip mileage	Annual trip mileage
Service prior to annulment of contracts	25,248	111,381	40,653,907
Service performed by Army beginning Feb. 20, 1934	11,543	40,830	14,902,950
Service performed by Army beginning Mar. 19, 1934	7,049	24,698	9,014,770
Service performed by Army beginning Apr. 8, 1934	7,457	25,514	9,312,610

The Post Office Department could not give the amount of mail that was flown in the past month, saying that it did not have the statistics compiled, which is amazing. My colleague suggests that there has not been enough to record. Anyway, I know on account of lack of quick delivery of my own letters which were sent by air mail the present inefficiency of the service. Millions of dollars have been lost to business men, bankers, big and small, and business generally, due to the crippling of the air-mail and passenger service. When I speak of business I do not mean the Mellons that the gentleman on the other side talks about. And, by the way, it was interesting to note that the courts vindicated Mr. Mellon in a tax case. The jury, made up of men in every walk of life, felt that justice should be done to an American citizen. Americans always want fair play, no matter who the person is. I am not holding a brief for Mr. Mellon or anyone else in that regard, but the administration was proved wrong in that matter, just as it was in error in this matter.

It is not necessary to remind the House that every nation in the world has given its air-mail carriers a subsidy in order to develop and perfect aviation, and that Congress authorized the payment of a subsidy to our mail carriers for that purpose also. As a result, our air mail was the best in the world. I am sure we all realize the value of our commercial air service to the national defenses of our country. I am going to vote for the rule. I am not satisfied with this bill. It should be amended, but something must be done to defeat the Senate bill, which is infinitely worse and more unfair. Too late Congress is acting to try to restore a very valuable national activity.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. Mr. Speaker, I was interested in the statement of the gentleman from New York, Mr. FISH, in regard to these air-mail contracts and his statements regarding the bill at this time. I think the most significant thing before us right now in regard to this question is the record made by the Democratic administration on air mail.

What did we find in March 1933, when the Democratic administration took charge? We found exorbitant air-mail rates. We found fraudulently extended contracts by the previous administration. We found most all these airline companies operating on extended contracts that they knew they could not go into court and enforce. We find now this great "hullaballoo" that has been raised by those you have heard on the floor of this House from day to day on this question. Yet, Mr. Speaker, under a Democratic administration you find for the first time we have had really honest competition in the letting of air-mail contracts. We have lowered the price for carrying of the air mail more than twice. We are getting the air mail carried today for about 29 cents a mile, whereas under the previous administration it was costing considerably more than that amount.

Mr. FOSS. Forty-one cents.

Mr. McFARLANE. Under the Hoover administration for 4 years, I will be glad to insert in the RECORD what it cost, and if my memory is correct as to the figure it was more than an average of 70 cents per mile. The average cost per mile for air-mail transportation for 1929, $1.094; for 1930, $0.978; for 1931, $0.722; for 1932, $0.619; for 1933, $0.54, the amounts being computed from June 30 to July 1 of each succeeding year.

Mr. FOSS. At the end of the administration, 41 cents was the average.

Mr. McFARLANE. From June 30, 1932, to June 30, 1933, the average cost was 54 cents per mile.

Mr. FOSS. The gentleman may be right as to the average.

Mr. McFARLANE. That shows what honest competition will do when it is applied to the letting of air-mail contracts. The gentleman from New York [Mr. FISH], said something about these men not having their day in court in connection with the cancelation of these contracts. We are all familiar with the provision of the law under which these contracts were canceled. I do not think there is a doubt existing in our minds as to the right of the Postmaster General and the officials of the Government doing as they did in the cancelation of these contracts. If you will study the record and carefully note the different steps that were taken by Postmaster General Brown leading up to the spoils conference that was had at which these contracts with the different airline companies were hawked around, I do not think there will be any doubt in your mind as to whether or not there was a conspiracy existing in the letting and extension of these air-mail contracts. That being true, there is not any doubt but what the Postmaster General and the President acted very wisely and for the benefit of the taxpayers in the cancelation of these contracts.

WERE THE AIR TRANSPORT COMPANIES DEPRIVED OF THEIR DAY IN COURT?

Oh, they have not had their day in court! We have heard that argument from Members here day after day. This bill specifically gives them their day in court, if they want to take advantage of it. Under the law they have always had the right to file suit in the Court of Claims against the Government if they feel they have been wronged in any way. They knew when they were acting as they did that they were violating the law and that they were not entitled to the consideration that they have been asking from day to day, and that different Members of the House have been hollering "legalized murder" and playing cheap politics about here from day to day; yet this bill very wisely, I think, and very liberally opens the gate and invites them to take advantage of the law and have their day in court; and I dare say there will not be very many, if any, of them that will come in and take advantage of it. These concerns have always had this right, and they have not yet filed any suits seriously trying to contest this matter.

If I had the time, I should like to call your attention to a number of other facts, and I shall ask leave to place in the RECORD in regard to this fraud and conspiracy question a series of events accurately collated as to the time the events happened, showing exactly what took place in the letting of the contracts and in the cancelation of the contracts. It will cover very little space.

[Here the gavel fell.]

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to insert this collection of facts in the RECORD.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what is the matter desired to be inserted in the RECORD?

Mr. McFARLANE. A statement of facts in regard to the events leading up to the cancelation of the air-mail contracts.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, those remarks are not by that Mackenzie O. Kennedy?

Mr. McFARLANE. No.

Mr. MARTIN of Massachusetts. Who prepared the facts?

Mr. McFARLANE. They are a part of my minority views prepared in my report on the investigation our committee

made regarding aircraft procurement. We sat as a committee for some time to investigate whether or not the Government was securing its naval aircraft and accessories at a reasonable price.

Mr. MILLARD. Where did the gentleman get the information?

Mr. MARTIN of Massachusetts. The gentleman does not need unanimous consent if they are his own remarks.

The SPEAKER pro tempore (Mr. BYRNS). Is there objection to the request of the gentleman from Texas?

There was no objection.

CONSPIRACY AND FRAUD IN LETTING THE AIR-MAIL CONTRACTS BY POSTMASTER GENERAL BROWN

Mr. McFARLANE. Mr. Speaker, there should be no doubt left in the mind of anyone, after reading the debate in the passage of this legislation in the Senate, and particularly the remarks of Senator BLACK covering this question. There is no doubt but what there was the rankest kind of fraud in the granting and extending of these air-mail contracts by Postmaster General Brown and the officials working under him. In support of this statement I submit the following facts as bearing directly on this question:

First. March 4, 1929. The organization of the Aviation Corporation of Delaware was in process on March 4, 1929, when Walter F. Brown became Postmaster General, and the following day, upon his retirement, Harry S. New became director and adviser of the company.

Second. May 10, 1929. Formation of Inter-Departmental Committee on Airways suggested by President Hoover, to hear and determine questions relating to the extension of the civil airways system of the United States, was announced by Postmaster General Brown. Personnel of the committee: W. Irving Glover, Second Assistant Postmaster General; Earl B. Wadsworth, Superintendent of Air Mail, Post Office Department; William P. MacCracken, Assistant Secretary of Commerce for Aeronautics; F. C. Kingsburg, chief of Airways Division; and Harry H. Blee, chief of Airports Division, Department of Commerce.

Third. Aviation Corporation acquired route 1, route 2, route 16, route 20, routes 21, 22, 23, 24, 28, 29, and 30, totaling 4,354 miles of air-mail routes.

Fourth. June 15, 1929. Postmaster General advertised for bids on route 32, from Pasco, Wash., to Spokane, Wash., to Portland, Oreg., to Seattle, Wash., a distance of 490 miles; a clause in the advertisement provided "upon the expiration of service already contracted for or that may be extended under the certificate plan on route CAM-5, the terminal of this route that is now being advertised may be changed to Salt Lake City or such point on the transcontinental route as service of the Northwest is supplied to and from." It was also provided that it might be extended to the Canadian border and that the successful bidder have 6 months to begin service.

Fifth. September 23, 1929. Contract on route 32 was awarded after a delay of over 3 months to Varney Air lines, Inc., a subsidiary of United Aircraft & Transport Corporation. Route 5 was operated by the same company and the transcontinental route by another subsidiary of the United Aircraft & Transport Corporation.

Sixth. Postmaster General Walter F. Brown, after an extended airplane trip with United Aircraft & Transport officials, called a conference of all operators and notified them that they must work out a "yardstick" for the revamping of the Air Mail Service. The time limit on all air-mail contracts was expiring and the operators were told that in order to have them renewed they must do what he wanted them to do. To enable the Postmaster General to carry out his plan and get the Watres Act passed it was necessary for him to extend the time limit under the contracts for a temporary 6-month period. The status of the air transport service companies on March 4, 1933, is evidence that his will had been carried out as they had been consolidated in the hands of only a few operators.

Seventh. January 14, 1930. Postmaster General Brown startled the industry in announcing in a speech before the Cleveland Chamber of Commerce his well-laid scheme for new legislation to enable him to complete his plan.

Eighth. Conferences with air-mail operators prior to passage of Watres Act.

Ninth. April 29, 1930. McNary-Watres Act became law.

Tenth. May 3, 1930. Route certificate issued to Varney Air Lines (United) on route 5, which included route 32, that had been bid in at 9 cents a pound. The rate fixed was 83 cents on certain trips and 98 cents on other trips. (Note.—Under terms of the contract operator would only be required to operate 2 months at the 9-cent rate. Contract on route 5 expired Oct. 28, 1929, was extended 6 months to enable the Watres Act to be passed and carry out this deal with the United.)

Eleventh. Spoils conference, about May 15–20, 1930.

Twelfth. Adjusted contract held by Aviation Corporation upwardly to the extent of $108,001.87 per annum. This has been greatly increased since the adjustment.

Thirteenth. Arranged change in Postal Regulations to cut out bidders and to permit the Pennsylvania Railroad to become joint bidder.

Fourteenth. August 2, 1930. Advertised for bids on routes 33 and 34, and included clauses not provided in the Watres Act, to restrict the bidding to one combination.

Fifteenth. September 15, 1930. Awarded contract for route 33 to Robertson and Safeway at maximum rate with the knowledge the contract was to go to the Aviation Corporation and that the companies would not bid against each other on routes 33 and 34, advertised the same day. The circumstances surrounding the advertising and award of these two contracts indicate clearly the Postmaster General and the company who obtained the award knew in advance who would get both contracts and the amount that would be bid.

Sixteenth. September 30, 1930. Awarded—after protest by low bidder—route 34, New York to Los Angeles, to Pennsylvania Railroad, Mellon, and General Motors combination.

AIR TRUST LOBBY DISAPPOINTED

The high-priced Air Trust lobby that has duly installed their representatives here in Washington since Government money has been easily available in subsidizing them in carrying the air mail have become more arrogant and open in their operations all the while. The disclosures recently made on the lobby activities of the different companies holding valuable air-mail contracts fully discloses to what extent these paid lobbyists and former Government officials are willing to go in carrying out the will of their masters. This pernicious practice of rushing through legislation wanted by the moneyed powers and of defeating legislation opposed by them will not be curbed unless and until Congress enacts legislation that will turn the spotlight of pitiless publicity on their every act and deed. We should enact legislation that will require all paid lobbyists before being allowed to appear before any congressional committee or contact the Membership of Congress to register in a permanent bound volume kept by the Clerk of the House and/or the Secretary of the Senate, which book shall record their name, address, occupation, nature of their employment, by whom employed, whether contingent or not, the nature of their remuneration, the amount received or to be received, who pays expenses, all legislation in which they are interested, and whether for or against the legislation. This information should be a public document, always available for public inspection and always attended by Government officials. The names of such paid lobbyists and the information required should be published in the CONGRESSIONAL RECORD each week while Congress is in session and published in pamphlet form at the close of each session, in order that the public generally may know who it is influencing legislation before Congress.

The furnishing of this information to Members of Congress would permit the Members to then and there carefully weigh and consider the merits of the arguments advanced pro and con on any and all legislation in which these lobbyists are interested. At the time these lobbyists are required to register and give complete information in regard to themselves and their employment they should be given a card showing that such information has been given by them.

This card to be presented to any Member or committee upon request showing such compliance with the law. Proper penalties should be provided for failure of the lobbyists to register. We have found that it has cost the Government many millions of dollars because of the conspiracy and fraud perpetrated by these paid lobbyists and their masters in the granting and extensions of air-mail contracts. There is no doubt but what the same representatives of the same Air Trust will do and have done just as effective work in selling the different departments of Government aircraft equipment.

In the recent aircraft investigation conducted by the aeronautics subcommittee of the House Naval Affairs Committee the record of the hearings and the report of the committee will show that only Navy and former Navy officials and the representatives of the different aircraft companies selling the Navy equipment were allowed to testify before this committee. I requested that other parties independent of the Navy, including those companies not doing business with the Navy, be called and that expert aviators and aviation engineers, including Gen. William Mitchell and Mr. C. J. H. Mackenzie-Kennedy, be called before the committee to testify, and after considerable debate finally the committee agreed to allow General Mitchell and Mr. Kennedy to file written statements, which they did, but which statements were not read nor considered by the committee before adopting their report, favorable in every way to the present plans of operation of naval aircraft purchase. Each and every one of these witnesses so testifying all were opposed to competition in the procurement of warplanes, engines, and aeronautical accessories.

THE AIRCRAFT PROCUREMENT ACT OF 1926

The debate that occurred during the passage of the Aircraft Act of 1926 clearly shows the intent of Congress in its enactment in regard to the purchase of future aircraft equipment for the Army and Navy. The intention expressed by those handling this legislation representing the conferees clearly shows that it was their intention as well as the provisions of the law itself that competition should be had under this law in the purchase of all future aircraft equipment, after it had passed through the experimental stage. I find the Judge Advocate General of both the Army and the Navy have repeatedly and continuously from the date of this act to date so held in construing this law. Yet, because of the discretion given under this law to the Secretary of War and the Secretary of the Navy, it has allowed them the exclusive right to pass upon the intent and made their decisions final, and this law took away from the Comptroller General the right to pass upon whether or not there had been competition in such procurement, a right the Comptroller's Office has had for all departments of Government for more than 100 years.

We find by checking the records of the contracts of the Navy on file in the Comptroller General's Office, that 91.3 percent of the Navy's aircraft equipment since the enactment of the Aircraft Act in 1926 has been purchased without competitive bids, and that 92 percent of the Army contracts have been so purchased without competitive bids.

MR. KENNEDY AND MR. WARNER

The gentleman from New York [Mr. O'CONNOR] in reserving the right to object to the extension of my remarks asked whether or not Mr. Mackenzie O. Kennedy was the author of my remarks. I have been rather severely criticized by certain members of the Naval Subcommittee Investigating Aircraft Procurement because I insisted upon the "At-a-Glance Charts" and the statement of Mr. Mackenzie-Kennedy being considered by the committee for what they are worth.

At first the subcommittee voted unanimously to receive this information; then later the committee voted against permitting his statement to be received, and insinuations were made in the committee that Mr. Mackenzie-Kennedy was and is a British spy. Because of the wide-spread notoriety that has been given to these charges and to Mr. Mackenzie-Kennedy's "At-a-Glance Charts", comparing warplane engines and warplane performance and the information contained in his statement, I believe that Congress is entitled to full and complete information on this subject.

Mr. Edward P. Warner, Assistant Secretary of the Navy for Aeronautics (July 10, 1926, to Mar. 15, 1929), who was in charge of Navy aircraft procurement from the time this office was created under this act and for some time thereafter and who started the system of purchasing Naval aircraft without competitive bidding, seems to be very much worked up over the charts and the data contained in these charts of Mr. Mackenzie-Kennedy, for if these charts are true, it is very evident that there is something radically wrong with our system of aircraft procurement, for our Government is spending more money than any other government in the world on aviation; and according to these charts, comparing performance of all warplanes and engines throughout the world, the performance of our warplanes and engines in all except one category, bombers, we stand at the bottom or near the bottom of the classifications.

Dr. Albert F. Zahm, Director of Aeronautics of the Congressional Library (20,000 volumes, the largest aeronautical library in the world) says, after carefully checking the charts, that Mr. Mackenzie-Kennedy "does not seem to understate the case for America though indicating that her warplane engines are deficient in power, especially at combat altitudes."

At the request of Navy officials and others, Dr. Albert F. Zahm has checked and compared these charts to Mr. Grey's Jane's All the World Aircraft of 1933, with the result in comparing Mackenzie-Kennedy's charts to these charts the engine powers on all engines compared, differ by an average, 3.58 percent, which is called substantial agreement. The war-service ceiling comparison shows 4.5 percent difference. Warplane-engine performance for United States falls below those of Jane's by an average, 1.75 percent. Warplane speed of United States warplanes falls below Jane's 0.8 of 1 percent. At 10,000 feet ceiling the figures agree with Jane's. The chart figures for war-service ceiling differs with Jane's 3.45 percent. The comparisons as above stated are based on known records of performance on figures available not later than 1933.

