TO BE PAYMASTERS

Frederick Schwab
Leon I. Smith
Harold E. Humphreys
Hugh A. Phares
Percy W. McCord
Tipton F. Woodward
George L. Thomas
John C. Poshepny
Henry C. McGinnis
Frank J. Manley
Percival F. Patten
Michael A. Sprengel
Chester B. Peake

TO BE ASSISTANT GENERAL COUNSEL FOR THE BUREAU OF INTERNAL REVENUE

Robert H. Jackson

UNITED STATES MARSHAL

R. Kenneth Kerr to be United States marshal for the southern district of Ohio.

POSTMASTERS

ALABAMA

Ethel G. Liddell, Butler.
John T. Maddox, Vernon.

CONNECTICUT

Elizabeth J. Carris, Stepney Depot.

FLORIDA

Kathleen McCallum, Bay Harbor.
Nancy L. Mims, Deerfield.
J. Andrew Shelley, Palatka.
Ralph W. Hartman, Stuart.

GEORGIA

Thomas J. Hamilton, Augusta.
Theo B. Little, Cornelia.
Paul L. Miles, Metter.
Goodwin M. Barnes, Midville.

IDAHO

Clellan W. Bentley, Mullan.
Wando J. Andrasen, St. Anthony.

INDIANA

Leo McGrath, Fowler.

MAINE

Irenee Cyr, Fort Kent.
Leo V. Kennan, Mars Hill.

MASSACHUSETTS

James Sheehan, Millis.
Thomas B. Mulvehill, Norwood.
Charles A. McCarthy, Shirley.
Margaret E. Coughlin, West Concord.

NEVADA

James I. J. Lee, Boulder City.
Grace G. Thompson, Mina.
William E. E. Kinnikin, Reno.

TEXAS

Claude Thompson, Breckenridge.
James R. Eanes, Comanche.
John M. O. Littlefield, Crosbyton.
A. Warren Dunn, Fort Stockton.
Fred E. Horton, Greenville.
William C. Bigby, Livingston.
Myrtle M. Hatch, Mission.
Morris W. Collie, Pecos.
Ernest C. Waddell, Putnam.
Jack V. Gray, Rotan.
Carl R. Nall, Sherman.
Clarence Carter, Somerville.
Frederick I. Massengill, Terrell.

UTAH

A. Carlos Schow, Lehi.

VERMONT

John E. Stewart, Morrisville.

# HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 23, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Oh, the love of Almighty God; we pause in silence before its heights and its depths. Oh, the mystery of wonder; oh, the rapture of delight! Let us dedicate ourselves anew to the high and holy cause of humanity, and may the perfume of the sacrifice fill our homes where we dwell, the shrines where we worship, and the places where we work. Heavenly Father, for the sake of others may we engage ourselves in ardent, patient, and undiscouraged toil. We pray that the work we do, the thoughts we think, and the words we speak may be fit to remember and worthy of use for another day. In all that is done in this Chamber let the Golden Rule be magnified, and all to Thy glory. Amen.

The Journal of the proceedings of yesterday was read and approved.

ADJOURNMENT OVER

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. There is one other request I desire to make. A great many Members have asked me to request a meeting tomorrow night to consider bills on the Private Calendar unobjected to. In response to these numerous requests, which have come from both sides of the aisle, I ask unanimous consent that it shall be in order tomorrow to take a recess until tomorrow night for the purpose of considering only bills on the Private Calendar which are unobjected to, beginning with the star.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I wonder if the gentleman would amend his request for tomorrow night and make it Tuesday night?

Mr. BYRNS. I will if I have to, but I would like to have the meeting tomorrow night.

Mr. TRUAX. I am sure some of our colleagues would want to be present when we consider bills on the Private Calendar and they cannot be here tomorrow night. Under the circumstances I will have to object.

Mr. BYRNS. Then, Mr. Speaker, I ask unanimous consent that on Monday next it shall be in order to take a recess until Monday evening for the purpose of considering only bills on the Private Calendar which are unobjected to, beginning at the star.

Mr. SNELL. Mr. Speaker, reserving the right to object, would it not be better to wait until Monday to make the request?

Mr. BYRNS. I am perfectly willing to do that. I can withhold the request until tomorrow.

Mr. SNELL. I wish the gentleman would withhold his request until tomorrow.

Mr. BYRNS. I thought if I made the request this week the Members who have bills on the Private Calendar would have ample notice.

Mr. FISH. Will the gentleman yield?

Mr. BYRNS. I yield to the gentleman from New York.

Mr. FISH. In view of the fact the gentleman is making a unanimous-consent request, does not the gentleman think it would be in order to ask unanimous consent to bring up the arms embargo bill after we conclude the bill now under consideration?

Mr. BYRNS. I understood the gentleman from Tennessee [Mr. McREYNOLDS] was going to make that request.

Mr. FISH. Does not the gentleman think it would be a good idea to make the request now?

Mr. BYRNS. I think so, and I understand the gentleman from Tennessee [Mr. McREYNOLDS] will make the request.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

UNEMPLOYMENT

The SPEAKER. Under a special order of the House the gentleman from Indiana [Mr. CROWE] is recognized for 10 minutes at this time.

Mr. CROWE. Mr. Speaker, ladies and gentlemen of the House, I requested this time to bring to the attention of the House and the country a bill which I introduced this week and which has been given number H.R. 9696.

The general purpose of this bill is to continue the Recovery Act, and the primary reason for introducing this bill was because of general unemployment, particularly in the building trades.

In my home community, a building-stone district, where in normal times 10,000 people were employed, today less than 1,000 men have employment. Suffering, privation, and distress abound. This is true throughout the country wherever building material is produced.

No other branch or group of people in the entire United States is in such distress as the people employed in the building trades. If the people of this industry can be afforded work, it will be what is needed to bring ultimate complete recovery to the Nation.

Mr. Speaker, unmistakable indications showing an uptrend in national recovery are to be seen and we are on the road back to normal times. Commodity prices and the financial markets have shown a decided improvement in the past few months. This is very encouraging.

Today our greatest problem is unemployment. While there has been a noticeable decline in unemployment, it is, however, imperative that further declines be had and that more men are employed and that the machinery be set up now to increase the employment before the coming winter, in order to avoid a dole or a continuance of work which will not create things of lasting benefit.

UNEMPLOYMENT AND ITS EFFECT

Statistics compiled by the American Federation of Labor show that of the 40,000,000 persons engaged in gainful employment during normal times, 11,000,000 are out of work. Other agencies show the unemployment to range from 8,000,000 up. Unless we maintain the present uptrend in business, the coming winter would add another million workers to the ranks of the unemployed; therefore, it is imperative that further steps be taken to see that this does not occur. Many who have been able to retain their jobs during these troublesome times have had drastic reductions in wages. Many others have only had part-time work, accordingly reducing the purchasing power of those employed. Many of the workers being on half time are buying one half of what they did normally buy. No lasting improvement in business can be expected until the wage earner has full-time employment and full-time pay rolls.

THE REMEDY

Employment of labor is the remedy. The employment of labor, if it be used in the immediate use of material and supplies at the place where the labor is performed, in turn, will create fabrication of material back in shops, factories, and mills and start an endless chain requiring both labor, materials, and merchandise. That process is so much more effective than a dole, and, may it be pointed out, that either employment be furnished or the dole is imperative. This rich Nation is not going to permit starvation of its citizens. The dole admits that many of the Nation's good citizens are starving, but it creates nothing substantial and leaves other thousands and millions in its wake ultimately in the same condition; that is to say, ultimately thousands who contribute to the dole will, if long continued, reach the same status themselves.

WORK

In my opinion, the proper solution for our economic problems and our unemployment lies in producing work of a kind that will furnish the greatest amount of useful employment and consume the most materials without adding to the present surplus of marketable goods. I believe one of the most feasible plans and one that would bring the greatest return per dollar invested would be a wide-spread acceptance of the use of the Government's offer to loan municipalities money to finance their projects. Some months ago I urged Mr. Ickes, of the Interior Department, to hasten the construction of Federal projects throughout the country of post-office buildings and other Federal buildings, which program was at a standstill. I subsequently introduced a bill of $125,000,000 to take care of this. I later introduced a bill for $50,000,000 to be used to further and complete the Government's building program in the city of Washington, the Apex, and other buildings to be included. I find, however, that even though these amounts were granted and earmarked, that they would not be even a starter toward the amount necessary to bring recovery to the Nation.

$2,500,000,000 FOR NATIONAL RECOVERY

I want it to be known and distinctly understood that in introducing the bill that I have introduced today for $2,500,000,000 for Federal and non-Federal projects that it is not in any sense of the word a desire to embarrass the administration, but to help the administration, and with a hope that the proper publicity and public sentiment be aroused to the need of a continuance of the program, which was initiated last year and which I supported, namely, the bill authorizing $3,300,000,000, intended to bring about recovery of the Nation. In this bill of two and one-half billion dollars I ask that no less than $700,000,000 shall be allocated for new building construction, of which not to exceed $175,000,000 shall be allocated for construction of Federal buildings; this money to be for post-office buildings throughout the country in the districts of the several Congressmen, and $50,000,000 for buildings in the city of Washington; the remaining $525,000,000 to be for loans and grants to finance building construction provided in section 202, National Industrial Recovery Act, as amended.

I am specifying an amount of $1,800,000,000 for non-Federal projects. We find in the P.W.A. that the $3,300,000,000 has been allocated. We find that thousands of other applications have been filed with the Department for projects in thousands of cities, counties, States, and so forth, throughout the United States. These projects will average as good, and many of them even better, than many which have already been accepted by the Government. It is a fact that today 1,037 projects requiring $126,000,000 could be allocated if the money were available. Other projects totaling $150,000,000 are coming through very soon, which it is assured will be proven acceptable. A total of more than $3,000,000,000 worth of requests are now with the department of P.W.A., of which it can be safely said that at least 50 percent will be acceptable to the Government when they are finally surveyed by the legal, financial, and engineering departments of the Government. This would mean that at least one and one-half billion dollars would be needed. Accordingly, I feel that a conservative amount, all told, would be $1,800,000,000 for these projects.

The necessity for this is apparent in every American city. Mayors from the principal cities of the United States, economists, and many of the most substantial people in our country have recently appeared at hearings conducted by Senator LA FOLLETTE and have testified to the need of augmenting the Public Works program, which is now getting under way.

It should be particularly impressed upon the people of the Nation that this is not really increasing the indebtedness of the Federal Government in any appreciable amount. Seventy percent of this money will be refunded to the Government with interest. The Government's credit is good. Every call for money by it is quickly oversubscribed. The Government is simply stepping in as the big brother for all of these communities that are afflicted and paralyzed throughout the Nation and upholding their hands, furnishing the needed credit.

It is further shown that the greatest unemployment there is in the country today is in the building trades. While this has improved perhaps 5 to 10 percent during the last year, there is said to be 80 percent yet of unemployment of people who work in the building trades. We further know that to bring a lasting prosperity that heavy goods must be used if we permanently break the panic. The use of con-

sumer goods alone is not sufficient. It needs the use of all sorts of building materials, steel, stone, brick, cement, roofing, and so forth. That program will start a cycle of fabrication, which will reach to every city and village and hamlet in the United States. To those who would be inclined to criticize and to say that the dollars spent in buildings, roads, bridges, sewers, waterworks, and so forth, do not sufficiently reach labor, let me suggest to them that the dollar's worth of stone, lumber, or any other building material in the building, is perhaps only worth a penny or two in the tree, quarry, or claybank, and that through all the steps that it takes to reach the finished product nearly all of it is for labor in some form or other. When you follow the slab as laid in the highway, and trace it back, the material, the machinery, and everything else finally reaches, in its final break-down and analysis, the unmined ores, the stone in the quarries, buried deep with earth and clay, and after all, it takes labor to bring it into the use of man.

As one who is supporting the administration in every way that I possibly can, I am bringing this measure to the House and to the country hoping that it will further augment employment of labor, and bring permanent and lasting prosperity to the Nation. [Applause.]

THE M'LEOD BANK BILL

Mr. GRANFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech made by Congressman DOUGLASS over the radio relative to the McLeod bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GRANFIELD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement of Representative DOUGLASS, of Massachusetts, through radio station WMAL on the McLeod bank bill, Monday, May 21, 1934, at 6:30 p.m.:

Our National Government is now extending the hand of assistance to millions of our citizens who are striving to overcome the economic handicaps which have beset them in the last few years.

That helpful hand is reaching out in many directions. It is aiding people in many walks of life. It is providing jobs. It is furnishing the essentials of livelihood for those who otherwise would be in want.

While to some these activities of the Government may seem to be out of line with America's traditional political philosophy, there can be no doubt that we have bridged by this means a terrible chasm in our national existence. Over that bridge we are confident that we shall march to a more complete national existence, to a greater individual happiness.

But in all of these activities of the Government on behalf of its citizens there is one amazing omission. That omission leaves out of our national rehabilitation scheme 10,000,000 of our most loyal and patriotic citizens.

Those to whom I refer as the "omitted 10,000,000" are the thrifty and industrious men and women whose little accumulations of savings have been frozen in closed banks as a result of the financial collapse of a year ago.

So long as these 10,000,000 are forgotten, so long as they are deprived of the helping hand of governmental aid, our bridge to recovery will be incomplete and shaky.

Representative MCLEOD, who has so kindly presented me tonight, has introduced in the House a bill which would give added strength to the recovery bridge at this, its weakest point.

His measure might well be termed "a bill to extend the recovery to the omitted 10,000,000."

Mr. MCLEOD'S bill is sometimes called the "bank relief bill." That is a misnomer. It would be more accurately known if it were described as the "bank depositors' justice bill."

Because that is all that the bill provides—simple justice for the men and women who were lured by their Government into leaving their hard-earned savings in banks which had the soundness only of tissue paper.

The provisions of the McLeod charter of justice are simple. They acknowledge the obligation which the Government assumed when it countenanced and encouraged its examiners in making misleading, if not false, statements as to the soundness of the banks now closed.

The bill proposes to meet this obligation by the simple expedient of making the Government the temporary receiver for the assets of these closed banks. Under its provisions the Government would buy the assets and pay off the depositors.

Over a period of 10 years the Government would sell these assets, thus repaying to itself the money which would be expended immediately.

An effort has been made to show that Mr. MCLEOD'S program would be terribly expensive, perhaps prohibitive, that the Government would stand to lose most of the money which it would put up to buy the assets.

If there is any truth in that charge, then the Government has already wasted thousands of millions of dollars in its recovery effort. The only way the McLeod bill could be made costly would be for our recovery plans to fail. That is unthinkable.

As those recovery plans, upon which, as I have said, we have already spent billions of dollars, become effective, the value of the assets of the closed banks will increase. That increase will enable the Government to dispose of these assets after a period of years at fully enough to repay the advance which it now would be called upon to make.

It should be borne in mind when considering this bill that so long as the affairs of these closed banks remain in the hands of receivers and conservators there exists a menace which at any instant may destroy whatever progress we have made toward recovery in the last year.

Those receivers and conservators have it in their power to knock the bottom out from under almost every market in the country. If they were to unload upon the markets of the Nation with any degree of precipitation the assets which they control, we would have a break in prices which would be disastrous.

That danger would be completely eliminated if the Government took over the assets and proceeded to liquidate them in an orderly and leisurely manner. And the Government is the only institution in our country which is big enough and strong enough to liquidate them in that manner.

Considering the tremendous potentialities of the McLeod bill as a recovery measure, the extent to which its opponents have gone in fighting it is, to put it charitably, amazing and regrettable.

Its opponents in the House have resorted to almost every known trick in the rather lengthy parliamentary trick book They have indulged in virtually every known political maneuver to hinder and plague its progress.

Yet the demand for its enactment has become so strong and so wide-spread that these obstructive tactics cannot in the end prevail.

It is true that the bill has been introduced by a Republican Member of Congress. Yet it cannot, by any stretch of imagination, be called a Republican Party measure. Some of its most bitter opponents sit on the Republican side of the aisle in the House.

These Republican opponents are linked with powerful Democratic opponents. Yet the friends of the bill sit on both sides of the aisle, too.

Democrats as well as Republicans have pledged their support to the measure, not because they seek partisan or personal advantage through the bill, but simply because they realize that it would be a tremendous aid to the recovery program and because they realize also that only through its enactment can the reputation of the Government be cleansed of the accusation that it deliberately deceived its citizens as to the conditions of the banks.

Notwithstanding the overwhelming public sentiment in favor of this measure of justice, and notwithstanding the wide-spread support among both parties on the floor of the House, an almost unbelievable situation has arisen.