The only person who has seriously questioned the accuracy of Mr. Mackenzie-Kennedy's charts as above is Mr. Edward P. Warner, and according to the newspaper articles in which he is quoted the basis of his authority in questioning the accuracy of Mr. Mackenzie-Kennedy's charts is Mr. C. G. Grey.

Who sent to Mr. C. G. Grey in London, England, a copy of the CONGESSIONAL RECORD of March 7, 1934, in which I had inserted on pages 3853–3862 the charts or tables by Mr. C. J. H. Mackenzie-Kennedy, of the leading warplane engines and warplanes of the world as at the end of 1933? These charts showed the United States to be the most backward of the nations manufacturing warplane engines and warplanes in the design of those in service and projected. Mr. C. G. Grey is a British subject, editor of the weekly known as "The Aeroplane" and of the annual known as "Jane's All the World's Aircraft", and aviation editor of that daily newspaper of enormous circulation, the Daily Mail, all of which are London publications.

I have asked the above question because its answer, which I am about to give, completes the revelation of a series of quite improper and unpatriotic maneuvers by several prominent American citizens to discredit my efforts to improve the air defense of the United States and grievously to injure my recent minority report of the subcommittee on aeronautics of the House Naval Affairs Committee. Although these maneuvers did not attain their objective, still they hampered me very materially and wrought appreciable injury to another who has served the United States so truly and well as an aviation counselor that he is deserving of honor, not defamation such as has been meted out to him through the said several American citizens. I refer to Mr. C. J. H. Mackenzie-Kennedy, and I refer to him, not that I care a

hoot about him or his country in any personal sense, because I do not, but because I have found him to be an honorable man, and I have not yet found anyone able to prove his findings to be wrong in any way, although I have indefatigably tried to find someone able to do so. In sickness it is not the nationality of a doctor that counts but his knowledge.

At the previous request of that very efficient chairman of the House subcommittee on War Department appropriations, Representative ROSS A. COLLINS, of Mississippi, Mr. Mackenzie-Kennedy completed his said charts and presented them to Representative COLLINS on February 10, 1934. The latter then inserted the charts in the report of the hearings of his said "subcommittee on the War Department appropriation bill, 1935", pages 493 to 512. In the latter part of February 1934 Representative COLLINS referred me to Mr. Mackenzie-Kennedy. The secretary of the Air Defense League of Philadelphia also assured me that his league was quite satisfied with the accuracy of the charts. This is borne out by the Philadelphia Record of March 25 and 26, 1934, confirming the adoption of the charts by the league. It was wise in so adopting the charts as Dr. Albert F. Zahm, Chief of the Division of Aeronautics of the Library of Congress, subsequently approved them in his written report to me of April 25, 1934, as above stated, made in the light of his detailed comparison of the charts with Jane's All the World's Aircraft 1933, issued after the end of that year. This report by Dr. Zahm is to be found on pages 1490 and 1491 of my said minority report.

When Representative COLLINS referred me to Mr. Mackenzie-Kennedy, as aforesaid, he also gave me a copy of the latter's charts. I was so impressed by them that I got in touch with Mr. Mackenzie-Kennedy and invited him to submit a written statement relating to United States air defense for incorporation with his charts in the report of the hearings of my Subcommittee on Aeronautics of the House Naval Affairs Committee. He then gave me the said statement, which statement is now to be found adopted by me on pages 3864–3869 of the CONGRESSIONAL RECORD of April 21, 1934. After Mr. Mackenzie-Kennedy gave me his statement, the subcommittee approved that it, together with the charts, should be incorporated in the report of its hearings. In fact, the subcommittee's chairman, JOHN J. DELANEY, of New York, telephoned and told me during the afternoon of March 7, 1934, that he quite agreed that the statement and charts should be incorporated in the said report. Representative DELANEY did this immediately after he had Mr. Mackenzie-Kennedy call on him and discuss with him the statement and charts.

Then, at the meeting of the subcommittee on the following morning, March 8, 1934, Representative DELANEY publicly, and in the presence of the press of the country, charged Mr. Mackenzie-Kennedy inter alia with being a British spy, with being an agent of many British companies, and with the intention of having his "statement put into the record and have it sanctioned by the Committee on Naval Affairs. Then take that report and send it broadcast to South America and other countries with whom the United States is doing business, and say 'Here is the condition of the American market regarding airplanes, and its own committee says they are no good'"; see page 1127, and other pages from 1117 to 1136 of the report of the subcommittee's hearings. Representative DELANEY overlooked the fact that Mr. Mackenzie-Kennedy's statement and charts do not show the condition of the American market regarding airplanes, as these documents are restricted to warplane engines and warplanes, the export trade in which between country and country is perforce small and scattered. The press published Representative DELANEY's said charges against Mr. Mackenzie-Kennedy throughout the country, and caused me a great deal of trouble apart from whatever harm it did to Mr. Mackenzie-Kennedy. Representative DELANEY has since been totally unable to substantiate a single one of his said charges although by their means he had great weight on the actions of the subcommittee in the barring of Mr. Mackenzie-Kennedy's statement and charts from the report of its hearings.

I promptly gave Representative DELANEY and others an opportunity to substantiate said accusations against Mr. Mackenzie-Kennedy by offering House Resolution No. 300 of March 14, 1934, to investigate them. Any and every critic of Mr. Mackenzie-Kennedy was at liberty to take advantage of this resolution. It was referred to the House Foreign Affairs Committee. However, this committee wrote informing me that it had the resolution under consideration and had postponed further action indefinitely. Thus, Representative DELANEY and all other critics of Mr. Mackenzie-Kennedy failed to use this opportunity to substantiate any charges against him.

Instead, underhand criticisms of him were instituted in the press. On page 2 of the complete final edition of the New York Sun of April 14, 1934, an article antagonistic to Mr. Mackenzie-Kennedy was published under the heading "Army Air Testimony Disputed." It is stated in this article with reference to Mr. Mackenzie-Kennedy's figures that—

> Not only were the figures he gave the congressional committee grossly inaccurate according to high authorities in both French and British air ministries, but the whole aviation picture he painted for the Members of the House was just the opposite from that offered by C. G. Grey, British aeronautical writer, who wrote in his publication, Aeroplane, recently that American aviation was far ahead of that in any other country in the world.

The last statement does not necessarily involve warplane engines and warplanes.

On page 2 of the complete final edition of the New York Sun of April 19, 1934, another article antagonistic to Mr. Mackenzie-Kennedy was published under the heading "Holds United States not inferior in air. Edward P. Warner assails Englishman's charts. 'Dangerously misleading.' Ex-Air Secretary's wire read to House Naval Committee." The telegram of April 18, 1934, from Mr. Warner to Representative GEORGE BURNHAM, California, a member of my said subcommittee, is quoted in the article. The New York Sun subsequently corrected somewhat the impression hostile to Mr. Mackenzie-Kennedy given by its said articles. Upon receiving the said telegram, Representative BURNHAM read it to the subcommittee. The telegram is as follows:

> Glad to accede to your request, as I have been deeply concerned over wide circulation of these charts, which have appeared to me as likely to be dangerously misleading to American people through giving wholly false impression comparative merits American and foreign products. Upon first appearance of charts in print I sent copies to correspondent of mine who is eminent in British aeronautics and especially versed in military aviation. His cabled reply reads in part: "British figures fantastically inaccurate. Top speed errors 35 miles per hour and more. Ceiling errors 12,000 feet and more. Ludicrous overstatement throughout. Impossible cope all errors. Ceilings as given ridiculous. Scarcely a figure correct." He follows this with many citations of particular figures in error as compared with official British Air Force performance data. Similar request for information from France brings reply in part: "Kennedy figures of French machines are distinctly misleading." Certain American performances on other hand appear materially understated in charts. Many structural and other factors having important bearing on merits of military aircraft omitted from charts. Performance data latest American types of course not available for public discussion.—Edward P. Warner.

There is nothing specific—technically—in this telegram save Mr. Warner's anxiety to discredit Mr. Mackenzie-Kennedy. He acknowledges sending printed copies of the charts to his correspondent in England, and also, apparently, to another in France.

Concurrently with Mr. Warner's said telegram the following article appeared on page 672 of The Aeroplane, London, of April 18, 1934.

> A REVENANT
>
> Mr. Chessborough J. H. Mackenzie-Kennedy has recently appeared in the United States as expert adviser to the United States Congress Committee on Air Affairs. The New York correspondent of the Daily Mail reported on April 16 as follows:
>
> "Charts presented to the committee by an Englishman, Maj. C. J. H. Mackenzie-Kennedy, startled the Congressmen. These purported to show that the *Hawker Fury*, the standard British pursuit (fighter) aeroplane, had a speed of 230 miles an hour and could climb 35,000 feet. The Americans were also told that the *Hawker Super-Fury* could fly at 250 miles an hour.
>
> "Interested experts cabled to the British authorities, asking if the figures were correct.
>
> "The reply was that the performances of British aircraft as presented by Major Mackenzie-Kennedy were 'fantastically inaccurate.'

"It was stated that the tests of the *Hawker Super-Fury* were not completed.

"The speed of the *Hawker Fury* is given as 205 miles an hour, with a climbing power of 29,000 feet.

"French authorities described Major Mackenzie-Kennedy's figures on French military aviation as 'misleading.'"

Actually his figures for the *Hawker Fury* and *Super-Fury* are not wildly wide of the facts, but some of his figures as shown in the congressional report which has been sent to us might reasonably be called "fantastic."

Mr. Mackenzie-Kennedy will be remembered in this country as arriving from Russia early in the war, where he claimed to have worked with Mr. Sikorsky in producing the world's first four-motor aeroplane. He interested certain wealthy munition makers in this country in his plans and established himself in palatial offices in Cromwell Road, where a large staff of technicians prepared the designs for the vast four-motor biplane which was built at the works of the Gramophone Co., Ltd., at Hayes, and was assembled at the R.F.C. aerodrome at Northolt. Eventually Mr. Frank Courteney endeavored to fly it, but only the front wheels could be persuaded off the ground.

After the war a big firm in Newcastle, John Dawson & Co., Ltd., financed the building of another great ship of his design, but this unfortunately never reached the stage of being fully assembled. At or about that period he lodged a claim with the Committee for Awards to Inventors as the inventor of the gun pit in the tail of large aeroplanes. And newspaper reports at the time said that he was awarded the sum of £31,000 for it.

Thereafter he turned his attention to air transport and ran a service to Paris, called "The Air Post of Banks", with Westland limousines. After a few trial trips this ceased, and he disappeared from aviation till this latest activity in America.

It will be seen that this article contains an acknowledgment of a CONGRESSIONAL RECORD having Mr. Mackenzie-Kennedy's said figures. The only CONGRESSIONAL RECORD having them is that aforesaid of March 7, 1934. The article is quite vague and almost entirely untruthful, according to record evidence shown to me. However, the article goes back upon Mr. Warner's said telegram and does not support him with regard to the figures for the *Hawker Fury* and *Super-Fury*. This article and Mr. Warner's said telegram and his statements to the New York Sun reveal his British correspondent to be Mr. C. G. Grey, a pressman of no particular technical training, and provide the answer to the question at the beginning of these remarks. It appears, therefore, that Mr. Warner's French correspondent is also a pressman.

In his said article Mr. Grey could not be other than extremely vague because, as Dr. Zahm's aforesaid report to me of April 25, 1934, amply shows, Mr. Grey, a British subject, would then have had to destroy his own figures in Jane's All the World's Aircraft of 1933.

That portion of Mr. Mackenzie-Kennedy's said statement which is on pages 3864 to 3869, CONGRESSIONAL RECORD, suggests some reason for Mr. Warner's anxiety to discredit him. It shows that Mr. Warner is not the reliable aeronautical authority he is made out to be. This is further evidenced by the still current Aviation Handbook, by Mr. Edward P. Warner (editor of Aviation) and Mr. S. Paul Johnson (assistant editor of Aviation), published as late as 1931 by the McGraw-Hill Book Co., Inc., New York. The price of this big book is $7.50. It consists of some 715 pages, with an extensive index from page 695 to page 715, inclusive. Aviation engine superchargers are not even indexed therein, which helps to explain, perhaps, why American high-powered aviation engines began to be supercharged at all only well on in 1932.

It is thoroughly discreditable that such a prominent American as Mr. Warner should so promptly send the said CONGRESSIONAL RECORD of March 7, 1934, to foreign countries and in a manner emphasizing the importance of the figures therein to American aviation. This is made worse because it was done while Representative DELANEY was erroneously proclaiming to the world as aforesaid that Mr. Mackenzie-Kennedy wished to distribute such publications in foreign countries, whereas in fact, Representative DELANEY has been unable to substantiate other than that Mr. MacKenzie-Kennedy has never sent any congressional document out of the United States nor discussed his work in any such document with anyone other than an American citizen in the United States. Thus it was the honored American citizen Mr. Warner (and not the British "spy" Mr. Mackenzie-Kennedy) who instituted the broadcasting in foreign countries of Mr. Mackenzie-Kennedy's figures in the CONGRESSIONAL RECORD which is complained of by Mr. Lauren D. Lyman in the New York Times of Sunday, May 6, 1934.

Based on Representative DELANEY's aforesaid unsubstantiated accusations of Mr. Mackenzie-Kennedy, Mr. C. B. Allen wrote a big feature article in the New York Herald Tribune of Sunday, April 29, 1934, pages 11 to 15, which is not truthful. I note that this newspaper has not yet published the registered letter of May 1, 1934, that Mr. Mackenzie-Kennedy sent it. Must also our most prominent newspapers hit under the belt a man who has done this country only good?

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

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 (S. 3170) to revise air-mail laws; and pending that, I ask unanimous consent that in the consideration of the bill it shall be in order to consider the committee substitute amendment as an original bill for the purpose of amendment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, I think gentlemen on both sides are very anxious to conclude the consideration of this bill, if possible, and the suggestion has been made that although the time for general debate is quite limited, an agreement might be reached to shorten the 1 hour provided in the rule. Has such a suggestion been made to the gentleman from New York?

Mr. MEAD. Yes; it has.

Mr. KELLY of Pennsylvania. I may say to the gentleman I believe we could possibly get along with 20 minutes if the gentleman could do the same thing on his side.

Mr. MEAD. I believe we can do likewise over here.

Mr. SNELL. Does the gentleman expect to complete the consideration of the bill today?

Mr. MEAD. We should like to do that.

Mr. BANKHEAD. I would suggest to the gentleman from New York that he ask unanimous consent that the provision of the rule be modified to provide for 40 minutes of general debate instead of 1 hour.

Mr. MEAD. Mr. Speaker, I ask unanimous consent that the provision of the rule providing for 1 hour of general debate be modified so as to provide for 40 minutes of general debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

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 (S. 3170) to revise air-mail laws, with Mr. PARKER in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. MEAD. Mr. Chairman, I shall attempt very briefly to outline the provisions of the pending bill. I want to say that our committee in the revision of the bill, from what was known as the original administration bill to the present bill, known as a temporary measure to provide 1-year contracts, made the revision in order to comply with the administration's request that we create a commission to study every phase of aviation. That commission is to report back to the next Congress. We felt, as the result of the creation of this commission, that it would be unnecessary to enact in a temporary bill the permanent features contained in the original measure. That is the answer to the statements advanced as to why the changes were made.

The bill provides for 1-year contracts to be awarded as the result of competitive bids. The bill sets up a commission to study commercial, military, naval, manufacturing,

experimental, and every phase of aviation, and to recommend the adoption of a national aviation policy. And that, I believe, will be very helpful to the industry and to the country. [Applause.]

One of the amendments we shall offer allows the Department to extend for 9 months the present 3-month air-mail contracts under the terms set forth in this bill. In other words, the Department may extend these contracts under the authority which permitted the call for bids in the first instance, and if the Department should extend the contracts beyond the 3-month limit, they will have to be extended under the provisions of this bill.

As an illustration, the air-mail companies, in securing these 3-month contracts, may see fit to effect economies. It may be difficult to effect economies insofar as fixed charges are concerned; that is, equipment, landing fields, and so forth. Therefore the economies may in great measure be effected by a reduction in salaries and working conditions of the personnel. The adoption of the committee amendment will offer a degree of protection to the pilots and mechanics in the Air Mail Service.

Another amendment will permit companies who have not had 6 months' experience on lines at least 250 miles in length to qualify. This amendment will give companies recently organized a chance to bid.

The bill likewise gives these companies their day in court, as was well stated by the gentleman from Illinois [Mr. DOBBINS], a member of our committee.