This situation, briefly, is that a small group of so-called "leaders" of the House have thus far succeeded in preventing any consideration of the bill on the floor of the House.

This group has thwarted every effort to bring the bill onto the floor, permit debate and amendment and final action by vote of the House.

This condition is truly alarming to those who believe in the fundamentals of representative government. Representative government becomes a mockery if the representatives of the people are not to be allowed to vote on measures which are of general interest to the people—matters affecting the general welfare.

Yet that is exactly the situation which we are facing in the House at present on the McLeod bill.

The American people have sent their Representatives to Congress to consider and decide upon just such proposals as this. They are willing that the majority shall govern; but they have heretofore been determined and are, we believe, today resolved that a small group shall not dominate the Government. So long as a small group is able to prevent even consideration of bills, that group is able to govern because it holds absolute veto. To deny the right to petition and to be heard is tyranny.

In the House we are now trying to defeat the effort of this small group to dominate the legislative program.

We have upon the Speaker's desk a petition which is designed to force this group to permit the House to vote "yes" or "no" upon the McLeod bill—in favor or against it.

This petition has come to be known as a "new declaration of independence." In effect it declares the independence of the House from political domination of a few of its Members.

In order that this petition may have the force which we desire it must be signed by 145 Members of the House. Already more than 125 Members of the House have affixed their signatures to the declaration. They have written their names, as the founding fathers years ago wrote theirs, to put an end to unjust and improper interference with the wishes of our people.

It is now necessary to obtain about a dozen-and-a-half additional signatures to the petition in order to make it effective.

It is up to the American people to register their views on this proposition of government—to determine whether legislation shall

be stifled by a few or whether it shall be considered, debated, and voted upon as we want to consider, debate, and vote upon the McLeod charter of justice.

In conclusion, ladies and gentlemen, if you believe in the principle back of the McLeod bill, write or telegraph your Congressman and tell him so. If he has not already signed the McLeod petition on the Speaker's desk, write or telegraph him to do so at once. Write tonight—now! Delay may be disastrous.

I thank you all.

Good night.

REREFERENCE OF BILL

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent that the reference of the bill (S. 2585) authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge to the Committee on Public Lands may be changed and the bill referred to the Committee on Indian Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. TERRELL of Texas. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes on next Tuesday morning after the reading of the Journal and disposition of matters on the Speaker's desk.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE ON ENROLLED BILLS

Mr. PARSONS. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes to make a statement with reference to a reflection that was made on the enrolling clerk and the Committee on Enrolled Bills in the House yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PARSONS. Mr. Speaker, during the course of the discussion on the measure that was sent back for correction to the House yesterday this statement appears in the RECORD:

I do not know how many there have been, but it seems like a waste of time. Every day we have one or two bills which having passed both Houses of Congress and having been enrolled by the enrolling clerks have to be called back and the work done over again. I believe it is a situation that deserves the attention of the leadership of the House.

This statement is a reflection upon the enrolling clerk's office under the Clerk of the House of Representatives and upon the Committee on Enrolled Bills, and especially the clerk of this committee.

I wish to say that during the four sessions that this work of the House has been under the present enrolling clerk and the clerk of the Committee on Enrolled Bills there has not been a single, solitary mistake made in the thousands and thousands of pages of bills that have been passed by this House and enrolled by the enrolling clerk's office and the Committee on Enrolled Bills.

When a bill originates in the House and is passed here, it goes to the clerk's office and there it is proofread and prepared to go to the Senate. When it has been passed by the Senate, with or without amendments, and it has been agreed to in conference and passed on by both Houses, the enrolling clerk's office again proofreads it and corrects it and prepares the copy to go to the Printer, where the enrolled copy is printed. It is there read and reread before the copy is prepared for the signature of the Speaker and the Vice President before going to the President.

Mr. Ellis was in the enrolling clerk's office beginning in 1910 up to 1933, and no mistakes were made during the years he was in that office. Mr. Rippon, who is in that position now, and Mr. Hesselman, who is the clerk of the Committee on Enrolled Bills, have performed almost miraculous work in seeing that no mistakes have been made in the dotting of an "i" or the crossing of a "t" or leaving out of a comma in any of the bills, and thousands of pages are crowded through here every session. In the tax bill alone there were 248 pages of matter.

I desire to make this statement this morning, so that the Members may know that in this Senate concurrent resolution, which was brought back here yesterday for correction, certain language in the resolution was superfluous and it was sent back by the President for correction. This correction should have been made by the committee in the beginning. No mistake was made in the enrolling clerk's office or by the Committee on Enrolled Bills. [Applause.]

SALE OF ARMS OR MUNITIONS OF WAR

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H.J.Res. 347) to prohibit the sale of arms and munitions of war in the United States under certain conditions.

This refers to the Chaco situation.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the joint resolution, as follows:

*Resolved, etc.*, That if the President finds that the prohibition of the sale of arms and munitions of war in the United States to those countries now engaged in armed conflict in the Chaco may contribute to the reestablishment of peace between those countries, and if after consultation with the governments of other American Republics and with their cooperation, as well as that of such other governments as he may deem necessary, he makes proclamation to that effect, it shall be unlawful to sell, except under such limitations and exceptions as the President prescribes, any arms or munitions of war in any place in the United States to the countries now engaged in that armed conflict, or to any person, company, or association acting in the interest of either country, until otherwise ordered by the President or by Congress.

SEC. 2. Whoever sells any arms or munitions of war in violation of section 1 shall, on conviction, be punished by a fine not exceeding $10,000 or by imprisonment not exceeding 2 years, or both.

Mr. McREYNOLDS. Mr. Speaker, we are only going to take a few minutes for the consideration of this joint resolution. The reason for calling it up at this time is the emergency that has existed, and is still existing, in South America in the Chaco section.

As you know, a war between Bolivia and Paraguay has been going on intermittently since 1928. Many people have been slain during this time. The President of the United States is very anxious to do whatever he can to stop this conflict, and I am sure that the people of the United States will approve of his action.

Many munition-producing countries of Europe, as well as the countries of South America, are deeply concerned about this situation, and, I am advised, are anxious to cooperate in an effort to stop this useless conflict. This bill simply prohibits the sale of munitions for the purpose of exportation to these countries if the President so desires in view of conditions existing there, and in cooperation with other countries.

The Secretary of State has this to say about it:

This conflict has been proceeding intermittently since December 1928, and continuously since June 1932. It has involved the loss of thousands of lives and if it is permitted to continue unchecked, the destruction of life is likely to assume appalling proportions. War in any part of the world is a matter of concern to this Government. But war between two American Republics is of special and vital concern, which neither our humanitarian sentiment nor our feeling of American solidarity will permit us to ignore.

* * * * * * *

I have reason to believe that the arms-producing nations of the world will find it possible to join in this movement, and that the selfish interests of manufacturers and merchants of arms and munitions will not be permitted to stand in the way of concerted action sponsored by the enlightened opinion of the world.

Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker and Members of the House, this resolution was reported out of the committee unanimously. It simply carries out the request of the President to give him the power to stop the sale of munitions of war going to the countries engaged in the fight in the Grand Chaco—in other words, Bolivia and Paraguay.

In my humble opinion, this legislation should have been enacted a year or more ago. The Prime Minister of Great

Britain has deliberately, within the last week, accused the United States Government of being responsible for preventing other nations from agreeing to prohibit the shipment of arms to these two fighting nations. Therefore there should be no delay in passing this legislation. The administration should have taken the lead, instead of being compelled by world public opinion to follow Great Britain and other munition-producing countries in stopping the sale of arms and munitions of war to Bolivia and Paraguay.

I rose today in my limited time to call the attention of the Members of the House to a bill that is now on the Speaker's desk, and has been there for several months. It is a bill that originated in the Committee on Foreign Affairs and passed this House to give the President the power to decide on the aggressor nation and to lay an embargo on that nation. We on this side of the House fought that bill bitterly, and I am still bitterly opposed to it as an act of war and not an act of peace.

The Senate amended it by virtually adopting the motion to recommit offered by me in the House, empowering the President to lay an embargo on both belligerent nations or on all belligerent nations, but not on any one nation or the alleged aggressor nation.

That bill has been on the Speaker's desk for several months. The reason, I understand, it has not been called up is that we have just sent Mr. Norman Davis as ambassador at large over to the arms conference at Geneva that begins at the end of this month.

I further understand he wants to go there to bargain and to lead foreign nations to believe that the Congress of the United States will join them in giving the President the power to lay an embargo on the aggressor nation. Such tactics would be utterly unfair and without any foundation, except a good imagination backed by a colossal amount of nerve and bluff.