Now, under the present set-up, from figures given to me by the Department the cost of the Air Mail Service will be 29.6 cents a mile, as compared with 44 cents a mile, the cost of the service prior to the cancelation of the contracts. This saving will be used in part to give air-mail service to cities that have not had such service in the past. A real expansion of the Air Mail Service will take place.

Under the new air-mail set-up, four States, Maine, New Hampshire, Vermont, and West Virginia, will enjoy services denied them in the past, and approximately 20 cities will, for the first time, have air-mail service. The old lines that bid on the 3-month contracts were reorganized, which action vindicates the position taken by the Post Office Department in that connection. All but three of the old lines were successful in securing contracts and there is still a number of bids yet to be awarded, and they all may, sooner or later, participate in the Air Mail Service again. The attitude of the present Department officials as compared with that of the previous administration, which made a political football out of the Air Mail Service, is to clean house and eliminate politics from the Service. Such action should be refreshing to Members of Congress.

The new administration has not increased the subsidy either in the air or ocean mail; it has decreased the cost in both cases. It has issued no new contracts, except in the case of the air mail, and then at a great saving to the Government. The present administration is anxious that this entire question of air mail be turned over to the Interstate Commerce Commission or some similar agency, in order that it may be taken out of politics. So we hail a new deal for the air mail; we hail the coming of the opportunity when there will be less politics; when a broad national policy will permit aviation to expand and develop. That new day, in my judgment, is at hand; and in the passage of this bill we hasten that day.

We have heard some talk about the Army. I defended the Army Air Corps on one previous occasion. I say again the Army Air Corps took into the air last February better planes and better equipment than the Army had in the air when it originally pioneered the air mail from 1919 to 1927. Everybody regrets, and no one more than I, the deaths that occurred to the Army pilots. There is no doubt in my mind that much of this talk about the Army is just partisan politics.

The spirit of partisanship has crept into this debate, and again the deaths of the Army pilots are charged to the administration. Everyone had the right to believe that the Army Air Corps could carry the mail, and everyone agrees that it was the severity of the weather and the dauntless spirit of the pilots that contributed to some of these crashes. When I hear one of these partisan speeches, I think of the many deaths that occurred in this country from 1929 until 1933. That was during the administration that promised us prosperity, that promised employment and contentment to our workers, and even laid down the specifications as to just how it would be done. Yet we found thousands facing actual starvation. And that administration gave them no relief except the promise that prosperity was just around the corner. But relief was not forthcoming until we had a new deal in Government. So, when the spirit of partisanship creeps out on the floor and the administration is charged with inefficiency and irresponsibility, I cannot become excited about it.

I heard Members stand on this floor and implore the Government to save the men and women of this country who were suffering the pangs of destitution and starvation in every section of the land. Some of those who shout "murder" today were not found pleading for the rights of the people then; they were extolling that administration's do-nothing policy.

Mr. Chairman, there is no politics in this bill. I regret that the spirit of partisanship was injected into this debate. The bill establishes a new deal in aviation, and will result in a real national aviation policy. That is what the administration aims to do, take aviation out of politics and put it where it would not be if the last administration had been continued in power.

The President of the United States and the Postmaster General will cooperate with Congress in effecting a permanent settlement of this problem. In a short time we will lead all the world in every branch of aviation.

Mr. KELLY of Pennsylvania. Mr. Chairman, some day in the future the unwritten history of the past 90 days in the life of the air mail will be written, and many interesting things will be developed at that time. Among those things one fact will stand out, and that is the herculean efforts of the distinguished Chairman of the Committee on the Post Office and Post Roads, the gentleman from New York [Mr. MEAD], to remedy the mistakes which have been made in connection with air mail. [Applause.]

The gentleman from New York [Mr. MEAD] has worked like a Trojan, and I have been one of his helpers in the committee. There has been no partisanship there. There has only been a sense of regret over the conditions which have developed in the past 90 days. We have witnessed one blunder after another, and there is no use denying it. It began with the sudden cancelation of every air-mail contract without a hearing. To this good day nobody is on his way to jail. I assured the Postmaster General that if he could prove that anybody in connection with any of these contracts had been guilty of crime I would help send such guilty persons to the penitentiary, but so far nobody has even been put on trial. After cancelation the Army was given the job, and in the first month 12 boys lost their lives. I stood here and urged the passage of the bill to authorize payment to the Army of money from the air-mail appropriations. Some of my friends refused to so vote, claiming it was making them responsible for the Army operation. I did not so regard it. I regarded it as a fact that had to be met by legislation.

Then the next step was the discontinuance entirely of every plane flying the air mail. For the first time in years no air mail was carried at all because the Army planes were taken out of the skies. Then after a period the Army planes were put back on a modified schedule, and a severe blow was struck to the Air Mail Service. Then came the first legislative plan, prepared in the Post Office Department and sent over to us here. The Post Office Committee went to work on it and found it was absolutely unacceptable. It contained so many unfair, unjust, and impractical features that that bill went out the window and was disregarded entirely. It set up a blacklist; it provided for 6 months after award

of contract for a contractor to sell stock and get planes; it provided injustices of all kinds, and, therefore, that bill was discarded.

The next step was the award of temporary contracts under the law of 1872. The Postmaster General advertised that he would accept bids for temporary contracts, and his authority for it was a section of the 1872 Postal Code, which was passed to cover wagon-route contracts. The only purpose of that law was to provide the Post Office Department with authority so that when a contractor failed to carry out his contract, or when a new service was immediately necessary, the Postmaster General might let temporary contracts without competitive bidding for a period of 3 months, the time to be extended for a period of not to exceed 9 months. The whole purpose of that law was to provide emergency temporary contracts without bidding. Now the Post Office Department legal fraternity say they can use the wagon-route contract law of 1872, for Air Mail Service, and instead of having it "without competitive bidding", they can have it with competitive bidding. If it is possible for the Department to write law like that in the office of the solicitor, there is no use of having Congress here at all. Congress enacted that without competitive bidding the Postmaster General may let certain contracts under certain restrictions.

I have here the printed specifications for the temporary air-mail contracts. It quotes a section out of that old wagon-route contract law. Then it provides that nobody who is guilty of fraud or collusion can bid on a contract. It lays down specifications such as 110 miles an hour. We got past that speed 8 years ago in the air mail. It provides that some companies need not have any passenger facilities at all. We have built up a passenger service in these years that has been a great forward step. Writing specifications like that under a section of the old act, and saying they are going to run the air mail on such a basis. It is absurd. Some of the companies came in with low bids and now we hear that therefore we are going to save 10 millions of dollars. Some of those companies would have bid 1 cent a mile, if necessary, to get the contract, because they wanted to show there had been no fraud or collusion, and that their companies could get the contract and take chances on the future. It was not a matter of getting even enough to pay for the pilots and the gasoline.

We will not save a dollar on this plan when the final balance sheet is made up. Wait until there has been operation under all the contracts before you say we have saved money. Wait until real air-mail service is provided. However, it is the fact that contracts have been awarded under this old law, and we must accept that fact.

Now, this bill before us provides that the Postmaster General may make temporary contracts not to exceed 1 year, and it lays down some needed restrictions. I helped draft the bill in committee and the committee did write this bill. After it was completed I made the statement that I should gladly support this bill as the best thing that we could possibly expect if the Post Office Department would operate under it. All I asked was that it be worth something more than a scrap of paper, and that it would not simply cumber the books with a law that would not be put into force. I said if they would operate under it, I believed it would be the best thing that we could get out of a series of tragic blunders. I called the Post Office Department and learned that they would not operate under this bill; that they were operating under the law of 1872; that they were advertising routes and had awarded some contracts, and therefore they proposed to go on that basis.

Now, where is the logic in Congress writing a temporary contract law when the Post Office Department has already awarded temporary contracts and will not operate under the provisions of this law? I should like to help restore our air-mail service to where we had it—as a great service to the public—but I cannot vote for a bill that will simply be cumbering the statute books, while the Post Office Department refuses to operate under it.

The contract feature is one part of this bill.

The second part provides for a commission to study the whole aviation question and recommend permanent air-mail policy. My friends, under the Sabath resolution in the Seventy-second Congress, we had a commission to study air mail.

Its head was the gentleman from New York [Mr. MEAD]. We had hearings for weeks. We went into every phase of the Air Mail Service and brought a bill into Congress with the unanimous approval of the Commission. We began hearings on that bill in the special session of the Seventy-third Congress. The Postmaster General informed our committee that he did not want any more hearings because he was studying the Air Mail Service and wanted time to ascertain what the conditions were. Hearings were discontinued in the special session of the Seventy-third Congress, when we could have brought in a constructive bill and made impossible all these blunders that have been made in the last 90 days.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. SNELL. Did I understand the gentleman from Pennsylvania to say that the Post Office Department said they would not operate under this legislation if it became law?

Mr. KELLY of Pennsylvania. The Post Office Department said that they were operating under the law of 1872, and that they were letting contracts on that basis.

Mr. SNELL. But I understood the gentleman from Pennsylvania to say that they would not operate under this law, but were going to operate under the law of 1872.

Mr. KELLY of Pennsylvania. That is exactly the question I asked them; I asked the Second Assistant Postmaster General if they would operate under this new proposal, and his answer was that they had already advertised for bids under the law of 1872, and intended to operate under it.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. DOBBINS. Was not the question the gentleman asked of the officials of the Post Office Department whether they would not throw out the bids they had received under temporary advertising and call for new bids under this new law?

Mr. KELLY of Pennsylvania. No; my question was: "Will you operate under this 1-year temporary law if we pass it?"

They said: "No; we are already operating under another law."

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. McFARLANE. Are printed copies of the hearings available?

Mr. MEAD. Yes.

[Here the gavel fell.]

Mr. KELLY of Pennsylvania. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, I will support any constructive plan, but it seems to me that we ought to meet the situation squarely. If the Post Office Department proposes to operate under the 90-day provision of the act of 1872, let them go ahead and operate under that if they can prove its legality in the courts.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. DUNN. Is the bill before the House a constructive piece of legislation?

Mr. KELLY of Pennsylvania. This bill, as I see it, is not sensible nor constructive. It cumbers the statute books with a law that will not be used. However, I do not believe these present 90-day contracts are legal. I have asked a great many good lawyers as to whether under an act providing for the letting of temporary contracts without competitive bidding a department can call for competitive bids and issue contracts on that basis. In every case they said it could not be done. On the other hand, if the Post Office Department can make valid contracts with the contractors with whom they are now entering into contracts, we should not add further to the confusion and make the chaos com-

plete by adding another temporary contract law to the statute books.

I should be delighted indeed to use every effort possible to provide authority to let emergency contracts, but we find emergency contracts already awarded. The T.W.A., for instance, is already operating and carrying the mails between Los Angeles and New York.

If the Post Office Department will not operate under it, what is the value of putting this emergency law on the statute books? There may be some advantage in having this bill passed by the House, because the Senate bill is much worse than this measure. The Senate bill contains provisions which I am sure the House would not favor. In conference it may be possible to write some constructive legislation dealing with the air mail and that seems to be the only hope in the situation.

After having gone through weeks of work in the committee, endeavoring to cooperate in every way possible, I am going to cast my vote against this bill. I contend that the Post Office Committee, given a free hand, can write a bill which will meet the need of the present vexing situation. I contend that the Post Office Department should perform its duties under laws written in Congress and not in the Department. [Applause.]

Mr. MEAD. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. ROMJUE].

Mr. ROMJUE. Mr. Chairman, in the few minutes allotted to me I shall not attempt to go into much detail with regard to the merits of the bill. They have already been covered. It is unfortunate, I may say, however, that politics get injected into matters of this kind. Let me point out in this connection that the first condemnation of Postmaster General Brown's administration of the Air Mail Service did not come from the Democrats, did not come from the Democratic Party, or from the Democratic side of the House. Looking up the records I find that under date of August 29, 1931, there was printed in the Washington Herald a statement issued by the distinguished gentleman from Pennsylvania, my distinguished Republican friend, a member of the Post Office Committee, Mr. KELLY. The Washington Herald quotes Mr. KELLY himself in this language:

Representative CLYDE KELLY of Pennsylvania, Republican, last night charged Postmaster General Brown is prostituting the Nation's air mail with monopolies and served notice he will force a complete investigation of the Brown air-mail administration by Congress when Congress convenes.

Mr. KELLY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ROMJUE. I yield.

Mr. KELLY of Pennsylvania. I still hold to that idea. I think there were a great many mistakes. I fought with Postmaster General Brown throughout his entire tenure of office. Each of the contracts should have been investigated on its own merits.

Mr. ROMJUE. I may say that what Postmaster General Farley now is doing was charged by Mr. KELLY himself under the Republican administration against Republican Postmaster General Brown.

Mr. KELLY defeated the Postmaster General in this attempt on the ground it would give the Postmaster General autocratic powers over the aeronautic industry, and be "highly dangerous", he said. He declared:

"Although the Congress presumably defeated the Postmaster General in this attempt and included mandatory provisions requiring bids in the final McNary-Watres Act, it is obvious the Postmaster General is administering that bill to an end not intended by Congress.

"I shall force an absolute and uncompromising probe into the reasons for this the minute Congress convenes."

EXPLAINS CLAUSE

The charges of KELLY, "Father of the Airmail", and his demand for an investigation came as a dramatic sequel to Universal Service's exclusive disclosure that 90 percent of the Nation's $17,000,000 annual air-mail subsidy—designed, according to Mr. Brown himself to "Assist the small operator who now has no contracts and who needs a little help"—is going to four mammoth concerns.

Universal Service also showed that of the 32 contracts awarded by the Post Office Department since passage of the McNary-Watres Act, April 29, 1930, the last 30 have been granted as extensions by the Postmaster General to the alleged monopoly, without being offered for bids.

These extensions were made on the strength of a clause in that act, in connection with which Mr. KELLY said:

"Postmaster General Brown came to me with a bill which he said he wanted passed, giving him absolute power to grant air-mail contracts without bids whatsoever. I considered this a highly dangerous policy, and I refused to introduce or support the bill.

Mr. Brown then took the bill to Mr. Watres, who introduced it for him. Every time the measure came into a committee for hearing, Mr. Brown was there, to argue for it. I opposed it bitterly, but at Mr. Brown's insistence, it was finally reported out, over my minority report to the steering committee, where Brown was again present."

PLANS TO AIR TRUTH

There it caused so much furor that it was sent back to the Post Office Committee, and when it was apparent passage was impossible, Mr. Brown agreed that I should insert provisions for bids as I demanded.

Mr. Brown now completely disregards the intent of the committee when it backed me in insisting upon the amendments, and continues to carry out his original intention of granting these contracts without bids.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. ROMJUE. I yield to the gentleman from Pennsylvania.

Mr. KELLY of Pennsylvania. Of course, that is what I have been trying to do up until now. The fact that we are getting down now to the point where we should have been 2 years ago when the committee appointed by this House brought in a bill to change the McNary-Watres bill and put it on a solid foundation is what I am arguing for at this time.

Mr. ROMJUE. The gentleman visioned the mistakes that his own Postmaster General Brown was about to make and did make. Subsequent events here disclose that Mr. Farley, when he took charge of the office, found these conditions to exist, and when Mr. Farley charges that these contracts were being awarded without bids, the very thing that a Republican Representative on that side of the House charged, then he, Mr. Farley, is accused of being partisan about the matter.

The reletting of these contracts has disclosed that we are saving over half of the revenue. It costs the public $9,000,000 now, under Mr. Farley, and under the former contracts let under General Brown it cost $19,000,000. The cancelations of these contracts under General Farley were properly done and have effected a tremendous saving of money.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to insert therein a newspaper article taken from the St. Louis Post-Dispatch commenting on the air-mail situation.

Mr. TABER. What is the article?

Mr. ROMJUE. An article from the Post-Dispatch of St. Louis.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The article referred to is as follows:

LEST WE FORGET

The greatest tragedy of air-mail tragedies is that they have been used to discount air-mail scandals.

The public must not forget these. The trouble is that a considerable number of people do not believe that there have been any scandals. In the Nation-wide ferment over Army air deaths, the important fact has been obscured that the air companies which have been making much capital out of the argument that they were convicted without a hearing have been heard and have been convicted.

The Black committee has already made out a complete case against the commercial aviation industry, and it was plain brass for the spokesmen in the industry recently appearing before a Senate committee to try to pull the wool over the eyes of the people any longer upon this score.

It was a sufficient proof of skullduggery that official records were removed or destroyed when the investigation began. When we add to that the revelation that the sons of United States Senators were retained as lobbyists by the air-mail conspirators when this evil-smelling mess was cooking, we stand face to face with the sort of thing that rots the very taproots of representative government.