You might just as well join the League of Nations, and, as far as I am concerned, I should rather join the League of Nations than give the President the power to lay an embargo on the aggressor nation—a measure to provoke war and the right to declare war. You might as well take all the constitutional powers away from Congress and give them to the President—the right to declare war, to destroy the traditional policy of the United States laid down by Washington in 1793, the traditional policy of neutrality adhered to by every President since that time.

Mr. HENNEY. Will the gentleman yield?

Mr. FISH. Not unless I can get more time. Now, everybody in the country ordinarily would say, "Fine, when you give the President the power to lay an embargo on the aggressor." But when you analyze it, you will find that history is full if controversies over which nation was the aggressor. Historians are still debating and disputing as to which was the aggressor nation during the World War. There has never been a war where it has been admitted that one nation was the aggressor. It would be considered an unneutral act, and virtually an act of war, to lay an embargo against one nation as the aggressor. Unquestionably such an unneutral policy would entangle us in all European or Asiatic wars and would only result in involving us and dragging us into foreign wars. And if we should empower the President to determine the aggressor nation, and he should join the League of Nations or the group that is in the League of Nations, we would be virtually enforcing the provisions that are most obnoxious to the American people, the sanction powers of the League of Nations, articles X and XVI.

The Senate of the United States, after careful deliberation, amended our resolution and struck out granting power to the President to select the aggressor nation. So I think it would be most unfair if our Ambassador at Large, Mr. Norman Davis, conveyed the impression to foreign nations that the Congress had any idea of surrendering our constitutional powers to the President to provoke war by committing an unneutral act. Let us assume that Japan continued the fighting in Manchuria or in China and that the President had this power and declared that Japan was the aggressor nation and laid an arms embargo on Japan. The first thing that would happen would be that an American ship carrying munitions under an American flag to China would be seized going into a Chinese port by a Japanese warship, and in 30 days we would be at war with Japan because our national honor would have been impugned. There is not a man or woman in America who wants war with Japan. Yet we would be forced into war because the Congress had given up its constitutional power to lay an embargo to the President and some ambassador at large, someone not elected by the people, might go over to the League of Nations and say to them, "We will go along with you and declare who is the aggressor." Do you not know what would happen?

The United States would be holding the bag and would be expected to do all the fighting. It is time that the United States refuse to pull the chestnuts out of the fire for the rest of the world; it is time that we stop passing moral judgments on the rest of the world; it is time that we minded our own business and stopped meddling and muddling with affairs of other nations. We do not propose to act as an international policeman, and we have plenty of problems to solve at home.

We are a peaceful nation, and we do not want war, and the only war that the United States will declare is a war in defense of our country. [Applause.] I do not know that I have ever felt more strongly about anything in the 14 years that I have been in Congress, because I can see so clearly that if you give this power to determine the aggressor nation to any man, no matter how good he is, some representative, some agent of the President, would surely get us into trouble, and probably into war.

Mr. McREYNOLDS. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. McREYNOLDS. The impression is held here on this side that the gentleman is making a speech on another resolution that is now on the Speaker's table but not before the House at the present time. A great many Members on this side want to know how the gentleman stands on this resolution.

Mr. FISH. Oh, I am 100 percent for it. I started out by saying so, but the whole issue of an arms embargo is involved in the pending resolution.

Mr. McREYNOLDS. This resolution gives the President the right to prohibit the sale of arms and munitions to anyone who would export to either country or to both countries. There is no aggressor proposition involved, and I wish the gentleman would make that distinction.

Mr. ROMJUE. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. ROMJUE. I am for this legislation, and the gentleman has announced that he is for it. The gentleman has also announced that there never was a case but that one or the other of the nations was an aggressor.

Mr. FISH. They never admit it.

Mr. ROMJUE. But, as a matter of fact, never a controversy has started but that one or the other is the aggressor.

Mr. FISH. Oh, they both always claim that the other made the first move to mobilize.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. McREYNOLDS. Mr. Speaker, I yield the gentleman 5 minutes more.

Mr. ROMJUE. The gentleman from Tennessee [Mr. McREYNOLDS] has just suggested that the gentleman has gone off to discuss another piece of legislation.

Mr. FISH. Yes; of a similar character that is on the Speakers desk.

Mr. ROMJUE. Does not this legislation amount to an embargo, which the gentleman has just denounced; an embargo in effect against both nations? I think so and I approve of that.

Mr. FISH. Oh, the gentleman misunderstood me. This resolution gives the President power only to stop the sale of munitions to both countries, not to the aggressor country, and the resolution pending now on the Speaker's desk does

practically the same thing, as it permits the President to place an embargo on arms against all belligerent nations, while this merely permits an embargo on the sale of arms to only Bolivia and Paraguay.

Mr. ROMJUE. Very well. Let us see if we know what we are talking about. This absolutely prohibits the distribution of arms to these countries that are engaging in war.

Mr. FISH. This applies only to two countries, Bolivia and Paraguay, and to no other countries, and can be applied only to both and not against one.

Mr. ROMJUE. One or the other must be the aggressor.

Mr. FISH. No; it has nothing to do with the aggressor. It can apply only to both.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. MARTIN of Colorado. The gentleman has instanced the case of Japan and China.

Mr. FISH. Yes.

Mr. MARTIN of Colorado. Does not the gentleman well know that Japan, for instance, is fully able to arm and equip herself as against China, and that China is not able to arm and equip herself, and that an embargo against both of them would, therefore, be playing directly into the hands of Japan and against China?

Mr. FISH. I believe that; but that does not change the situation. It is not our fault if China does not protect herself or is not able to do so.

Mr. MARTIN of Colorado. It changes it entirely so far as I am concerned.

Mr. HENNEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. HENNEY. The gentleman made the statement that Members on his side of the House were against this matter when it came up last spring, and inferred that Members on this side are responsible for the legislation.

Would not the gentleman state that this bill was one of President Hoover's pets, and was sent down during his administration, and had the backing of the Members on the gentleman's side of the House at that time?

Mr. FISH. Let me amend that by saying that it was the pet of the so-called "Republican Secretary of State", Mr. Stimson.

Mr. HENNEY. Who is still a Republican wheel horse.

Mr. FISH. Who is called "Wrong Horse Harry" Stimson. He is with you on the tariff. He is with you on the aggressor-nation proposal; and if you want him, you can have him If you take him, for God's sake keep him. [Applause.]

Mr. HENNEY. We are with you on that; we do not wish to accept your gift; but President Hoover sponsored this program.

Mr. FISH. Oh, his Secretary of State did. He was for the League of Nations. It is a League of Nations proposition, and Secretary Stimson was for the League of Nations. Mr. Hull is for the League of Nations, and Ambassador at Large Norman Davis is for the League of Nations. This proposal to permit the President to pick the aggressor is entrance, not by the back door but by the front door, into the League of Nations, to enforce the sanctions of the League known as "articles X and XVI."

Mr. HENNEY. Does the gentleman deny that President Hoover sent down a letter endorsing that program?

Mr. FISH. I do not recollect. I will have to refresh my memory. I do not want to blame Hoover for anything more than is necessary.

Mr. HENNEY. I will ask the gentleman if President Hoover was not in favor of the League of Nations?

Mr. FISH. I am not a mind reader, but I know he never campaigned on any League platform.

Now, Mr. Speaker, I do not yield further.

Mr. Speaker, as one who loathes and abhors war, as one who served in the war, and will go as far as any man or woman in the Nation for peace and peaceful relations in the world, I believe this doctrine of the aggressor nation to be the greatest menace to our people, and the only thing that will lead us into war. At the same time I should like to say a few words, representing my own views, at least. If we are forced into war, let it be in defense of the United States of America and not in defense of the war profiteers and munition makers of America. [Applause.]

Mr. HOEPPEL. Will the gentleman yield?

Mr. FISH. Not at this time. As one who believes in the profits system in this country and not in these socialistic doctrines that would destroy capitalism, I am ready at any time to vote to take the profits out of war, and I am also ready to vote for Government ownership of the munition plants in America. [Applause.]

The SPEAKER. The time of the gentleman from New York [Mr. FISH] has again expired.

Mr. McREYNOLDS. I just want to say the question of aggressor nation is not involved in this bill. It applies to both, if authority is given to the President to prohibit the sale of arms for exportation to Bolivia and Paraguay.