The mail contracts were canceled on the ground that they were obtained by collusion. By collusion is meant that they were obtained without competitive bidding, which was required under

the statute prescribing the method to be used in awarding them. The Black committee has shown that, in May of 1930, former Postmaster General Brown called to Washington some 12 big operators, that these operators sat around a table and considered among themselves how the 12 air routes of the country were to be divided up. On five of these routes they reached an agreement. On the remaining seven they agreed to let Mr. Brown decide the matters they could not agree upon.

This agreement was discovered in the correspondence of McCracken, who was Brown's assistant. It was confirmed by the testimony of every one of the operators, all of whom were cross-examined by Senator BLACK. In awarding mail contracts, it was shown that Brown carried out the operators' agreement on five of the routes without a hitch. On the seven that the operators left for him to decide, he awarded them in the most high-handed and dictatorial manner. In the interest of the Pennsylvania Railroad, whose business he favored, he forced Western Air Express, a profitable line, to merge with T.A.T., the unprofitable aviation subsidiary of the Pennsylvania, thus giving it a chance to cut in on the earnings of the former.

In numerous other cases he dictated mergers at will through threatening to withhold a mail contract if not obeyed. In reading the testimony it is impossible for any fair-minded person to discover the slightest trace of honest, competitive bidding.

Establishing collusion in the award of contracts, the Black committee then probed the financial affairs of the large air companies. This brought to light a tale of graft so revolting as to be almost incredible.

Incidentally, it sustained another ground for canceling the mail contracts. The last Congress authorized the President to cancel the mail contracts if he found them contrary to public interest. All the many devices of corporate business since the war to loot the investor and demoralize business, which have turned up time and again in other congressional hearings, were shown by the Black committee to have reached a hideous fruition in the aviation industry.

One official of a company—a young man of 25—was shown to have started with an investment of $40, which in 2 years had been manipulated by inside stock watering and stock-exchange machinery into a market value of over $5,000,000. Selling part of his holdings, this insider reaped a cool million at 27 years. In another case among many, an initial investment of $253 was manipulated rapidly by the same practices into a market value of $35,000,000 and partially liquidated at a profit of over $9,000,000.

While unloading their watered stock on the public aviation officials helped themselves in addition to incredible bonuses and salaries, though the outsiders who invested in the companies are still waiting for dividends. They gambled in the stocks of their own companies, staging pool battles like all those of merited odium.

They organized or gained control of investment trusts of other people's money to generate a demand for holdings they wish to unload. They held controlling interests in companies supplying equipment to the operating companies which they also controlled. The head of one great aviation company invited a bank, of which his brother was president, to cut in on the swag by using the bank's affiliate to underwrite the company's issues at an exorbitant rate.

By 1932 the industry had been efficiently plucked. In that year the aviation industry had 18,585,000 shares of stock outstanding, and on this stock only $30,000 in dividends was paid.

The public must not forget the air-mail scandals. It must not lose sympathy with the efforts of the administration to make the aviation companies reorganize for the elimination of such practices before obtaining more millions of taxpayers' money.

The casualties which have resulted from cancelation of these contracts are regrettable, but they do not make right what was palpably wrong.

Mr. KELLY of Pennsylvania. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. GOSS].

Mr. GOSS. Mr. Chairman, my entrance on the floor in this debate is the first time any member of the Military Affairs Committee throughout this whole controversy has taken the floor. It is not my purpose to take the floor to enter into any of the controversial issues that have been made, and to defend or to deny them, because the subcommittee of the Committee on Military Affairs at the proper time will do that and report to the House as already ordered by the House.

May I point out to the chairman of the committee that in section 17 it is stated that the President is authorized to appoint a commission composed of five members, and so forth, and to report to Congress its recommendation "of a broad policy covering all phases of aviation and the relation of the United States thereto." Here is provision for the appointment of a new commission to consist of five members. You have had a subcommittee of the Committee on Military Affairs working 9 weeks, day after day, morning, afternoon, and night, studying this problem. We have had the Naval Affairs Committee studying the problem as related to naval aviation. We come in here and authorize the President to appoint another commission wholly unrelated, and as we sit here this afternoon the Secretary of War has another commission, known as the "Baker board", all of these committees studying all phases, with the exception of the Military and Naval Affairs Committees.

Mr. MEAD. I believe it will be helpful to pool all this information and coordinate the activities of all the committees that have been working separately one from the other.

Mr. GOSS. As far as the Military Affairs Committee is concerned, it is not our business, and we are not proposing to go into the air-mail-contract phase of the matter.

Mr. MEAD. I may say to the gentleman that we were going into phases of the subject that really belonged to your committee in the matter of the interchange of pilots. In that regard this commission will be helpful, because they will call your representatives and our representatives and will work out a solution to the whole matter.

Mr. GOSS. I believe the Membership of this House will pay their respects to this subcommittee headed by Mr. ROGERS of New Hampshire when that report comes in. I do not know whether it will be in this Congress or the next. Probably half the work is not done as yet, but we have had hearings in that committee, practically entirely in executive session, and have brought out things that probably no other committee will bring out. And here, may I point out again, that in this bill, as proposed by the Senate, they suggest such a commission, and further, they say, "In order to improve national defense, promote the art of flying, and securing for air mail and military and naval pilots", and so forth. They appoint still another commission, including the Secretary of War, the Secretary of the Navy, and the Postmaster General, and others.

It seems to me, in all fairness to the House, that we ought to be able to strike out section 17 of this bill. The House has already appointed this subcommittee, and, as I say, we have been working diligently morning, noon, and night for 9 weeks, and probably will be working this summer. There is also the Newton D. Baker board, appointed by the Secretary of War, going into the same phases, and here we come along with another one. Now, we are liable to get a hodgepodge proposition out of the whole business.

Mr. DOBBINS. Does not the gentleman recognize that each one of these commissions has been doing this from a single standpoint? The purpose of this commission is to correlate the views of all the committees. They will study specialties in the aviation industry and put them all in one broad scale and correlate their views as much as possible.

Mr. GOSS. Just as an example, let me refer to the Baker committee. The Chief of the Air Corps sits there day after day. What are we going to get out of that board?

I hope the committee will give consideration to this matter, because I should like to offer an amendment to strike out section 17, which will permit these other committees whom you have already appointed to do the job and report back to Congress.

[Here the gavel fell.]

Mr. KELLY of Pennsylvania. Mr. Chairman, I yield the remaining 2 minutes to the gentleman from Massachusetts [Mr. FOSS].

Mr. FOSS. Mr. Chairman, what we have before us now is a bill that has been formulated by the Post Office Committee with regard to the air mail, and I may say, in deference to the Chairman of the Post Office Committee and the gentleman from Pennsylvania [Mr. KELLY], the ranking minority member, this bill should be passed. It is not a satisfactory bill to any member of the committee, but it should go to conference and we should let the conferees write a bill that will be beneficial to the air mail.

There has been a lot said about the cost of the air mail and the amount of money we are going to save. I want to suggest to the gentlemen who are telling us about the immense amount of money we are going to save by this bill to wait until they get the bill from the War Department for their services in carrying the air mail, and I will guarantee

that the average cost we have been talking about will be immeasurably increased.

There is going to be an amendment offered to this bill. I am opposed to the amendment. I voted against it in committee and I hope it will not be adopted, but I do want to see the bill go to conference in order that the conferees may bring back something constructive and something that will be helpful to the entire air-mail situation. [Applause.]

Mr. MEAD. Mr. Chairman, I yield such time as he may desire to my colleague on the committee, the gentleman from Michigan [Mr. MUSSELWHITE].

THE AIR MAIL IN THE NEW DEAL

Mr. MUSSELWHITE. Mr. Chairman, you have heard a very able presentation from the chairman of my committee, the distinguished gentleman from New York [Mr. MEAD], and a very enlightening discussion from the other members of the committee.

I want you to know that the Committee on the Post Office and Post Roads, of which I have the honor to be a member, has given this problem long and serious and very earnest consideration. The testimony presented before our committee in many hearings, convinced a majority of the committee that the cancelation of air-mail contracts by Postmaster General Farley was more than justified. Employment of the Army fliers, while not wholly satisfactory, was wholly defensible.

Bids recently submitted show that the Post Office Department was being mulcted of unearned millions for the benefit of manipulators of holding companies.

This problem has been one of the most vexing of the present session. The legislation proposed in this measure may not be perfect, but it certainly is an improvement on what we have had. It is designed to meet an emergency that has arisen because of the corruption of the former head of the Postal Service. The bill, whether it is perfect or not, meets the need of the moment. It has the approval, I understand, of the administration. It conforms with the ideals of the new deal. It is positively a square deal to the parties in direct interest, the contracting carriers, the Post Office Department, the patrons of the service, and, finally, the public that pays the bills. I submit that this bill is a fair one and provides the relief needed right now.

Mr. McFARLANE. Will the gentleman yield for a question?

Mr. MUSSELWHITE. Yes.

Mr. McFARLANE. Does the Post Office Department approve this bill?

Mr. MUSSELWHITE. I have the assurance that the Post Office Department approves this measure.

Mr. McFARLANE. They approve it, so far as it goes?

Mr. MUSSELWHITE. And I join in the expressed wish of the gentleman from Massachusetts who just preceded me that this bill as it stands, with the amendment, meet the approval of this House, and I am sure it will meet the approval of the administration and the public.

Mr. McFARLANE. I noticed in the press that the Post Office Department, if I recall the quotation correctly, favored the Senate bill over the House bill, and I think this is a matter we ought to get straightened out.

Mr. MUSSELWHITE. Originally, and until our bill was changed, I think they did prefer the Senate bill. This is the Senate bill.

Mr. McFARLANE. I know that, but you have stricken out the Senate bill and rewritten it.

Mr. MUSSELWHITE. No; we have not rewritten it; but just put in a couple of little amendments and changed it.

Mr. McFARLANE. It looks to me as if you have rewritten the bill.

Mr. MUSSELWHITE. No; the rewriting was done in the Senate.

THE NEW DEAL

As I have said on many occasions since I have been a Member of the United States Congress, both publicly and privately, the new deal is a square deal. We must not lose faith in it. The time will come, of course, when we shall look back upon it. If we cannot normally believe now that such a time will ever come, we should at least be able to do it from the conviction of experience that nothing lasts forever. After more than a year as a Member of this legislative body, most of the Members of which have carefully and wisely followed the lead and suggestions of our peerless President, Franklin D. Roosevelt, I am happy to assert that prosperity has turned that corner we heard about a few years ago. Looking back over the past 15 months since the President went into office with the determination to bring the country out of the chaotic condition he found it, I am more than ever convinced that the war is over.

In the session of Congress which is now drawing to a close more constructive and helpful legislation has been passed than in any other session in history. We have heard a lot about the so-called "alphabetic bureaus"; but, ladies and gentlemen of the House, every one of these bureaus or departments was created for a purpose, and that fundamental and underlying purpose was to relieve the citizens who suffered in the depression which befell us a few years ago. The achievements of President Roosevelt and the Democratic Congress which came into office with him are remarkable. The Public Works Administration has been the medium of employment for countless thousands, and its program has provided improvements that never would have been undertaken except at a time like this. President Roosevelt and the Congress have systematically and effectively brought the resources of the Federal Government into operation to benefit the people of the United States, individually and collectively.

THE N.R.A.

I need not stress the importance of the National Recovery Act. If it does nothing else, it has eliminated cut-throat competition and child labor and has put people back to work so that they may buy more of the products of farms and factories and start our business at a living rate again. Throughout all industry there has been a marked change from starvation wages and starvation employment to living wages and sustained employment in large measure, and I am confident the employers who a year ago were faced with closing down their plants are now willing to agree with the statement that the National Recovery Act is not only a noble experiment but a satisfactory solution.

The depression stole upon us quietly, slowly, and without many of us knowing it was here, but when we realized the situation, we did what any other people would do when a foreign enemy invaded our territory—we fought to a man—we fought to repel it. The depression overran our entire lives, but now, thank heaven, we are on the way to victory. Every man, woman, and child in America knew of its presence, and tens of millions felt its ravages, its cruelties, its utter destructiveness. Emaciated children stared at us in every section of our rich and fertile land. Fear-ridden men and despairing women lined our streets by day and filled our parks at night. Our great middle class—the backbone of our civilization—suffered so heavily that millions lost confidence in themselves, in their Government, and even in life itself. The cost to America was greater in life and treasure than the cost of the World War. The war, with all its horrors and waste of human life and property, of patriotism, idealism, had some compensating factors. It keyed the American people to a high pitch of patriotism, idealism, and unselfish humanitarianism. But the depression brought to millions of our people all but complete loss of faith in the institution of our country and the conviction that life itself was futile. A little more than a year ago there were millions of living dead in the United States, but today there is hope—hope that is certain to restore the confidence of our Government and bring back to our people a renewed faith in the administration of this great Government.

Until a year ago nothing of a positive nature had been attempted to repel the devastating forces of the depression. Now, with a great and aggressive leader in the White House, plans for routing of the enemy have been carefully laid and an offensive war has been and is being waged. Gen. Hugh S. Johnson is the field marshal; and what a warrior

he is. The plan of campaign is outlined in the N.R.A. It is your country's plan, passed with a complete absence of partisan politics by overwhelming majorities in both branches of the Congress, and approved by your great Commander in Chief, President Roosevelt. It was formulated by the general staff working with our President, and they know what part every division, regiment, and company must play in going forward to victory. Every citizen of this great Republic is needed as a volunteer to serve under these great leaders in the battle to turn back the economic depression—the most destructive foe that has ever invaded our shores.

When I voted in the House of Representatives for the National Recovery Act, little did I realize the great benefit it would bring to this Nation, but as each day goes by I feel that if I have done nothing else as a Member of Congress I have kept faith with my people and carried out my pledge to work to bring this country back to normalcy.

THE H.O.L.C.

When the Home Owners' Loan Act, for which I worked and supported, became effective, it was my happy duty to establish an office in the largest city of my district, Muskegon. Since that time the office has functioned excellently, has relieved hundreds of people who were about to lose their homes, and with your permission, Mr. Speaker, I desire to include as a part of my remarks, a letter which came to me, unsolicited, from Mr. Bart D. Buck, cashier of the Muskegon Savings Bank:

APRIL 20, 1934.

HON. HARRY W. MUSSELWHITE,
House of Representatives, Washington, D. C.

DEAR MR. MUSSELWHITE: Recalling that you strongly endorsed the legislation which provided for the establishment of the Home Owners' Loan Corporation and that you took an active interest in the organization of the west Michigan office in Grand Rapids and its Muskegon branch, you will be interested in our estimation of the manner in which the corporation has been functioning in the district which you represent.

Since the Grand Rapids office was established, the latter part of July of 1933, we have received 83 offers of H.O.L.C. bonds for mortgages held by us, 80 of which we have accepted. The first 2 loans closed in the Grand Rapids district took up mortgages held by this bank, and 5 of the first 8 such transactions in Muskegon we were interested in. As a result of the activities of the H.O.L.C. we have only four foreclosures in process at the present time, and we have been able to assist all but three home owners to redeem their homes in instances where they had lost title.

We understand that the Muskegon office has closed between 600 and 700 loans of a total of something like $1,250,000. The bonds which have been received by individuals and financial institutions have eased the credit conditions locally. The repairs which are being made to the properties are resulting in putting a considerable number of men back to work, and, most important of all, homes have been saved for the owners and the real-estate market has been benefited in that a large amount of this distress real estate has been removed from the market.

Yours very truly,

BART D. BUCK, *Cashier.*

ROOSEVELT GREAT LEADER

There has been so much legislation enacted in the Democratic administration since I took office that time will not permit me in the allotment graciously afforded me by the Speaker to discuss. I can safely say, however, that more real accomplishments have been crowded into the Seventy-third Congress than at any time in the history of our Nation. I said before coming to Congress that I would contribute my utmost efforts to aid Mr. Roosevelt in bringing about recovery, and I reiterate that statement now that I am in full accord with the new deal and strongly favor its continuance. Before entering public life, it was always my policy to do a job well or not attempt it at all. During this period of the new deal, while the country has undergone changes greatly for the better, I have served every section of my district with no thought of partisanship or partiality. My duty and obligation has been to my district as a whole. I am anxious to continue for one more term.

There are those to whom the pursuit of office is a glamorous experience. The possession of office is likely to bring disillusionment. Those who may oppose my renomination cannot attack the character of my service, the manner in which I have handled the work of my constituents, nor my fidelity to the administration. If any wish to dismiss me, I ask that they be fair enough and honest enough to openly assign their reasons, in order that I may have opportunity to defend myself and my constituents have opportunity to judge as to the contrasted qualifications of those who seek your consideration.

I very deeply appreciate the kindness shown me by the people of the Ninth District of Michigan, to whose trust I have been faithful. No person can honestly challenge my assertion of fidelity to the interests of the district. It is true that on several occasions I have not submitted to what is commonly called "gag rule", but I have consistently kept my pledges to the people to whom I am responsible; and I have kept faith with President Roosevelt. My record in Congress is an open book, available to anyone desiring to examine it. I have the assurance of administration and party leaders that it is wholly satisfactory to them.