I have not time to reply to the gentleman from New York because of my agreement to take only a few minutes for the consideration of this bill in order to get action at this time. However, the gentleman's speech was almost wholly relative of the House to the bill (S. 3114) to extend the times for for consideration. In order to put us in a better position before other countries, and in a position where this country can be of great service to humanity, we feel that immediate action should be taken.

I ask for a vote, Mr. Speaker.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to the bill (S. 3114) to extend the times for commencing and completing the construction of certain bridges in the State of Oregon.

MESSAGES FROM THE PRESIDENT

Sundry messages from the President of the United States were communicated to the House, by Mr. Latta, one of his secretaries, who also informed the House that the President did on the following dates approve and sign bills of the House of the following titles:

On May 21, 1934:

H.R. 7059. An act to provide for the further development of vocational education in the several States and Territories.

On May 22, 1934:

H.R. 473. An act for the relief of Irene Brand Alper; and

H.R. 4274. An act for the relief of Charles A. Brown.

LOANS FOR INDUSTRIAL PURPOSES

Mr. PRALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, S. 3487, with Mr. McREYNOLDS in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

SEC. 9. The Reconstruction Finance Corporation is authorized and empowered to make loans upon adequate security, based on mineral acreage to recognized and established incorporated agencies engaged in the business of mining, milling, or smelting of ores.

Mr. BROWN of Michigan. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. BROWN of Michigan: Page 21, add a new section immediately after section 9, reading as follows:

"The Corporation is authorized and empowered to make loans under section 5 of the Reconstruction Finance Corporation Act, as amended, to any person, association, or corporation organized under the laws of any State, the District of Columbia, Alaska, Hawaii, or Puerto Rico, for the purpose of financing the production, storage, handling, packing, processing, carrying, and/or orderly marketing of fish of American fisheries, and/or products thereof, upon the same terms and conditions and subject to the same limitations as are applicable in case of loans made under said section 5, as amended."

Mr. BROWN of Michigan. Mr. Chairman, this amendment is a committee amendment offered for the purpose of clearing up some doubt regarding the construction of section 5 of the original Reconstruction Finance Corporation Act. By testimony before the subcommittee of the Banking and Currency Committee handling the Reconstruction Finance Corporation matters it appeared that two chairmen of the Reconstruction Finance Corporation have held that the fishing business is not an industry and is not entitled to loans under the Reconstruction Finance Corporation Act. We of the committee believe that this industry is entitled to recognition along with farming, mining, or any other such enterprise. I can tell you very briefly that the amendment is of great interest to all the States bordering the Atlantic Ocean, the Gulf of Mexico, an dthe Pacific Ocean, and it is also of great interest to those of us who live on the shores of the Great Lakes. The industry is one which in 1932 produced 83,000,000 pounds of food products. The Great Lakes themselves produced over $4,000,000 worth of food products, over half of which were produced in my own State of Michigan.

We feel that the amendment is in line with simple, plain justice, and we see no reason why it should not be adopted, so as to clear up this matter of construction.

I shall read an excerpt from the testimony before the subcommittee. This is a portion of the statement made by Mr. Andrews relative to loans to fishing enterprises:

I have taken the matter of including fishing as an industry up with the first two chairmen of the R.F.C.—there have been three appointed so far—and they have answered that they do not find any provision in section 5 which would allow them to deal with a fishing corporation.

This amendment includes fishing as an industry and authorizes loans upon full and adequate security to any person, firm, or corporation engaged in any branch of the fishing or fish-processing industry.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. BLAND. I would remind the gentleman that a good deal of testimony was taken before the Committee on the Merchant Marine, Radio, and Fisheries to the effect that fishing was an industry extending into many millions of dollars when consideration is taken of the value of the fisheries and allied projects.

Mr. BROWN of Michigan. I thank the gentleman for his contribution.

Mr. KLEBERG. Mr. Chairman, I move to strike out the last word in order to ask the gentleman from Michigan a question; and I shall also address the question to the chairman of the subcommittee, the distinguished gentleman from New York, Mr. PRALL.

The ability of the Reconstruction Finance Corporation under section 5 to make interpretations as to whether certain lines of business may be considered as eligible industries is questioned. I would call the attention of the gentleman to the fact that I am not at all sure that under this bill the ginning industry, one of great importance throughout the entire South, would be eligible for loans.

For the information of the committee I may say that in the past 6 months the manufacturing interests putting out ginning machinery have sold a vast quantity of this machinery to Mexico, Cuba, and other foreign countries.

I know it to be a fact that in my own State of Texas there is a real problem with reference to needed repairs and replacement of this machinery. I know, too, that in my particular section, while they might find that credit was available on certain terms, credit is not obtainable.

Section 5 of the pending bill contains the word "available." The question in my mind is whether or not with the retention of the word "available" in this bill these interests would be able to obtain credit under the provisions of the bill.

Mr. PRALL. I may say to the gentleman from Texas that I cannot conceive of any body of men such as the directors of the Reconstruction Finance Corporation considering ginning anything but an industry.

Mr. KLEBERG. There is no question that it is a large and distinct industry.

One more question, if the gentleman will permit: If the gentleman will turn to page 22, the gentleman will find, beginning in line 8, the words "when credit at prevailing bank rates for the character of loans applied for is not otherwise available." Should not the word "available" be stricken and the word "obtainable" substituted for it? Credit might be available and still not be obtainable.

The purpose of this act is to increase employment. There are many times when credit might be available to certain institutions, but not obtainable.

Mr. PRALL. I would say that that is drawing the line pretty close.

Mr. KLEBERG. But I would remind the gentleman from New York that the banks draw the line exceedingly close.

Mr. PRALL. I know that is true; but I would say that the word "available" is perfectly all right.

Mr. KLEBERG. I am willing, of course, to accept the gentleman's interpretation, because what the gentleman said on the floor should go a long way toward interpreting the intention of Congress for those who are to administer this act. I thank the gentleman.

Mr. FORD. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this amendment to include the fishing industry within the class of industries to which loans may be made by the Reconstruction Finance Corporation is, in my judgment, a sound one that ought to be adopted.

The Pacific coast has a vast fishing industry stretching all the way from Alaska to San Diego. I have been informed by individuals and corporations engaged in the fishing industry in California that they have been unable to secure adequate bank credit for their business, and as a result are operating under a tremendous handicap.

It seems to me that if this bill is designed to promote employment, to encourage capital to promote the industry of the country, it should specifically include the fishing industry, because of the importance of that industry in the United States. I am in favor of the bill as a whole, and am convinced that this amendment will greatly increase the effectiveness of the measure. We all want business to revive; we all want to see unemployment diminish. For that way lies recovery, and recovery is the goal of the Roosevelt administration.

Mr. HASTINGS. Mr. Chairman, I ask unanimous consent that the Clerk may again read the pending amendment.

There being no objection, the Clerk again read the pending amendment.

Mr. ANDREW of Massachusetts. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I want to say a word on behalf of this amendment. The pending bill is designed to promote the interests of the smaller and the distressed industries of the country. If there is any industry in the entire country which meets these qualifications of being a small-scale and a distressed industry, it is that of fishing. The industry is not conducted by great corporations with large aggregations of capital. It is carried on by small groups of men with very little money back of them. If there is any industry more in distress today than the fishing industry, I do not know what it is. They have suffered from oversupply, from declining prices, from inability to secure credit to replace their nets and gear and equipment. Many of their vessels are tied up at the docks, and many of the fishermen are without employment.

In the last 20 years we have done many things in Congress to promote the interests of those who cultivate the soil, but we have done nothing for those who toil on the sea. During the period of the depression particularly we have passed a long series of measures for the benefit of agriculture, but we have scarcely passed a single measure for the benefit of those who work on the sea.

Some of you think of fishing as a sport, as a means of diversion for vacation days, but there are whole communities in the United States for whose people it is a very serious business, and which depend exclusively upon fishing for a living. The city of Gloucester, Mass., from which I come, has for 300 years found in fishing its principal business. Some 20,000 of its inhabitants depend directly or indirectly upon it for their livelihood today.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ANDREW of Massachusetts. I yield.

Mr. BROWN of Michigan. I think the House should know that this amendment is in effect the bill introduced by Mr. McCORMACK, of Massachusetts, which was supported by the gentleman from Massachusetts, Mr. ANDREW, and other Members from the Northeastern States before the subcommittee.