I stand on my record of having supported President Roosevelt in all his progressive measures and policies, and I have neither apology nor regrets for any of my votes in the House of Representatives. I have started out to be one of the Members of the Democratic Congress to help restore recovery and when I have completed one more term, which is the end of Mr. Roosevelt's first administration, I shall gladly and gracefully abdicate with the thought that I have done my duty to my people and in a small measure contributed to the restoration of normal conditions, and will retire with the happiness of having had a hand in the new deal. I did not come to Congress to make a career of it but to serve my district, and I feel that the people of the Ninth District of Michigan, who sent me here, know that I have been faithful to my trust.

Mr. MEAD. Mr. Chairman, one or two questions have developed during the debate that ought to be answered for the benefit of Members.

My distinguished colleague the gentleman from Pennsylvania [Mr. KELLY], who, in my judgment, is the best authority on postal legislation in the Congress and who has always been a sincere advocate of air-mail legislation and whose help I have always appreciated, asked the Department a question which was rather difficult to answer sufficiently to satisfy both the gentleman from Pennsylvania [Mr. KELLY] and other members of the committee. The question asked was would they throw out the present contracts and follow the provisions of this bill? Of course, it is hard for them to say what they will do, because we have one bill in the House and another bill in the Senate. In the House bill we authorize 1-year contracts and little else, and in the Senate bill the air-mail lines may be turned over to the Interstate Commerce Commission as quickly as certificates of convenience and necessity are approved. If competitive bidding was to become a permanent policy, perhaps our bill would be followed. The Department cannot determine its policy until Congress passes the legislation. We extend the life of the present 3-month contract for 9 months, showing a necessity for the bill by requiring that all such extensions follow the provisions contained in this legislation.

The CHAIRMAN. The time of the gentleman has expired. All time has expired, and the Clerk will read the bill.

The Clerk read as follows:

That this act may be cited as the "Air Mail Act of 1934."

Mr. FISH. Mr. Chairman, I move to strike out the section. I do not want to delay the passage of this bill, for I expect to support it, and I hope it can be speedily passed.

I overlooked in my remarks a little poetry I had compiled with a great deal of labor, and I think it would be losing a masterpiece if I failed to read it to the House. [Laughter.] It is entitled "A Revised Version of Alice in Wonderland", to harmonize with the Postmaster General in Blunderland:

"Herald, read the accusation!" said the king.

On this the White Rabbit blew three blasts on the trumpet, and then unrolled the parchment scroll and read as follows:

"The Postmaster General, he broke some contracts,
All on a wintry day,
'The Knaves', he said, 'they stole those contracts,
And took them quite away.
What if the charges have no bearing
And are not proven in any way?
I'll cancel them all without a hearing,
Public opinion be what it may.'"

"Consider your verdict", the king said to the jury.

"Not yet, not yet", the Rabbit hastily interrupted, "there's a great deal to come before that."

"Call the first witness", said the king; and the White Rabbit blew three blasts on the trumpet and called out: "First witness."

The first witness was the hatter, James A. Farley. He came in with his certificate as Democratic National Chairman in one hand and his certificate as Democratic State chairman for New York in the other. "I beg pardon, your majesty", he began, "for bringing these in, but I hadn't quite finished dispensing patronage, political and aviation, when I was sent for." "You ought to have finished", said the king. "When did you begin?"

The Postmaster General looked at Solicitor Karl Crowley, who had followed him into the court, and Harllee Branch, the Second Assistant Postmaster General. "I think it was February 9", he said. "February 6", said the Solicitor. "March 4", added the Second Assistant Postmaster General. "At the Chicago convention", said Silliman Evans, the Fourth Assistant Postmaster General, and formerly an official of the American Airways.

"Write that down", the king said to the jury, and the jury eagerly wrote down all four dates on their slates and then added them up and reduced the answer to 59-cent dollars on a silver basis of 25 percent, in accordance with the new brain-storm formula.

"What about the air-mail contractors who acted under the express provisions of the law, and those who did not sign up for any extensions?" asked Alice.

"What do we care about the Congress or the law?" said the king. "And if they didn't sign up that only makes the matter worse; they must have meant some mischief or else they would have signed their names like honest men."

"That proves their guilt", said the Queen.

But Alice still claimed that was no evidence of collusion or fraud.

"Let the jury consider the verdict", the King said for about the twentieth time that day.

"No, no," said the Queen, "sentence first—verdict afterward."

"Stuff and nonsense", said Alice loudly. "The idea of having the sentence first."

"That's right", said the White Rabbit; "but haven't you ever heard of the spoils system and the Postmaster General's ukase that might makes right and that the G.O.P. is never right?"

This concludes the blunderland hearings on the cancelation of the air-mail contracts. But, in order to see that exact justice is done, each of the companies whose contracts have been canceled have been permitted to submit scrolls, parchments, and left hind feet of white rabbits to General Farley.

The Postmaster General, on being asked by the newspapermen for his version of the trial, issued a special warning to the reporters who asked too many question, and a statement, entitled "A hearing that was never held", or "The magic formula as used by Commissar Farley in Blunderland":

"Good morning, correspondents, good morning one and all,
Don't tear your shoits, I'll shoot the woiks!
This story is no stall.
I'll tell you guys; I'll tell you now
The reasons why and where and how
I busted up the Hoover deal
And made the Transport pilots squeal.

"I didn't like the way those guys
Had made those contracts—is it wise
To make a contract, when you make it
So a big political chief can't break it?
Holy suffering cats! I'll say
That don't make sense, not today.

"The greatest thing in our New Deal
Is the pain we make the Big Shots feel.
We sock them hard and raise a welt
And every sock's below the belt.
You saw how Lindbergh got smacked down,
We put some new thorns in his crown.
We like them big, we like them burley,
They're all alike to Stephen Early.
We're smart as hell, and don't forget
We haven't even started yet.
What you will see before we're through
Will even scare hard guys like you.

"We're on our way to domination
Of every citizen in this Nation.
Your turn will come for asking questions;
What you should ask for are suggestions.
If you don't like them, that will be
Just too bad for boys like thee.
Now, as to all this current squawk
It's coming mostly from New York,
That wicked town so big and tough
Where I learned how to do my stuff.
What to us, is contract abrogation,
In this socialistic administration?"

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 2. (a) Effective July 1, 1934, the rate of postage on air mail shall be 5 cents for each ounce or fraction thereof.

(b) When used in this act—

(1) The term "air mail" means mail of any class prepaid at the rate of postage prescribed in subsection (a) of this section.

(2) The term "person" includes an individual, partnership, association, or corporation.

(3) The term "airplane" includes any lighter-than-air aircraft.

(4) The term "pilot" includes copilot.

Mr. MEAD. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 14, line 24, strike out all of lines 24 and 25, and in line 1, on page 15, substitute the numeral "3" for the numeral "4."

The committee amendment was adopted.

The Clerk read as follows:

SEC. 3. (a) The Postmaster General is authorized to award contracts for the transportation of air mail by airplane between such points as he may designate, and for periods of not exceeding 1 year, to the lowest responsible bidders tendering sufficient guaranty for faithful performance in accordance with the terms of the advertisement at fixed rates per airplane-mile. The base rate of pay which may be bid and accepted in awarding such contracts shall in no case exceed 35 cents per airplane-mile for transporting a mail load not exceeding 300 pounds. Payment for transportation shall be at the base rate fixed in the contract for the first 300 pounds of mail or fraction thereof, plus one tenth of such base rate for each additional 100 pounds of mail or fraction thereof, computed at the end of each calendar month on the basis of the average mail load carried per mile over the route during such month.

(b) In case of a determination by the Postmaster General that any bidder is not responsible or is otherwise disqualified under the terms of this act, such determination shall be subject to review in any manner authorized by law.

(c) The Postmaster General shall not award contracts for air-mail routes in excess of an aggregate of 29,000 miles, and shall not establish schedules for air-mail transportation on such routes in excess of an annual aggregate of 40,000,000 airplane-miles.

Mr. MEAD. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Add, as additional paragraph, at end of section 3:

"Authority is hereby conferred upon the Postmaster General to provide and pay for the carriage of mail by air in conformity with the terms of any contract therefor issued prior to the passage of this act, and to extend any such contract for an additional period not exceeding 9 months, at a rate of compensation not exceeding that provided for in the original contract: *Provided*, That the contractor shall consent in writing to the extension and shall likewise agree to comply with all provisions of this act during the extended period of the contract."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 5. Any person having a claim against the United States arising out of the annulment of an air-mail contract heretofore held by it, may prosecute such claim in the Court of Claims of the United States, if suit therefor is brought within 1 year after such annulment. No person shall be ineligible to bid and contract for carrying air mail under this act by reason of the provisions of section 3950 of the Revised Statutes (act of June 8, 1872; U.S.C., title 39, sec. 432).

Mr. MEAD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MEAD: At the end of section 5, page 16, line 18, add: "nor by reason of any restriction imposed in prior legislation in respect to air-mail contracts."

Mr. MEAD. Mr. Chairman, in explanation of this amendment, prior legislation requires all companies to have 6 months' experience on a line at least 250 miles in length. Recently all of the old companies were reorganized, and none could qualify unless we adopt this amendment. This amendment, therefore, is helpful to all companies.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. McFARLANE. Under this amendment, that is, under section 5 as amended, will this permit anyone, regardless of prior air-mail experience, to come in and bid on these contracts? In other words, someone not previously carrying the mail, some little fellow who did not have the right or a chance to fly the mail for 250 miles. Would he be eligible to bid?

Mr. MEAD. If he meets with the specifications already laid down in the advertisement.

Mr. McFARLANE. What are those specifications?

Mr. MEAD. They are rather lengthy. They include responsibility, a bond, and other requirements.

Mr. McFARLANE. Do they require flying any particular mileage?

Mr. MEAD. Not necessarily.

Mr. McFARLANE. In other words, could an independent concern, an aviator with equipment meeting the specifications, come in and bid upon it?

Mr. MEAD. Not under the Watres Act, but he could under the advertisements now being published.

Mr. McFARLANE. Does this amendment conflict with that?

Mr. MEAD. No; this amendment will take effect at the expiration of the 3 months' contract, after which they will have to follow the provisions in this bill, but this requirement is not included in the Post Office specifications.

Mr. McFARLANE. What I am trying to get at is this: After this temporary period has passed, are we going to put that 250-mile provision back into the law?

Mr. MEAD. Not during the life of this act. But such a requirement is in the present Air Mail Act. The adoption of this amendment will repeal that portion of the law.

Mr. KELLER. Mr. Chairman, I should like to ask a question. I did not get this quite clearly. Does this preclude new companies from bidding?

Mr. MEAD. It does not. This increases the bidding by permitting new companies to bid.

Mr. KELLER. That is what I wanted to know.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. HARLAN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. HARLAN: Page 16, strike out lines 10, 11, 12, 13, up to and including the word "annulment" in line 14.

Mr. HARLAN. Mr. Chairman, I am offering this amendment in what appears to me to be nothing else than a spirit of common sense. Since 1887 we have had section 250 of title 28 of the United States Code. That grants to everybody the right, in the event of a violation of a contract by the Government, if the violation be unlawful, to go into the courts of the United States and sue for damages. That law has been in effect ever since 1887. It was amended in 1911. It has been on the statute books all the time that this question has been before the people. For political purposes there has been a very obvious campaign to convince the American people that these aviation companies have been deprived of some rights to go into court. That right has been in their possession all the time. With that right in their possession, if we come here and at this time reenact and give them something that they already possess, it will give the impression to the American people just exactly what has been handed out here this afternoon, namely, that we are admitting they did not have the right to go into court and that there is some justification for them in filing a suit. They filed one suit in New York, a perfectly clownish and absurd thing. They sued the Postmaster General personally; and for 100 years, ever since the case of Marbury against Madison, everybody has known that that is impossible.

Now, they have a second travesty or farce of a suit pending here in the District of Columbia, again to try to tell the people of the United States that for some reason they are deprived of their rights to come and sue on this contract. I certainly hope the committee will consent to strike out this language. I appeal to you Members on the Democratic side of the House particularly, if you keep that clause in there it will not be interpreted as the gentleman from Illinois [Mr. DOBBINS] said on this floor, that we were daring them to file suit. How absurd that is. The dare is already in the statute. It will be interpreted that we are admitting the truth of Colonel Lindbergh's statement that they were being deprived of their day in court. We will be tacitly telling the people that there has been some kind of a pressure on these companies. Otherwise it does not mean anything in there, because we are granting them something that they already have.

To me it seems absolutely absurd to put this clause in unless you want to play into their hands and tell the people that by the action of the Postmaster General we have prevented them from having their day in court, which is exactly what they want.

I should certainly like to hear someone say why that sentence is in here, other than the reason that has been given.

I yield back the balance of my time, Mr. Chairman.

Mr. DOBBINS. Mr. Chairman, I rise in opposition to the amendment.

The purpose of this clause in the bill is just as I stated when I was on the floor before, it is just like an invitation that a strong man extends to a weak man to fight. He does not expect the invitation to be accepted. One of the bills offered both here and in the Senate during this flood of air-mail legislation contained a provision barring anyone from bidding upon an air-mail contract if he had a suit pending against the Government. That provision was offensive to the Post Office Department and to the administration. The courts of the land were open to them if they wanted to pursue their remedy. It is a noteworthy fact that notwithstanding this right they have to go into the Court of Claims, no suit has been commenced. If they were wronged as much as they claim they were wronged, certainly they would have filed suit before this time.

This may be only a reiteration of a right they already have. It is put there for the purpose of showing that there is nothing in this act intended to deprive them of that right.

Mr. McFARLANE. Will the gentleman yield?

Mr. DOBBINS. I yield.

Mr. McFARLANE. The amendment pending, being true, does the gentleman not think that we are playing into the hands of the Air Trust in putting this in here? Frankly, I did not know that that provision was in the law. That being the law now, it seems to me we will be admitting ourselves out of court, so to speak, and we are encouraging them and baiting them, and I think we should strike this language out. It looks to me like we should strike out this provision because under existing law they have the right they have been complaining about, and we are playing into their hands by putting it in here.

Mr. DOBBINS. I would say that that argument might very well have been directed to the omission of this clause from the bill when it was being framed. It is in the Senate bill also, but since the clause now appears in the bill for consideration before the House, it seems to me that the action of the House in striking it out would look as though we now intend to deprive them of their day in court, when there is no such intention, I believe, on the part of anyone connected with the administration.

Mr. HARLAN. Mr. Chairman, I ask unanimous consent to consume the 2 minutes that I yielded back a moment ago.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARLAN. Mr. Chairman, the section of the act to which I refer applies to the jurisdiction of the Court of Claims, and it reads as follows: Section 250, title 28:

The Court of Claims shall have jurisdiction to hear and determine the following matters:

First. All claims (except for pensions) founded upon the Constitution of the United States or any law of Congress, upon any regulation of an executive department, upon any contract, express or implied, with the Government of the United States, or for damages, liquidated or unliquidated, in cases not sounding in tort, in respect to which claims the party would be entitled to redress—

And then there is another provision further down that even in cases of tort, where the tort arises from breach of contract, they may sue.

The statement of the gentleman from Illinois [Mr. DOBBINS] that this was here to prevent them from putting

an exclusive provision in the bid is certainly not tenable, because without an expressive act of Congress, the Post Office Department could not put that exclusive provision in there, and that is evidenced by the fact that in the Senate bill there was an express authorization to allow that clause to be put into the contract. So that whatever your intentions are, that could not be done.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. HARLAN] has expired.

Mr. HART. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, there has been a great deal of discussion of the cancelation of these air-mail contracts, and the administration and the Post Office Department and the President himself has practically been charged with legalized murder by our friend from New York [Mr. HAMILTON FISH].

I want to cite to you what one of those air-mail companies are doing. I think I can make a clear case of willful murder against one of them if they can sustain any charge of any kind of murder in the carrying of air mail by the Army.

I happened to be on the coast last October and my wife flew from the coast to a point in Indiana. Two days after she had left I picked up a newspaper and saw that a United Air liner, a Boeing plane, had crashed in northern Indiana. According to the papers, it was suggested by the management that a bomb had been placed in the plane in Cleveland by some unknown person, and that that was the cause of the crash. Shortly after I came to Washington and discussed this accident with an aeronautical engineer who was employed here in this city of Washington. I asked him what he thought about the crash of that plane, and whether he thought any bomb had been placed in it. He laughed and said, "There was no bomb." He said that entire line of planes was weak; that the crash was caused by tail flutter, due to a weakness in the tail assembly. He said that what had happened was that the tail flutter had amplified and cracked the frame of the plane in the air.

I did not pay much attention to it until the flying of the air mail by the Army was brought into the question. Then I took the matter up again. I have here a letter from the Department of Commerce practically verifying the story this aeronautical engineer gave me.

Mr. Chairman, I ask unanimous consent to insert this letter in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

(The letter referred to follows:)

DEPARTMENT OF COMMERCE,
DIRECTOR OF AERONAUTICS,
Washington, March 14, 1934.

Hon. M. J. HART,
House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN: I have your letter of March 12 requesting information on control of speed on airlines, and specific questions concerning speed on Boeing planes.

I will answer your questions in order as follows:

1. The Department of Commerce does have control over the speed of passenger airliners as specified in Aeronautics Bulletin No. 7-E, Air Commerce Regulations Governing the Operation of Scheduled Interstate Passenger Air Transport Service, section 10, which reads as follows: "The Secretary of Commerce may from time to time prescribe uniform instructions pertaining to operations, the issuance of which by the holder of the certificate of authority shall be mandatory."

In addition to this general authority, the Department requires the issuance of an approved-type certificate for any and all airplanes. This certificate guarantees that the airplane in question has passed tests for stability, performance, and strength at specified top and cruising speeds. In the case of the Boeing airliner, type 247, this speed is 182 miles an hour top speed at 5,000 feet, and 152 miles an hour cruising speed at the same elevation.

2. The general authority on the permission given us under section 10 of the Air Commerce Regulations above referred to, has not to date been exercised on issuance of any special order. We have only exercised speed control by issuance of the approved-type certificate.

3. Boeing planes used by United Air Lines between July 1, 1933, and September 1933 were allowed to fly at their maximum rates as shown on the approved-type certificate, and as stated above.

4. The Department of Commerce did not issue any order changing the speed of these planes. At a conference held December 9, 1933, in Washington between officials of the Aeronautics Branch, Boeing Airplane Co. and United Air Lines, United Air Lines voluntarily agreed to reduce the speed of their airplanes, pending the results of tests on this ship to be conducted at Dayton, Ohio, by the Matériel Division of the Army Air Corps. The restricted speeds agreed on applied to altitudes from sea level to 5,000 feet, and were as follows:

Elevation	Revolutions per minute	True air speed, miles per hour
Sea level	1,650	136
1 mile	1,675	140
2 miles	1,690	144
3 miles	1,740	148
4 miles	1,780	152
5 miles	1,810	156

5. The tests of the fuselage to destruction showed requirements far in excess of minimum safety insofar as static strength was concerned. However, the vibration tests developed a possible weakness in the elevator torque tube (member of tail assembly), which, in the opinion of the Department, made advisable a strengthening of this member before permission was given to allow the ships to be operated at normal speeds. While this may not have been absolutely necessary, United Air Lines deemed this a reasonably precautionary measure. They have now replaced this type on most of their ships, and such ships are permitted to operate at their original speeds.

I believe that this should give you all the facts in our possession concerning your questions, and appreciate the opportunity to be of service to you.

Sincerely yours,

EUGENE L. VIDAL,
Director of Aeronautics.

Mr. HART. As a result of the investigation the United Air Lines voluntarily agreed to reduce the speed of their planes from 182 miles an hour at top speed to 156.

Mr. McFARLANE. What was the reason for the reduction in speed?

Mr. HART. To cut down vibration which caused the crash of this plane in Indiana. Several more planes were wrecked and I have in my office a record of them furnished by the Department of Commerce. It was common knowledge among aeronautical engineers and people informed in aviation circles that these planes were unsafe because of a weakness in the tail assembly. They should not have been flown and the company flying them took chances, which they knew.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. HART. I yield.

Mr. TABER. Was that fact known to the Department of Commerce?

Mr. HART. I do not know; they do not admit it. I would furnish the name of the engineer to whom I refer except that the same thing would happen to him that happened to Gen. Billy Mitchell when he criticized the Army Air Service.

Ever since the cancelation of the air-mail contracts my friend, Mr. FISH, from New York, has spent a good deal of his time in defending the gentlemen who were engaged in carrying, or who financed, the air-mail companies. If he can get any satisfaction out of defending these people, I am sure he is entitled to it. I assure the gentleman from New York that they need all the defense they can muster. Anyone who is willing to defend contracts on the floor of this House for those who when subpenaed with the records to appear before a legislative committee, hastily burns the records before the Government can get possession of them, has a different attitude toward public service than I have.

I have not been here as long as the gentleman from New York and my head may be a bit thick in understanding and appraising good public service. I understand the gentleman from New York in charging the administration with legalized murder adopted that expression from a statement from that famous ace of the war, Eddie Rickenbacker. I would be the last one to minimize the service of this great aviator to his country during the war. I would not say a word to detract from his glorious record. If his service to his country has been dulled, no one has dulled it but himself when he rushed to the defense of these pirates who controlled the air-mail companies. I say pirates and I am not referring to the pilots. Mr. Rickenbacker since his return from the

war has been a promoter. His name was attached to a car which was built in Detroit. The company and the car have disappeared; I presume they have gone on the rocks. Mr. Rickenbacker is now engaged with one of the air-mail companies involved in the present dispute with the Government, and as such, having an interest, is not a competent witness.

The gentleman from New York has told of the large percentage of accidents occurring in a short period of time, due, he says, to "inexperience in flying the air mail." The gentleman from New York, if he has looked into the matter, knows these accidents were not brought about by inexperience in flying air mail in particular but because of lack of training in flying, and because the ships they were given to fly were not equipped with the modern devices for safety and for blind flying. Someone in the Army is to blame for advising the President that the Army was equipped to fly the mail. When the administration discovered that the Army planes were not properly equipped they were grounded and were properly equipped and put back in the service. Since then practically no accidents have occurred.

Our country should pay tribute to these pilots who responded to the call and obeyed their orders, knowing that their planes were not equipped for the duty which they had to perform, but in the loss of their lives they have rendered a great service to national defense. We now know that were we subject to any of the dangers—communism or any other hobgloblin that the gentleman from New York is continually conjuring up in his mind—and the Army air forces had to be ordered to mass on the Pacific coast, we would have made a great exhibition for a foreign enemy. Because at least 50 percent of these planes never would have reached the coast. Instead, we would have had wrecked planes and dead pilots scattered across the continent. We now know the condition our Army Air Service was in when the air-mail contracts were canceled. We know the manufacturers who had a monopoly on the equipment that was not only used in flying air mail but for the needs of the Army and the Navy. The whole industry was absolutely controlled by a few bankers. Independent development of aviation was stifled. That situation will now be corrected.

For the benefit of the gentleman from New York [Mr. FISH], I want to give him a list of the loss of lives which occurred last year between October 10 and November 24, 1933. The first fatality in this period was when a United Air Lines plane, Boeing *No. 247*, crashed at McCool, Ind., killing 2 pilots, 1 stewardess, and 4 passengers. The next crash occurred on November 9, United Air plane, Boeing *No. 247*, at Portland, Oreg., killing 1 pilot and 3 passengers. The next crash was November 24, United Air Lines, Boeing *No. 247*, killing 2 pilots and 1 stewardess. Here is a list of 14 lives in 45 days, which will equal the record made by the Army. Notwithstanding the correction made, as indicated by the letter from the Department of Commerce which I have inserted, another crash occurred with a United Air Lines, Boeing *No. 247*, on February 23, 1934, in which 2 pilots, 1 stewardess, and 5 passengers lots their lives; a total of 8 people.

Here is a loss of life of 22 people in a little over 4 months.

When you take into consideration the fact that the defect of this type of plane was common knowledge and discussed in aeronautical circles and they were permitted to fly and that these air-mail and passenger-carrying companies would risk the lives of innocent passengers, I say this is not legalized murder but is willful murder. The gentleman from New York can defend these air-mail companies, but I intend to defend the public both from their extortion and from the wanton waste of lives of innocent travelers. As the years go by the real value of the cancelation of these contracts will be demonstrated in the unrestricted growth and development of aviation which has now been rescued from a group of avaricious bankers whose sole interest in these companies was profit.

Mr. MEAD. Mr. Chairman, I move that all debate on this section and all amendment thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was rejected.

The Clerk read as follows:

SEC. 6. All persons holding air-mail contracts shall keep their books, records, and accounts under such regulations as may be prescribed by the Postmaster General, and he is hereby authorized to examine and audit the books, records, and accounts of such contractors and to require a full financial report under such regulations as he may prescribe.

Mr. FISH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Michigan charged me, and charged me correctly, with stating a month ago that the carrying of the air mail by the Army Air Corps was legalized murder. But I did not invent that term. I may say to the gentleman from Michigan that that term was first used by Col. Eddie Rickenbacker, who knows something about aviation. He shot down 26 Germans during the War. He has devoted his life to the study and practice of aviation and knows exactly what he is talking about. It was a prediction which has come true.

Mr. HART. Mr. Chairman, will the gentleman yield at this point?

Mr. FISH. I yield.

Mr. HART. Does the gentleman know that Colonel Rickenbacker has turned from a flier into a promoter and that promoting is his principal business?

Mr. FISH. While I do not know what he is doing today, I know that he does understand aviation.

Mr. HART. He is a promoter and is more interested in promoting in the field of aviation than he is in the flying end of it.

Mr. FISH. I am going to answer the gentleman's statement and I think I can prove just the opposite. The question in which we are concerned is whether it is legalized murder. What happened? Twelve young Army flyers were killed in a period of 1 month. In the entire flying of the commercial air companies during the period of the whole year preceding that only eight pilots were killed, or a difference in ratio of 50 to 1. Had the same proportion of commercial flyers been killed, there would have been in excess of 600 deaths.

Mr. HART. How many have been killed within the last month?

Mr. FISH. Probably one or two; as a matter of fact, I do not know.

Mr. HART. I think there was not one.

Mr. FISH. I hope the gentleman is correct. The gentleman refers to commercial air pilots?

Mr. HART. No; I am referring to the Army pilots.

Mr. FISH. One reason was that they were unaccustomed to the routes.

Mr. HART. The gentleman means they were not properly equipped.

Mr. FISH. I meant exactly what I said, that they were not familiar with the routes.

Mr. HART. They did not know how to fly the beam.

Mr. FISH. They did not know how to fly the beam, and they did not know the routes.

What are the facts? The facts are that the commercial airplane carriers carried the air mail a total of 109,000 miles a day, whereas the Army carried it only 40,000 miles a day, according to their own schedules, and the schedule was again reduced to 25,000 miles. Carrying the mail these 25,000 miles a day resulted in 12 deaths and many injured pilots, and in the entire year, covering 108,000 miles, the commercial air carriers had 8 deaths among the pilots.

There is no use going beyond the record, because the record speaks for itself. Eddie Rickenbacker made the statement that it was legalized murder and he made that statement before the Army pilots began to fly the air mail, but he proved to be correct, and that is why we took it away from them, not because they are not courageous, not because they could not fly, but because they had not had the experience.

May I also say, as I pointed out before, that of the 12 men that were killed, 8 of them had been out of Kelly

School less than 1 year. They only had a few hundred hours' flying, whereas most of the commercial flyers had from 6 to 10 thousand hours' flying time and had flown the mail from 8 to 15 years. It is just a question of experience, and when Eddie Rickenbacker made the statement it was correct, and it is silly for us to argue about it now. He knew what he was talking about and the proof of the pudding is in the eating. We are not aviation experts. All we can do is to go by the record.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I rise in opposition to the pro forma amendment of the gentleman from New York [Mr. FISH].

Mr. SNELL. Mr. Chairman, if the gentlemen on the other side will go through the bill and stop this extraneous matter, all right; but if not, I am going to make the point of no quorum.

Mr. BYRNS. I may say that if we can cut out the politics we will get through this evening.

Mr. BLANTON. The gentlemen on the Republican side want their politics in, but they do not want us to answer them.

Mr. SNELL. I made the suggestion to the chairman of the committee a few minutes ago.

Mr. BLANTON. I do not yield any further, Mr. Chairman.

Mr. SNELL. Mr. Chairman, I will make the point of no quorum.

Mr. BLANTON. The gentleman would not want to prevent me from answering the gentleman from New York?

Mr. BYRNS. I will make a point of order against any discussion not confined to this bill after the gentleman from Texas has concluded.

Mr. SNELL. Why not make it now?

Mr. BYRNS. The gentleman from Texas is going to answer the gentleman from New York. But after he concludes, I am going to insist that Members confine themselves to the bill and the amendments under consideration.

Mr. TABER. Mr. Chairman, I make the point of no quorum.

Mr. BLANTON. That will not prevent me from answering him, because when we do get a quorum, I will still have the floor, and will then proceed.

Mr. HASTINGS. Mr. Chairman, I think we ought to go on with the bill.

Mr. TABER. Mr. Chairman, the gentleman from New York [Mr. FISH] answered the gentleman from Michigan [Mr. HART]. That is two. Let us stop this business and go on with the bill. We have had two gentlemen discuss politics in connection with the bill and that ought to be sufficient.

Mr. BLANTON. The gentleman from Michigan [Mr. HART] answered the first political speech made by the gentleman from New York [Mr. FISH]. I intend to answer his last speech, just made, in which he lugged in politics.

Mr. BYRNS. We can get through with the bill in a half hour.

Mr. SNELL. If the gentleman will go through the bill I am willing to sit here, but I am not going to listen to these extraneous political speeches.

Mr. TABER. Mr. Chairman, I will withdraw the point of no quorum if the chairman of the committee, Mr. MEAD, will make a motion to close all debate on the section and all amendments thereto.

Mr. BLANTON. I will not permit that to be done, because I have the floor, and such a motion, without my consent, is out of order.

Mr. MEAD. May I say that we have no more amendments, and I think it will take about 10 minutes to finish the reading of the bill.

Mr. SNELL. If the gentleman is going to make a political speech I will make the point of no quorum.

Mr. BLANTON. I am not going to make a political speech. I am going to answer the one made by the gentleman from New York [Mr. FISH].

Mr. SNELL. What is the gentleman going to talk about?

Mr. BLANTON. I am going to talk some about the bill and incidentally answer the gentleman from New York [Mr. FISH].

Mr. TABER. Mr. Chairman, I will not withdraw the point of no quorum unless the chairman of the committee [Mr. MEAD] makes a motion to close all debate on the section.

Mr. MEAD. I do not like to deprive the gentleman from Texas of the opportunity to proceed.

Mr. BLANTON. Mr. Chairman, I refuse to yield further.

Mr. BOILEAU. May I say to the chairman of the committee that I have one amendment I should like to have the opportunity to present? I do not want to go along with the understanding the entire bill will be read without giving us an opportunity of offering an amendment.

Mr. BLANTON. Mr. Chairman, I was recognized for 5 minutes.

Mr. TABER. Mr. Chairman, I make the point of no quorum.

Mr. DOBBINS. Will the gentleman withhold his request? Will the gentleman from Texas yield to a motion that all debate on this section and all amendments thereto close in 2 minutes?

Mr. BLANTON. No. I want 5 minutes. I will get it the first thing in the morning if we adjourn now for want of a quorum.

Mr. TABER. I do not care anything about that.

Mr. BLANTON. I will agree to take up only 3 minutes, if the gentleman from New York [Mr. TABER] will withdraw his point of no quorum.

Mr. MILLARD. Mr. Chairman, I demand the regular order.

Mr. DOBBINS. Mr. Chairman, I ask unanimous consent that debate on this section and all amendments thereto close in 3 minutes.

Mr. TABER. Mr. Chairman, I withdraw my point of no quorum.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The gentleman from Texas [Mr. BLANTON] is recognized for 3 minutes.

Mr. BLANTON. Mr. Chairman, the thing of greatest importance just now to the American people is honest government, honestly administered. If we will eliminate all partisan politics, no American will criticize our President for requiring honesty in air-mail contracts, or for canceling contracts that they ascertained beyond peradventure of a doubt were dishonest and a damnable fraud upon the American people. What was the administration to do when it discovered the fraud and became convinced that the contracts were dishonest? Should the administration have winked at the dishonesty? Should it have condoned the fraud? Was it the duty of an honest, fearless administration to allow fraudulent, dishonest grafters to continue taking the people's money out of the Treasury? No; of course not. Our great President, Franklin D. Roosevelt, immediately put his stamp of disapproval upon dishonesty, and he properly annulled the dishonest contracts, and he met the resultant responsibility by having the mail carried during the interim.

If we are not biased partisans, we will all admit that the administration was forced to take over this business during an unprecedented continuing blizzard. Very naturally, the ordinary hazard materially increased. But the job was bravely done as well as could have been expected under such unusual conditions and situations. Every red-blooded American in the United States ought to commend the administration for letting it be known that no dishonesty is to be contenanced in the business affairs of this Government.