Mr. ANDREW of Massachusetts. That is true. We are all intensely interested in it. The men who make their livelihood from this hazardous occupation do not know the 6-hour day or the 30-hour week. They work through the night as well as by day on the sea, battling with the elements, with storms and gales of wind and the turbulent waves, and even in the midst of the ice and the snows of winter; but they earn at best a meager living, and of late many of them have earned nothing at all. Yet they have looked in vain to Congress for some assistance in their plight.

In the last 4 years they have suffered at least as much as has any other occupation in the country, but they have found no relief. They are unorganized. They are most of the time out at sea, referring particularly to those engaged in coastal fishing. They are seldom situated where many of them can get together and discuss what they need to help them. They have no great organizations to speak for them, and no great department of the Government to prepare measures in their behalf. One after another effort is undertaken for the farmers, but the fishermen remain neglected. It would be but another injustice if this measure should not be amended so as to extend them the credit of which they stand in need.

The bill before us was designed to extend the benefit of Government credit to what are called the "smaller industries" of the country. It offers relief to the mining industry, to the smelting industry, to irrigation projects, and to corporations which have mineral deposits. In view of such liberal extensions, if no steps were taken today to help the scattered and helpless fishing industry, upon which at least 200,000 people in this country depend for their living, manifestly it would be cruel and unfair. Fishing is a calling which is dangerous. It is hard. It is not, financially speaking, very rewarding. It is very hard pressed just now. The humble citizens who pursue it as a life work up to the present moment have received little or no consideration from the Federal Government. I hope there will not be anyone in the House to vote against this amendment which offers them at least some possibility of relief.

Mr. BEEDY. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, may I call the attention of the House to a situation which I think will prove of interest and which is in marked contrast to that which is generally found to be the case today. I do not suppose anyone, unless he has had an opportunity to come in close contact with these fishermen, understands just what these hardy, seafaring men have been called upon to go through in the last 4 years. They are a very industrious, frugal class of people. But the facts are as follows: After they have encountered all the hazards of the sea and the uncertainties of the catch have been made certain, their experience has been that when they get fish to the market they are unable to get enough for them to pay the actual cost of operations if you reckon their time of any value. They have been here in Washington for aid. They asked no charity. They wanted to make some arrangements to borrow enough money on their boats, their tackle, their nets and traps to enable them to repair their equipment so that they could carry on. You will recollect a rather picturesque incident which occurred about a year ago when some of these Maine fishermen came here in a sailing vessel. They came up the Potomac River in their sailing vessel and went to the R.F.C. for aid, which they were unable to secure.

Last Wednesday morning—I think I am correct in that day—I picked up the Washington Post at my breakfast table. My eye fell upon an editorial which paid a tribute to the fishermen of Maine. I shall ask to insert the editorial at this point.

REFRESHING

A fund of $100,000 to assist needy fishermen of the Maine coast in repairing their gear or buying new outfits has been refused by those hardy men. With Yankee pride they have informed the State administrator of the Emergency Relief Administration that if he wants to lend them the money they have no objections, but they want no charity.

This independent spirit has long characterized the men of the Maine coast. It may be old-fashioned stubbornness, this insistence upon paying their own way, but it is what they have always done in their struggle to wrest a living from the sea. State Administrator J. A. McDonough was reported so moved by the refusal that he told the men they could pay the money back in cash or in catch.

Just what the Government will do with $100,000 worth of haddock and hake is not quite apparent. If it cannot find a market for the fish as such, perhaps it can turn them into fertilizer, which could then be distributed gratis to other groups of hardy men who have lately been far from averse to seeking Government subsidies.

Here was the cause of the editorial. The chairman of the relief committee of the State of Maine, Mr. McDonough, had offered these Maine fishermen a check for $100,000 as a gift. Did they take it? No. In substance, they said: "We do not think when our Government is in a crisis that we ought to ask it to feed us. We do not want charity. We will give all we have as security for a loan and we will pay back every dollar with interest, but our Government can give us nothing." [Applause.]

I have not been so stirred by an incident for a long time, and I here express pride, not a local pride, but one in which I am sure every man and woman in this House will join me, in that type of American citizen. That is the spirit that is going to save the United States of America in this day of its travail. [Applause.]

Mr. COLDEN. Will the gentleman yield?

Mr. BEEDY. I yield to the gentleman from California.

Mr. COLDEN. May I call the attention of the gentleman from Maine to the fact that in southern California, where the fishermen have brought in tons of fish, being unable to sell them, they have contributed the fish to the unemployed, and this has been the only meat the unemployed of southern California have had available. These fishermen have been very generous.

Mr. BEEDY. I wish to extend my thanks to the fishermen of Maine for this splendid spirit of self-sacrifice and cooperation. I also wish to thank the members of the Banking and Currency Committee for accepting this amendment, and those gentlemen who introduced and sponsored it on the floor of the House. I invite the unanimous support of this House.

Mr. MORAN. Will the gentleman yield?

Mr. BEEDY. I yield to my colleague from Maine.

Mr. MORAN. So far as this amendment is concerned, it does not give anything new or additional, but it does prevent discrimination against the fishing industry.

Mr. BEEDY. That is correct.

Mr. MORAN. And so far as the security is concerned, there is the general requirement that the security must be satisfactory to the R.F.C., anyway.

Mr. BEEDY. That is true.

Mr. BLAND. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, in view of the fact that the Committee on Merchant Marine, Radio, and Fisheries, of which I have the honor to be the Chairman, has given about 5 days' study, and probably longer, to the fish situation throughout the United States, may I say that as a result of the study it was the unanimous opinion of that committee that relief should be extended. While the approval of this amendment has not been formally submitted to the committee, I take the liberty now of saying that I believe that it would have the unanimous support of every man on the committee. I see before me many members of the committee, and I am satisfied that they will agree with my statement.

Some question has arisen whether it would include oysters, lobsters, and other classes of fish. It is my understanding that the amendment is to include all branches of the fish industry, floating and fixed. This would include oysters.

Mr. McCORMACK. Will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. May I say in response to the gentleman's statement that having drafted the bill which is now offered as an amendment by the committee, I appreciate very much the action of the chairman of the committee and the committee. It was my intention that this should include all fishing activities, and I am in absolute harmony with the gentleman's statement.

Mr. BLAND. I have no doubt that it includes oysters and lobsters.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BROWN].

The committee amendment was agreed to.

Mr. McGUGIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McGUGIN: Page 21, line 9, after the word "agencies", insert the following words: "individuals and partnerships."

Mr. McGUGIN. Mr. Chairman, far be it from me to want to lead anyone in this House to believe that there is a single justification in the world for the Government of the United States furnishing its credit for undeveloped mineral property, as is provided for in sections 8 and 9 of this bill. It is beyond my comprehension that any line of credit could be presented which would be more hazardous and worthless credit.

We find, first, it provides for credit as against mineral rights, not as against a mining institution which is already developed and is making money, but mineral rights; not as against an oil refinery or an oil company which has producing wells, but as against undeveloped oil rights or leases. If we are going to do such a thing, we should at least be fair about it, and we should do as much for the individual or the partnership as we do for a corporation owning undeveloped mineral property.

Under section 9, applying it to the oil business, leave that section as it is, and Standard Oil of New York, Sinclair, or any other oil corporations can go and borrow money on their undeveloped mineral acreage; but the individual cannot do it, and a partnership cannot do it.

The actual facts are that in oil and other lines of mining endeavor, corporations have gone out and undertaken to corner the mineral resources of this country, developed and undeveloped. They have bought up the undeveloped mineral rights on land which they believe is prospective mineral property. It is a burden to carry these leases and rights in the matter of taxes and rentals, and by this act we provide that this undeveloped acreage is good collateral down at the R.F.C.

The principle is wrong; but if we are going to use Government credit to preserve the mineral rights of these corporations who now own these mineral rights, then we should do the same for individuals and partnerships.

Again, so far as the oil industry is concerned, if the Congress is going to extend some special favors here to corporations, it should extend the same privileges to the individuals. If the individual oil man makes a strike, his income tax immediately goes up to the higher brackets, but if a corporation makes a strike it only pays the corporation rate. It is the individual oil man who does the most for the Government, and if we are going to furnish credit on mineral property when that property is owned by corporations, we should do the same thing for the individual or the partnership, and I hope the amendment will be adopted.

Mr. BANKHEAD. Will the gentleman yield for a question?

Mr. McGUGIN. Yes.