Mr. Chairman, the gentleman from New York [Mr. FISH] is too valuable a citizen and too valuable a Member of this House to waste any more of his time in partisan criticism of the present administration.

He was a valuable man in Harvard, he was a valuable football player, he was a valuable man on the battle fronts

of France, he has been valuable here in this House, and he was valuable when he was fighting the Communists and I was fighting them with him shoulder to shoulder. Why has he ceased to do good work? Why does he now waste his time? Why he does not use his great talent to better advantage I cannot understand.

This is all I have to say in answering him.

The Clerk read as follows:

SEC. 11. No contract awarded under this act or any interest in any such contract shall be sold, assigned, or transferred by the person to whom such contract is awarded, to any other person, except with the approval of the Postmaster General; and upon any such sale, assignment, or transfer without such approval, the contract, as well as such sale, assignment, or transfer, shall be null and void.

Mr. BOILEAU. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: On page 18, line 7, after the word "General" strike out the remainder of the section.

Mr. MEAD. Mr. Chairman, the committee will accept the amendment, and I trust we can proceed with the reading of the bill.

The amendment was agreed to.

The Clerk read as follows:

SEC. 12. The Postmaster General may cause any contract awarded under this act to be canceled for disregard of or failure by the contractor to comply with the terms of its contract or with the provisions of this act or for any conspiracy or acts designed to defraud the United States with respect to any such contract. This provision is cumulative to other remedies now provided by law.

Mr. FISH. Mr. Chairman, I move to strike out the last word.

I am not going to take more than a couple of minutes and I shall not indulge in any further comment about the compliments of the gentleman from Texas.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield for the purpose of submitting a unanimous-consent request?

Mr. FISH. Yes.

Mr. DOBBINS. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HART. Mr. Chairman, I make the point of no quorum.

Mr. HASTINGS. Mr. Chairman, I modify the request to make it 1 minute.

Mr. HART. Mr. Chairman, I withdraw the point of no quorum.

Mr. FISH. Mr. Chairman, I am not going to answer the compliments of my friend from Texas. I feel he paid me a tribute. I do, however, want to bring out the point here that there has been a great deal said about the reduction in the rates, and the administration has been commended for it. This is what Senator MCCARRAN had to say about this very matter, and he is a Democrat from Nevada:

Is it not true that these temporary contracts are more destructive to aviation than anything heretofore done.

Mind you, this is not a Republican speaking. Senator AUSTIN, a Republican member of the investigating committee, answered as follows:

That is absolutely true. The bids just opened were sacrificial bids. Companies had to bid ridiculously low to get the contracts taken over so as to protect their property even at a loss and in the hope of eventually getting a square deal.

Mr. Seymour, president of the American Airlines, Inc., also denounced the low bids as a source of danger to the flying public and a menace to the financial security of the air transport industry.

Mr. Chairman, I yield back the balance of my time.

The Clerk read as follows:

SEC. 17. The President is hereby authorized to appoint a commission composed of five members to be appointed by him, not more than three members to be appointed from any one political party, for the purpose of making an immediate study and survey, and to report to Congress not later than February 1, 1935, its recommendations of a broad policy covering all phases of aviation and the relation of the United States thereto. Members appointed who are not already in the service of the United States shall receive compensation of not exceeding the rate of compensation of a Senator or Representative.

Mr. GOSS. Mr. Chairman, I offer an amendment.

I am not going to take the time of the House. I spoke a few moments ago on section 17, and instead of striking out the whole section I am offering an amendment, in line 18, after the words "all phases of", inserting the words "commercial aviation."

I want to call the attention of Members who may not have been here when I spoke before to the fact that we now have three commissions studying this subject, one composed of members of the Military Affairs Committee and one composed of members of the Naval Affairs Committee and one appointed by the Secretary of War. Now comes a proposal for the establishment of another commission. It is proposed that they shall all report before 1935. It seems to me the addition of another commission will only confuse the issue. So, if we confine this to commercial aviation, which would take in the air mail and anything else that may be pertinent, but exempt naval and military services, I think it would be for the best interests of the country.

Mr. DELANEY. Will the gentleman yield?

Mr. GOSS. I yield.

Mr. DELANEY. Is it not a fact that the hearings of the gentleman's committee have all been executive?

Mr. GOSS. Practically all of them have been executive.

Mr. DELANEY. Will all of your testimony be printed later on?

Mr. GOSS. I do not think some of the testimony will be printed. I do not think it should be printed in the interest of national defense, but some of the testimony that is pertinent and does not disclose any military secrets will perhaps be published, and, for one, I shall vote to have it published.

Mr. DELANEY. Will he testimony given before the gentleman's committee be available to the commission that it is proposed to establish?

Mr. GOSS. Of course not. We are working under instructions of the House. We are to report proposed legislation back to the House sometime before next year, just as this commission will do; but our testimony cannot be made available to the commission, because it is of a confidential nature involving war reserves and various other matters. The committee is working diligently and it will bring out something constructive, I am quite sure, just as the gentleman's committee has done.

Mr. DELANEY. Our committee met and worked on this matter very seriously.

Mr. GOSS. I know that.

Mr. DELANEY. Our report has been printed and will be available to this commission.

Mr. GOSS. I appreciate that, and, so far as the Army is concerned, part of it will be available.

The Clerk will report the amendment of the gentleman from Connecticut.

The Clerk read as follows:

Page 19, line 18, after the words "phases of", insert the word "commercial."

Mr. MEAD. Mr. Chairman, I rise in opposition to the amendment, because this is for all phases of aviation and pooling the information. I move that all debate on this section now close.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The question is on the amendment of the gentleman from Connecticut.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 18. Such Commission shall organize by electing one of its members as chairman, and it shall appoint a secretary whose salary shall not exceed $5,000 per annum. Said Commission shall have the power to pay actual expenses of members of the Commission in the performance of their duties, to employ counsel, experts, and clerks, to subpena witnesses, to require the production by witnesses of papers and documents pertaining to such matters as are within the jurisdiction of the Commission, to administer oaths, and to take testimony, and for such purpose there is hereby authorized to be appropriated the sum of $100,000.

Mr. GOSS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 20, line 8, strike out the sign and figures "$100,000" and insert "$75,000."

Mr. MEAD. Mr. Chairman, the committee will accept that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

The CHAIRMAN. The question now is on the substitute for the Senate bill.

The question was taken, and the substitute was agreed to.

The CHAIRMAN. Under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PARKER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (S. 3170) to revise air-mail laws, and had directed him to report the same back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WORK IN TENNESSEE VALLEY AUTHORITY (H.DOC. NO. 365)

The SPEAKER laid before the House the following message from the President, which was read, and, with the accompanying papers, referred to the Committee on Military Affairs and ordered printed:

To the Congress:

I transmit herewith for the information of the Congress copy of a communication from the Tennessee Valley Authority reporting progress of the work of the authority in carrying out the program for the development of the Tennessee Valley.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 10, 1934.*

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had agreed without amendment to a concurrent resolution of the House of the following title:

H.Con.Res. 38. Concurrent Resolution to authorize the printing of additional copies of the Revenue Act of 1934.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ELLENBOGEN, for 5 days, on account of business.

To Mr. KENNEY, until May 16, on account of primary election.

To Mr. PETERSON, for 1 week, on account of important business.

To Mr. WEST of Ohio, on account of business.

EXTENSION OF REMARKS

Mr. WEARIN. Mr. Speaker, I as unanimous consent to extend my remarks by including a statement by J. L. Hill, and also a list of aircraft accidents occurring since July 1, 1932.

The SPEAKER. Is there objection?

There was no objection.

THE FRAZIER-LEMKE BILL

Mr. KVALE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a radio address delivered last night by my colleague, the gentleman from Minnesota, Mr. JOHNSON.

The SPEAKER. Is there objection?

There was no objection.

Mr. KVALE. Mr. Speaker, under leave granted me to extend my remarks in the RECORD I include the following radio address delivered by my colleague, Hon. MAGNUS JOHNSON, over the network of the National Broadcasting Co. Wednesday, May 9, 1934, urging the passage of the Frazier-Lemke bill to refinance agriculture.

Ladies and gentlemen of the radio audience, in discussing the farm-debt problem and possible and workable solutions to this problem which now confronts American agriculture, I want to thank the National Broadcasting Co. for making this time available to me this evening.

Naturally it is impossible for me to discuss fully the complete farm problem or all that should be done by this Seventy-third Congress in saving America's greatest industry, but I shall try to present first the present plight of agriculture, and secondly, the measures now before Congress which if adopted will, in my opinion—and at this point I will say in the opinion of more than a million American farmers, workers, and business men—do more to correct the unfair balance between the cost of producing the products of the farm and the prices paid for these products by the consuming public.

First of all we must ask ourselves, Why does the farmer want the Frazier-Lemke bill? Why does the farmer want rational inflation of the currency? Why is the farmer asking for cost of production? These questions when answered and acted upon will give agriculture the impetus necessary for recovery.

Today our farmers are faced with approximately $8,500,000,000 worth of mortgage indebtedness and with an additional debt of $3,500,000,000 made on other loans. To this they are asked to pay in the way of interest charges for this $12,000,000,000 load of obligations, approximately $875,000,000, which is annually paid out of the gross income; add to this stupendous figure $775,000,000 the farmers are required to pay in taxes, and briefly you have the fixed debt of American agriculture at the end of 1933, when both industry and business were rounding the corner and heading for increased profits and ledgers were showing decided gains in purchasing power of labor. But mind you, farm prices have yet come nowhere within the reach of parity with the things that the farmer has to buy. Unless approach to parity prices between these two factors is made, can the farmer ever liquidate this huge debt that I have just stated that he must pay? Farmers are still required to pay on an average of 6 percent on their mortgage indebtedness, while the banking and industrial enterprises of this Nation are borrowing money at less than 1 percent.

Faced with sagging prices, depressed and speculative markets, rising costs on the things he has to buy, the farmer cannot look at 1934 with the hope that he will be able to share in the new deal. How can their spirits be raised by newspaper talk of recovery, of increased wages for labor, of mounting profits for business when they see all around them farm prices still below the cost of production? How can they speak with hope and courage when they are burdened with mortgage debts and high interest charges that are beyond the hope of ever being paid?

The American farmer of this country knows what he wants in the way of national legislation. Don't ever be fooled about that. He sees all around him the difficulties with which he is surrounded; he knows the constant fight he has had in trying to save his home and farm. He has watched with a bitterness in his heart the foreclosure after foreclosure of his neighbors' farms. He has seen the results of his lifetime struggles with the soil and what has been the fruits of his labors. And again I repeat the American farmer knows what he needs in the way of farm relief, and I tell you the farmer wants the Frazier-Lemke bill.

The passage of this legislation does not mean that we would be passing a bill that will be an experiment in any sense of the word. The Frazier-Lemke measure has been endorsed by 21 State legislatures. It has the endorsement of the National Farmers' Union, the Farmers' Holiday, the Farm Bureau organizations, and similar refinancing legislation along the principles of the Frazier-Lemke bill has been advocated by the Farm Bureau Federation and the National Grange. In my own State of Minnesota hundreds of communities, civic clubs, and farm groups have asked for the Frazier-Lemke bill. And may I state here, my friends, this bill has the endorsement of more than a million American farmers. Truly we cannot fail the basic industry of this great Nation by pushing to one side this most beneficial bill.

Mr. LEMKE clearly explains the principle of this bill when he says: "To loosen this strangle-hold upon our people, we propose as a remedy the Frazier-Lemke bill. This bill provides that the United States Government shall refinance existing farm indebtedness at 1½ percent interest and 1½ percent principal on the amortization plan, not by issuing bonds but by issuing Federal Reserve notes secured by the best securities on earth, first mortgages on farm lands; better security than gold or silver, because you cannot eat gold or silver but you can eat the products that grow on the farms; therefore your life depends upon the farms. They are the best security on the face of the earth. If our Government has enough intelligence to do this, it will make a profit of $6,345,000,000 at 1½ percent interest in 47 years, the time required for amortization of the farm indebtedness."

Mr. LEMKE states further. I quote: "Let us compare the Frazier-Lemke bill with the one passed by the special session of Congress, written in New York in the atmosphere of the money changers. Under that bill, if all the farm indebtedness were refinanced, the farmers of this Nation would pay $12,492,500,000 in 39 years to the bondholders. Under the Frazier-Lemke bill the farmers would have to pay just $6,149,500,000 less interest in 47 years and at the

same time the Government would make a net profit of $6,345,000,000 and to that extent lessen our Federal tax burden."

In 1929 Congress canceled for our European debtors approximately $11,000,000,000. These were debts contracted between this Nation and Europe, and which were wiped out by Congress, while at the same time the American farmer was watching this wholesale cancelation of foreign debts he also found legislative stumbling blocks in his path and nothing done to solve his own debt problems. These loans which our country made to Europe, amounting to billions of American dollars, came out of the soil. The wealth of our Nation, produced by the laborers and farmers, and money which left our shores was put into the wheels of production in Europe. The foreign countries pumped lifeblood into their broken-down system with American capital, and now our people must pay this gift to Europe twofold. The bonds which our country sold to the American people are bearing a high rate of interest and are an obligation which must be met out of the annual income, and, in other words, form a great part of the fixed charges which our citizens must meet each year. In a few words, then, the farmers are being foreclosed and required to pay high interest to help pay the debt Uncle Sam is asking the American citizens to assume and which he has released the nations across the sea from meeting.

The money that would be put into circulation through the passage of this bill, it has been said by Wall Street, would cheapen our currency, would ruin our financial structure, and break down industry. This is not so. For when a people have been subjected to starvation, humility, and relief aid from the Federal, State, and municipal Governments, then we cannot say that they are a happy people. How can our citizens be honestly happy when more than 10,000,000 men and women, willing and able to work, walk our streets without jobs and without the means to buy the essentials of life? This deplorable and abnormal condition has been brought about by the centralization and accumulation of the country's wealth. Money has become dear and has been taken out of the hands of our masses and now serves only the rich. If the interests of selfishness and greed are to be defeated, if special privilege is to vanish, if the captains of industry are to be told that they must relinquish capital and share the wealth that is produced by the farmer and worker, then we must decentralize our wealth. Money must find its way into the pockets and purses of the masses if we are to have a happy and contented people. The worker must be paid wages for his labor that will assure him a good standard of living. The farmer must be assured a cost of production for his products so that he may educate his children, feed and clothe his family, and maintain his property. This can help to be brought about through a rational inflation of our currency, so do not take fear at what the propagandists from the financial centers of this Nation have been saying about the evils of fresh money.

Much can be done yet to insure the passage of the Frazier-Lemke bill by this Congress. With all of the support behind this measure that I have stated a few minutes ago, this bill is still resting in the committee. A petition has been started by the author, Congressman WILLIAM LEMKE, of North Dakota, asking that it be considered by the whole House of Congress, and to have this done it is necessary that Congressman LEMKE secure 145 signers to his petition. As I speak to you tonight 134 Members of the House have signed this petition, 11 more out of the total membership of 435 Members of Congress are yet needed before the Frazier-Lemke bill will be considered by the House of Representatives. If this vital and beneficial legislation is to become a law, immediate action must be taken, and I urge every one of you to write or wire your Member of Congress to sign the Lemke petition now on the Speaker's desk.

Congress also has before it the Swank-Thomas bill to guarantee cost of production to the farmers. This measure is of widespread interest, the passage of which will guarantee just what the bill's title states: To insure the farmer the price for agricultural products of not less than the cost of production thereof. Other very important and much-discussed measures are the Thomas and Wheeler silver bills, which in substance provide the establishment of a bimetallic base for our currency. The passage of these silver measures will in my opinion aid in restoring silver to its proper place.

With an effort to bring this Nation out of the depression and with a desire to increase wages and commodity prices, the President has asked the Seventy-third Congress for certain emergency legislation. Congress has responded, not always willingly and many of the President's major administration bills were bitterly fought by the Republican wing with the intention of using this as issues in the forthcoming campaigns. May I say, as a member of the Farmer-Labor Party, that the third-party delegation has given the President every support in passing all of his major administrative bills and the Chief Executive is to be congratulated on his untiring and courageous efforts in helping to bring about national recovery. Not only has he received the genuine and patriotic cooperation from leaders in public life throughout the country, but is better loved by the great masses of our good American citizens and he will always be remembered as a great leader during a trying time.

Thank you and good night.

HOUR OF MEETING TOMORROW

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a.m. tomorrow.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. I have no objection to this if the business of tomorrow will be attended to without any extraneous matters creeping in until after we have finished the business of the day. Then I do not care whether gentlemen stay here and talk until midnight.

Mr. BYRNS. I entirely agree with the gentleman.

Mr. SNELL. What is the business in order tomorrow?

Mr. BYRNS. It is expected a rule will be taken up to authorize an appropriation for good roads.

Mr. SNELL. The business will be from the Committee on Rules?

Mr. BYRNS. Yes.

Mr. DUNN. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. DUNN. I should like to know whether there will be a roll call tomorrow. Could not the gentleman assure us if there is to be a roll call that it will be postponed until next Monday or Tuesday so that we can go home and do a little campaigning. I have not missed a roll call this session and I do not want to break my record.

Mr. BYRNS. Of course I could not bind the House to anything of that kind. I hope there will be no roll call tomorrow.

Mr. HASTINGS. I do not think there will be roll calls tomorrow.

ADJOURNMENT OVER UNTIL MONDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER. Is there objection?

There was no objection.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 7 minutes p.m.) the House, under its previous order, adjourned until tomorrow, Friday, May 11, 1934, at 11 o'clock a.m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Friday, May 11, 10 a.m.)

Continuation of the hearings on H.R. 8301, communications bill.

COMMITTEE ON THE PUBLIC LANDS

(Friday, May 11, 10:30 a.m.)

Room 328, House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

467. A letter from legislative representative of the Veterans of Foreign Wars of the United States, transmitting proceedings of the Thirty-fourth National Encampment of the Veterans of Foreign Wars of the United States, held at Milwaukee, Wis., August 27 to September 1, 1933 (H.Doc. No. 152); to the Committee on Military Affairs and ordered to be printed, with illustrations.

468. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting report of its activities and expenditures for February 1934, together with a statement of loans authorized during that month, showing the name, amount, and rate of interest in each case (H.Doc. No. 361); to the Committee on Banking and Currency and ordered to be printed.

469. A communication from the President of the United States, transmitting deficiency estimates of appropriations for the Department of the Interior for the fiscal year 1933 and prior years, in the sum of $118,423.55, and supplemental estimates of appropriations for the fiscal year 1934, in the sum of $427,635.40, amounting in all to $546,058.95; and also

drafts of proposed provisions relating to the reclamation fund and the Division of Investigations, and a proposed authorization for an expenditure from tribal funds (H.Doc. No. 364); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DOUGLASS: Committee on Education. H.R. 9544. A bill to provide for the cooperation by the Federal Government with the several States and Territories and the District of Columbia in meeting the crisis in education; without amendment (Rept. No. 1562). Referred to the Committee of the Whole House on the state of the Union.

Mrs. NORTON: Committee on the District of Columbia. S. 2714. An act to amend section 895 of the Code of Law of the District of Columbia; without amendment (Rept. No. 1563). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H.R. 9313. A bill to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.; with amendment (Rept. No. 1564). Referred to the House Calendar.

Mr. MONAGHAN of Montana: Committee on Interstate and Foreign Commerce. H.R. 9320. A bill to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N.Dak.; without amendment (Rept. No. 1565). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H.R. 9326. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, York County, Pa.; with amendment (Rept. No. 1566). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H.R. 9401. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Middletown, Dauphin County, Pa.; without amendment (Rept. No. 1567). Referred to the House Calendar.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H.R. 9526. A bill authorizing the city of Port Arthur, Tex., or any commission designated by it, and its successors and assigns, to construct, maintain, and operate a bridge over Lake Sabine at or near Port Arthur, Tex.; without amendment (Rept. No. 1568). Referred to the House Calendar.

Mr. HOLMES: Committee on Interstate and Foreign Commerce. S. 3374. An act to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.; without amendment (Rept. No. 1569). Referred to the House Calendar.

Mr. CARTWRIGHT: Committee on Indian Affairs. H.R. 2869. A bill to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes; with amendment (Rept. No. 1571). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK: Committee on Indian Affairs. H.R. 5864. A bill to authorize the payment of expenses of delegates of the Yakima Confederated Tribes of Indians while on a mission to represent such tribes before Congress and the executive departments at the seat of government, and for other purposes; with amendment (Rept. No. 1572). Referred to the Committee of the Whole House on the state of the Union.

Mr. DE PRIEST: Committee on Indian Affairs. H.R. 6009. A bill to carry out certain obligations to certain enrolled Indians under tribal agreement; with amendment (Rept. No. 1573). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANZETTA: Committee on Immigration and Naturalization. H.R. 9475. A bill to clarify the status of certain citizens who derived naturalization from parent or husband, and for other purposes; without amendment (Rept. No. 1574). Referred to the House Calendar.

Mrs. NORTON: Committee on the District of Columbia. H.R. 1646. A bill to promote safety on the streets and highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes; without amendment (Rept. No. 1575). Referred to the House Calendar.

Mrs. NORTON: Committee on the District of Columbia. H.R. 6130. A bill to prevent misrepresentation and deception in the sale of milk and cream in the District of Columbia; without amendment (Rept. No. 1576). Referred to the House Calendar.

Mrs. NORTON: Committee on the District of Columbia. H.R. 9007. A bill to amend section 11 of the District of Columbia Alcoholic Beverage Control Act; without amendment (Rept. No. 1577). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'BRIEN: Committee on the District of Columbia. H.R. 9184. A bill to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of St. Ann's Church of the District of Columbia; without amendment (Rept. No. 1578). Referred to the Committee of the Whole House on the state of the Union.

Mrs. NORTON: Committee on the District of Columbia. S. 1780. An act to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replatting and development of squares containing inhabited alleys, in the interest of public health, comfort, morals, safety, and welfare, and for other purposes; with amendment (Rept. No. 1579). 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. DICKSTEIN: Committee on Claims. H.R. 481. A bill for the relief of Caroline M. Hyde; with amendment (Rept. No. 1527). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H.R. 482. A bill for the relief of Pauline Fornabaio; with amendment (Rept. No. 1528). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H.R. 1213. A bill for the relief of the Morgan Decorating Co.; with amendment (Rept. No. 1529). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H.R. 2974. A bill for the relief of Albert W. Wright; with amendment (Rept. No. 1530). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3464. A bill for the relief of the Muncy Valley Private Hospital; with amendment (Rept. No. 1531). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H.R. 4256. A bill for the relief of John Fleckstein; with amendment (Rept. No. 1532). Referred to the Committee of the Whole House.

Mr. ELLZEY of Mississippi: Committee on Claims. H.R. 4476. A bill for the relief of George W. Rhine, doing business under the name of Rhine & Co.; with amendment (Rept. No. 1533). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4895. A bill for the relief of Edgar Stivers; with amendment (Rept. No. 1534). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5022. A bill for the relief of Rose Burke; with amendment (Rept. No. 1535). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H.R. 5099. A bill for the relief of Gladys E. Faughnan, guardian; with amendment (Rept. No. 1536). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5183. A bill for the relief of C. B. Dickinson; with amendment (Rept. No. 1537). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 6243. A bill for the relief of George Raptis; with amendment (Rept. No. 1538). Referred to the Committee of the Whole House.

Mr. O'BRIEN: Committee on Claims. H.R. 6640. A bill for the relief of Anna Kotnyek; with amendment (Rept. No. 1539). Referred to the Committee of the Whole House.

Mr. O'BRIEN: Committee on Claims. H.R. 6692. A bill for the relief of Howard Donovan; with amendment (Rept. No. 1540). Referred to the Committee of the Whole House.

Mr. O'BRIEN: Committee on Claims. H.R. 6702. A bill for the relief of the estate of Paul Kiehler; with amendment (Rept. No. 1541). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H.R. 6827. A bill for the relief of Florence Thromans; with amendment (Rept. No. 1542). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7406. A bill for the relief of John J. Moran; with amendment (Rept. No. 1543). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H.R. 7460. A bill for the relief of Judson Stokes; with amendment (Rept. No. 1544). Referred to the Committee of the Whole House.

Mr. SCHULTE: Committee on Claims. H.R. 8110. A bill for the relief of Mary Hemke; with amendment (Rept. No. 1545). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 8842. A bill for the relief of Arthur Smith; with amendment (Rept. No. 1546). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 9173. A bill for the relief of Ruth Nolan and Anna Panozza; without amendment (Rept. No. 1547). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 250. An act for the relief of Fred Herrick; with amendment (Rept. No. 1548). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 358. An act to authorize the Court of Claims of the United States to hear and determine the claim of Samuel W. Carter; without amendment (Rept. No. 1549). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1281. An act for the relief of Harry P. Hollidge; with amendment (Rept. No. 1550). Referred to the Committee of the Whole House.

Mr. ELLZEY of Mississippi: Committee on Claims. S. 1498. An act authorizing the Secretary of the Interior to pay E. C. Sampson, of Billings, Mont., for services rendered the Crow Tribe of Indians; with amendment (Rept. No. 1551). Referred to the Committee of the Whole House.

Mr. ELLZEY of Mississippi: Committee on Claims. S. 1993. An act for the relief of the Lower Salem Commercial Bank, Lower Salem, Ohio; without amendment (Rept. No. 1552). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2112. An act for the relief of W. H. Key and the estate of James E. Wilson; with amendment (Rept. No. 1553). Referred to the Committee of the Whole House.

Mr. ELLZEY of Mississippi: Committee on Claims. S. 2142. An act for the relief of Mrs. Charles L. Reed; without amendment (Rept. No. 1554). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 2431. An act for the relief of the estate of Joseph Y. Underwood; without amendment (Rept. No. 1555). Referred to the Committee of the Whole House.

Mr. BLANCHARD: Committee on Claims. S. 2549. An act for the relief of Albert W. Harvey; with amendment (Rept. No. 1556). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2553. An act for the relief of the Brewer Paint & Wall Paper Co., Inc.; without amendment (Rept. No. 1557). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2752. An act for the relief of the legal beneficiaries and heirs of Mrs. C. A. Toline; without amendment (Rept. No. 1558). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2972. An act for the relief of John N. Knauff Co., Inc.; with amendment (Rept. No. 1559). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3335. An act for the relief of Joanna A. Sheehan; without amendment (Rept. No. 1560). Referred to the Committee of the Whole House.

Mr. LANHAM: Committee on Public Buildings and Grounds. H.R. 4141. A bill to amend the act entitled "An act for the relief of contractors and subcontractors for the post office and other buildings, and work under the supervision of the Treasury Department, and for other purposes", approved August 25, 1919, as amended by act of March 6, 1920; without amendment (Rept. No. 1561). 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. BAILEY (by request): A bill (H.R. 9580) to aid employment and to prohibit discrimination against workers over 40 years of age; to the Committee on Labor.

By Mr. SWEENEY: A bill (H.R. 9581) further to promote safety at sea by amending section 2 of an act entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion, and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. McSWAIN: A bill (H.R. 9582) to amend the National Defense Act of June 3, 1916, as amended; to the Committee on Military Affairs.

By Mr. COFFIN: A bill (H.R. 9583) to convey to the King Hill Irrigation District, State of Idaho, all the interests of the United States in the King Hill Federal reclamation project, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. SNELL: A bill (H.R. 9584) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y.; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWN of Michigan: A bill (H.R. 9585) authorizing the city of Sault Ste. Marie, Mich., its successors and assigns, to construct, maintain, and operate a bridge across the St. Marys River at or near Sault Ste. Marie, Mich.; to the Committee on Interstate and Foreign Commerce.

By Mr. AYERS of Montana: A bill (H.R. 9586) to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children; to the Committee on Indian Affairs.

By Mr. CULLEN: Resolution (H.Res. 381) for the consideration of H.R. 9322, a bill to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes; to the Committee on Rules.

By Mr. McDUFFIE: Joint resolution (H.J.Res. 340) to harmonize the treaties and statutes of the United States with reference to American Samoa; to the Committee on Merchant Marine, Radio, and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BACHARACH: A bill (H.R. 9587) for the relief of George E. Morrison; to the Committee on Naval Affairs.

By Mr. COLLINS of California: A bill (H.R. 9588) granting an increase of pension to Addie Allen; to the Committee on Invalid Pensions.

By Mr. DARDEN: A bill (H.R. 9589) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Solomon J. Oliver; to the Committee on Claims.

By Mr. HARLAN: A bill (H.R. 9590) granting a pension to Ida J. Clark; to the Committee on Invalid Pensions.

By Mr. HENNEY: A bill (H.R. 9591) for the relief of John E. Ford; to the Committee on Military Affairs.

By Mr. IMHOFF: A bill (H.R. 9592) for the relief of James Mickey; to the Committee on Military Affairs.

PETITIONS, ETC.

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

4600. By Mr. BLOOM. Petition of 21 citizens of New York, endorsing the Lundeen bill (H.R. 7598); to the Committee on Labor.

4601. Also, petition of the members of Independent Skoler Lodge, No. 220, Independent Order Brith Abraham, urging that the programs over all the stations upon the 1,400 kilocycle wave band, and especially WARD, be permitted to continue in the future as it has in the past; to the Committee on Merchant Marine, Radio, and Fisheries.

4602. By Mr. FITZPATRICK: Petition signed by Michael J. Nolan, of 182 Ashburton Avenue, Yonkers, N.Y., and a number of other residents of Yonkers, N.Y., urging the passage of the McLeod banking bill; to the Committee on Banking and Currency.

4603. By Mr. FOSS: Petition of the One Hundred and Fourth United States Infantry Veterans' Association, American Expeditionary Forces, protesting against the circulation of certain seditious propaganda tending toward the undermining of historical, traditional, and hereditary patriotism, and demanding an investigation and action by the Federal authorities for its suppression; to the Committee on the Judiciary.

4604. By Mr. JAMES: Resolution of the L'Anse Band of Lake Superior Chippewa Indians of L'Anse, Mich., favoring the passage of the Wheeler-Howard bill (H.R. 7902); to the Committee on Indian Affairs.

4605. By Mr. KRAMER: Resolution from the Board of Supervisors of the County of Los Angeles; to the Committee on Roads.

4606. By Mr. LEHR: Petition of Scofield Local, No. 15, of the Farmers' Union, Monroe County, Mich., urging passage of the Frazier bill, the Wheeler bill, and the Swank-Thomas bill; to the Committee on Agriculture.

4607. By Mr. LINDSAY: Petition of Booker T. Washington Society of the Brooklyn Evening High School, Brooklyn, N.Y., urging enactment of the Wagner-Costigan antilynching bill; to the Committee on Labor.

4608. Also, petition of the Associated Highway Fence Builders of New York State, Buffalo, favoring the support of the Cartwright road bill (H.R. 8781); to the Committee on Roads.

4609. By Mr. KRAMER: Resolution from the City Council of the City of Bell, Calif.; to the Committee on Appropriations.

SENATE

FRIDAY, MAY 11, 1934

(Legislative day of Thursday, May 10, 1934)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Thursday, May 10, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from California [Mr. McADOO] is absent because of illness; that the Senator from Georgia [Mr. RUSSELL] is absent on account of a death in his family; and that the Senator from Louisiana [Mr. LONG], the Senator from Illinois [Mr. DIETERICH], and the Senator from South Carolina [Mr. SMITH] are necessarily detained from the Senate. I ask that this announcement may stand for the day.

Mr. HEBERT. I wish to announce that the Senator from Iowa [Mr. DICKINSON], the Senator from Pennsylvania [Mr. REED], the Senator from Indiana [Mr. ROBINSON], and the Senator from Maine [Mr. WHITE] are necessarily absent from the Senate. I ask that this announcement may stand for the day.

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

PREVENTION OF USURY IN THE DISTRICT—MOTION TO RECONSIDER

Mr. BULKLEY. Mr. President, I desire to enter a motion to reconsider the vote by which the bill (S. 587) to amend section 1180 of the Code of Law for the District of Columbia with respect to usury was passed yesterday.

The VICE PRESIDENT. The motion will be entered.

CHIPPEWA INDIAN TREATIES—MOTION TO RECONSIDER

Mr. SHIPSTEAD. I desire to enter a motion to reconsider the vote by which the bill (S. 2980) to modify the effect of certain Chippewa treaties on areas in Minnesota was passed by the Senate on yesterday.

The VICE PRESIDENT. The motion will be entered.

PETITIONS AND MEMORIALS

Mr. COPELAND presented a resolution adopted by the Council of the City of New Rochelle, N.Y., favoring the passage of the bill (S. 3051) to provide for a preliminary examination and survey of Echo Bay, New Rochelle, N.Y., which was referred to the Committee on Commerce.

He also presented a petition of sundry citizens of New York City, N.Y., praying for the passage of the so-called "Lundeen bill", being the bill (H.R. 7598) to provide for the establishment of unemployment and social insurance, and for other purposes, which was referred to the Committee on Education and Labor.

He also presented petitions (sponsored by Dupont Rayon Workers' Local Union No. 2055, United Textile Workers of America), of sundry citizens of Buffalo, N.Y., praying for the passage of the bill (S. 2926) to equalize the bargaining power of employers and employees, to encourage the amicable settlement of disputes between employers and employees, to create a National Labor Board, and for other purposes, which were referred to the Committee on Education and Labor.