Mr. BANKHEAD. It will be recalled that when we had up the original Reconstruction Finance Act, as I recall it, under the leadership of Mr. Garner here in the House, the same proposal was made that loans should not be restricted simply to corporations, but that individuals and partnerships should have an opportunity to borrow from the R.F.C., and at that time President Hoover and the leadership on the Republican side very strenuously opposed any such suggestion.

Mr. McGUGIN. If Mr. Garner was right, then I am sure my amendment will be adopted today, when we have a House the Membership of which is more than two thirds Democratic.

Mr. BANKHEAD. I am wondering about the change of mind on the part of the gentleman.

Mr. McGUGIN. No; so far as I am concerned, I am against the whole section, with or without this amendment, but if we are going to adopt the section, we should have this amendment.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. McGUGIN. I yield.

Mr. DOCKWEILER. Does the gentleman think the word "mineral" in section 9 will be interpreted to include oil and petroleum products?

Mr. McGUGIN. It will if the R.F.C. pays any attention to the law books.

Mr. DOCKWEILER. I should like to see the word "oil" inserted there, because I am not sure that it will be construed in that way.

Mr. McGUGIN. The courts have universally classified oil as a mineral.

Mr. STEAGALL. Mr. Chairman, the committee feels the amendment is scarcely necessary in view of the language of section 5 (d) of the bill but, to clarify the matter, the committee does not object to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The amendment was agreed to.

Mr. MEEKS. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. MEEKS: After section 9, page 1, insert the following as a new section:

"The Reconstruction Finance Corporation is hereby authorized and empowered to make loans at any time prior to January 31, 1935, out of the funds of the Corporation upon full and adequate security to public-school districts or other similar public-school authorities organized pursuant to State law for the purpose of payment of teachers' salaries due prior to January 1, 1934: *Provided*, That the aggregate amount of such loans at any time outstanding shall not exceed $75,000,000."

Mr. MEEKS. Mr. Chairman and members of the Committee, the committee, after careful deliberation, reached the conclusion that this proposed amendment should be incorporated in the bill. The language of the amendment is clear and unmistakable and expresses its purpose. It is to aid one of the most essential activities in the country, namely, the relief of school districts throughout the United States that are in need of funds to pay accumulated salaries. I think that a lengthy discussion of the amendment is unnecessary, as the language makes clear its purpose. [Applause.]

Mr. McCLINTIC. Mr. Chairman and gentlemen of the Committee, I want to congratulate the Committee for having presented the kind of an amendment which, in my opinion, will be beneficial to education. Ever since I have been a

Member of Congress my best efforts have been put forth to support all school activities. On January 16, 1934, I introduced a bill which is known as "H.R. 6971", to authorize the Reconstruction Finance Corporation to purchase or loan money upon school warrants issued in payment of teachers' salaries. This bill was referred to the Committee on Banking and Currency, and when a hearing was held by a subcommittee, headed by the distinguished gentleman from New York [Mr. PRALL], I appeared before the same and delivered an argument in favor of the bill. The present legislation, which proposes to extend benefits to industries, is the result of the hearings held and the various testimony given by Members interested in this subject.

I have called on the Chairman of the Committee on Education and urged that his committee report out a general school bill which will provide for a per capita payment and, in addition, take care of the so-called "educational program"; and, regardless of whether or not it is possible to obtain additional legislation relating to this subject during the present session, I am of the opinion that this amendment will provide sufficient power on the part of the Reconstruction Finance Corporation to extend some aid to school districts.

Within the last few weeks legislation has been presented to the Ways and Means Committee for the purpose of increasing the powers granted to the Reconstruction Finance Corporation; and being the chairman of the subcommittee appointed to hold hearings and make a report on this subject, I appeared before the Banking and Currency Committee for the purpose of finding out whether or not this measure was going to receive consideration; and, inasmuch as this legislation was in the course of preparation, it was not necessary for my committee to try to assume jurisdiction, as the passage of this bill takes care of what I had in mind. Therefore, inasmuch as school warrants are backed up by levies against taxable property, I feel certain that this is sufficient security to cause the Reconstruction Finance Corporation to make loans for the purposes as named in this amendment, and I am sure that the passage of this bill with the added amendment extending the time to June 1, 1934, will be looked upon with favor by all those interested in educational matters. [Applause.]

Mr. GLOVER. Mr. Chairman, and ladies and gentlemen of the Committee, I think this House today is marking time for the future. This, in my opinion, is one of the best bills that we have had the privilege to support. It is going to place industry back where our people can work and earn a living so that they can do away with being constantly in doubt as to how they are going to take care of their families.

This amendment adds strength to this bill. It proposes to furnish aid to schools by providing for the cashing of teachers' warrants.

In the early part of this session I introduced the first bill that was offered in this Congress to take care of this situation that was so appalling and so disturbing to the school interests of our country and to relieve teachers who are carrying their warrants received for teaching.

Mr. COX. Will the gentleman yield?

Mr. GLOVER. I will.

Mr. COX. Is not there a popular demand from all parts of the country for this legislation?

Mr. GLOVER. Yes. I think the Reconstruction Finance Corporation cannot serve a better purpose than in carrying out the purpose of this amendment. The trouble with the school situation now is that they have built fine schoolhouses all over the country in a time of prosperity, thinking that prosperity would go on. They contracted for the payment of the buildings and must necessarily set aside funds to take care of those contracts.

Now, the teachers are the ones that are suffering most. The teachers of my State—and I presume it is true all over the country—have been forced to take school warrants, which are as good as gold but cannot be paid now, as there is sufficient property behind them, and the Reconstruction Finance Corporation will not lose one penny. But the teachers are having to carry these warrants; they have deposited them in the bank and have drawn a small percentage of their value but are not able to take up the warrants.

The bill that I offered before the committee had a respectful hearing by this committee, and I am glad to have that principle in this bill. That was the principle that was advocated by every educator who came before your committee and before the Committee on Education. This is one of the most vital parts of this bill, and it ought to have been in it originally. I hope the amendment will be adopted. [Applause.]

Mr. DOUGLASS. Mr. Chairman, I move to strike out the last two words. I take this time to speak to you as Chairman of your Committee on Education. While I do not oppose as such this amendment, I want you to understand the position of the Committee on Education, of which I have the honor to be chairman. We have been discussing in that committee for 3 or 4 or 5 months the need of Federal emergency aid to education, and we have tried honestly to determine that issue according to our ability and according to the evidence presented to us. Your Committee on Education has reported H.R. 9544, a bill to provide for cooperation by the Federal Government with the several States and Territories, and the District of Columbia, in meeting the crisis in education. The essential provision of the bill is that $75,000,000 shall be appropriated for carrying out the purposes of the act from the Federal emergency relief funds that are to be provided this year, to be disbursed on the basis of need by the Federal Relief Administrator, with the advice and cooperation of the Commissioner of Education. There is an overwhelming demand throughout the country from all the State superintendents of education, or practically all, for relief for education in order that the common schools of less than college grade shall be kept open in this Nation next year. I have no objection to the paying of back salaries already due, but I tell you the great need, beginning in September, with the scheduled opening of the schools, will be that the children shall go back into the schools, and unless this Government appropriates the $75,000,000 which the Committee on Education has asked for in some form, in some manner, before adjournment of this Congress, then there are thousands of schools that will not be opened in this country next September. If that sad event happens, if that catastrophe befall, it will be most unfortunate, because when you close the door of the school, you open the door of the jail. If this measure under discussion is intended to take the place of the bill which your Committee on Education has reported, I would be against it, but I hesitate at this moment to take that position.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. DOUGLASS. Yes.

Mr. BOLAND. Is the gentleman aware of the fact that schools in Pennsylvania will not be able to keep open during this next year unless some provision is made?

Mr. DOUGLASS. I am perfectly aware of that fact. We have evidence and documents submitted to us from all the State superintendents of the Nation calling upon the Federal Government to expend, not $75,000,000, but $150,000,000. Your committee feels that the pressing need is not to pay for obligations past due, but to open the schools next September, and you will be doing a great injustice to the youth of this Nation, you will be buying and selling their future morality, you will be opening the doors of the jails to them if you do not do something by way of emergency aid and do it in this session. I hate to believe that this measure was brought in to hamper or defeat our Education Committee bill, because the Committee on Rules will not give us a rule on it, but I am going to insist that this House, later, when I have better opportunity to make a speech on the subject, shall hear from us in the form of an amendment to the emergency relief bill, and I appeal to you to think what you are doing here today. Pay the teachers what is owing them from the past, if you will, but give us something to open the schools with next fall and pay the teachers in the near future. Protect the youth of America. Think what you are

doing here today, and if in your hearts and souls you believe that the passage of this amendment will thwart needed relief to education in the immediate future, then vote against it. [Applause.]

Mr. HASTINGS. Mr. Chairman, I offer the following amendment to the amendment, which I send to the desk.

Mr. PRALL. Mr. Chairman, I make the point of order that this bill is really an amendment to a Senate bill and is subject only to one additional amendment. I make the point of order that the amendment of the gentleman from Oklahoma to that amendment is an amendment in the third degree and not in order.

The CHAIRMAN. The Chair overrules the point of order because this amendment, in the nature of a substitute for the Senate bill, is being considered as an original bill and is subject to the same amendments as if it were an original bill. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. HASTINGS to the amendment of the committee offered by Mr. MEEKS: Strike out in the amendment "January 1, 1934", and insert "June 1, 1935."

Mr. HASTINGS. Mr. Chairman, the pending amendment is as follows:

The Reconstruction Finance Corporation is hereby authorized to make loans at any time prior to January 31, 1935, out of the funds of the Corporation, upon full and adequate security, to public-school districts, or other similar public-school authorities, organized pursuant to State law, for the purpose of the payment of teachers' salaries due prior to January 1, 1934, provided that the aggregate amount of such loans at any time outstanding shall not exceed $75,000,000.

The amendment which I have offered is to strike out "January 1, 1934" and insert "June 1, 1934."

You will see that the effect of this amendment, if adopted, will permit loans to be made to school districts for the payment of salaries to teachers upon outstanding school warrants on and after January 1, 1934, and up to June 1, 1934.

This is an important amendment, and I should like to have your earnest attention to it for a moment, and I really hope it will be accepted by the committee.

The fact is that in nearly every school district sufficient taxes are collected to pay the salaries of teachers up to January 1 of each year, but the difficulty is the payment of the salaries of teachers after January 1 of any year. This is true in Oklahoma. Practically all the school districts collect enough taxes to pay all outstanding warrants up to the first of the year, but thereafter the teachers, who are very poorly paid at best, are compelled to discount their warrants at ruinous rates; and the truth is that during the past few years some teachers have been unable to secure money on their warrants at any price.

The law in my State of Oklahoma requires the warrants for any scholastic year to be paid in the order of issuance, out of the funds collected in taxes or other sources; but if sufficient taxes are not collected or funds derived from other sources to pay all the outstanding warrants issued against the funds of any school district, they are not paid out of the taxes collected during the coming year, because the funds collected during the coming year are used to meet the obligations of that particular year. You will see, therefore, that the teachers are particularly concerned with the warrants issued during the last half of the school year, and that, of course, is after January 1 of each year.

The truth is that in practically every rural school district in my State of Oklahoma, and I assume this is measurably true throughout the entire country, taxes are not collected during these distressed times in sufficient amount to meet the warrant obligations issued against the taxes. As I have stated, if a warrant issued during the last half of a school year is not paid out of the taxes collected for that year, this warrant is not paid the following year, and there really is no way to collect it except by bonding the district or to bring suit and get a judgment against the district, and after a judgment is secured it may require 3 or more years to collect it.

You will see, therefore, that if you really want to help the poorly paid teachers you will vote for the amendment which I have offered, which will extend the time within which loans may be made, from January 1, 1934, to June 1, 1934, so that loans may be made to school districts to pay the salaries of teachers for the spring months of the year and until June 1, 1934.

Now, this is an important amendment, if you really want to help the teachers of the country.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. BROWN of Michigan. The gentleman did not mean June 1 of this year?

Mr. HASTINGS. Of this year.

Mr. BROWN of Michigan. The amendment reads 1935.

Mr. HASTINGS. I meant it to read June 1, 1934.

I ask unanimous consent, Mr. Chairman, that the amendment be corrected to read "June 1, 1934."

The CHAIRMAN. Without objection, the amendment will be so corrected.

There was no objection.

Mr. HASTINGS. I hope the author of the original amendment will accept this amendment, as it is very important to the teachers throughout the country.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. HASTINGS] has expired.

Mr. LUCE. Mr. Chairman, the information I am about to give the committee is of vital importance to every Member outside the city of Chicago who hopes that his home region will profit by this bill.

The amendment proposes full and adequate security for loans, and, in my judgment, there is not a single school district in the United States outside of Chicago which can meet this requirement. So I am opposing the amendment primarily that the Committee on Banking and Currency may not be held responsible by Members when they find they have been given a gold brick. "Full and adequate security!" Now, why can Chicago give full and adequate security? Because it owns a block in the heart of the city that is worth $40,000,000. Let every Member here who hopes to get something for his own school district ask himself what security that is full and adequate it can present. He may suggest tax warrants. Is there a man here who would lend a dollar today on any tax warrant in the United States where school teachers are unpaid? Is it not known that communities in Florida are in insolvency today and that we are passing legislation to relieve bankrupt communities generally? The value of a tax warrant depends upon the willingness of the citizens in the district in question to vote the money. There is no certainty that they will ever vote the money, and no prudent man would lend on the tax warrant of a district that cannot pay its teachers.

But you may say there are the school buildings and grounds, which can, in effect, be mortgaged in order to get this money. Is there a man here who would accept a school building as security for a loan? It is of no value for any other purpose. Its life is short as a rule. It is usually not built of fireproof material, and the ground upon which it rests is often of insignificant value. So you can remove school property from the security that can be given.

So that in effect, barring some few localities in Kentucky, I think, this amendment is not worth a continental to anybody outside Chicago, who is being asked to vote for it on the ground that it will help his school district. The amendment is a camouflage for relief for the second largest city in the United States, a city of great wealth and prosperity, which now through several years has been unable to extricate itself from the slough into which it was plunged by disgraceful local politics. The city of Chicago is an instrumentality of the State of Illinois. The State of Illinois has refused to meet this situation. It has recently passed some legislation that may help, but now for several years it has turned a deaf ear to the teachers in Chicago, who have been left in a pitiable plight that should arouse the sympathy of anybody except a ward politician.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. LUCE] has expired.

Mr. LUCE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. LUCE. By reason of their inability to get from the legislature the necessary legislation, or to induce the legislature to call a constitutional convention to change the constitution, Chicago has floundered in this slough of mud, and now comes here, because it will not save itself, because the Legislature of Illinois will not save it—comes here to ask the credit of the United States, aye, the credit of the residents of all these school districts that are being deceived in the expectation that they will get something out of the bill—the credit of the whole country, to save a city that will not save itself.

There came to the subcommittee a witness from the city of Chicago, Prof. Simeon E. Leland, Professor of Economics in the University of Chicago, and a member of the State Tax Commission of Illinois, and he made this statement:

> As I see it, there is only excuse for two sets of government, Federal Government and urban government, and I would abolish all the rest in between.

He qualified by saying this was only his philosophy. He did not ask us to accept it; but if he had his way, he would abolish the State of Illinois and he would abolish every other State. Is it not a pity that we have reached a point where men of learning come before us and suggest to us that we abolish all the 48 States of the Union? He comes from the observation of an administration of a city in a State where I do not marvel such views should germinate. He comes from a city so debauched in the conduct of its affairs that it cannot get relief from its own legislature. So he would abolish State legislatures to justify the demand on the Treasury of the United States of America.

Then the real question is here whether you will feel it expedient by national legislation to supplant the State of Illinois and say to the city of Chicago that it may raise money on the $40,000,000 block in the center of the city. There is no question here of help for any other school districts. That it is impracticable and impossible to give, and it is certain will not be given.

I trust that, knowing the facts in the case, the committee will not see fit to allow itself to be used to pull the chestnuts out of the fire for the city of Chicago. [Applause.]

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield.

Mr. KENNEY. Do I understand the gentleman wishes to convey the idea that there is no city, no school district throughout this country, that is not financially responsible, that should not be considered for any kind of a loan?

Mr. LUCE. I undertake to say that the requirement of the amendment "full and adequate security" will not be met by any school district in the United States outside of the city of Chicago.

Mr. KENNEY. May I ask the gentleman whether or not the Reconstruction Finance Corporation, after the passage of this bill, will not be a large banking institution so far as the making of loans is concerned and stand in the place of the ordinary commercial bank?

Mr. LUCE. Oh, I suppose so—in effect.

Mr. KENNEY. And has it not been true in the past that the municipalities of this Nation have always been considered for loans by all the commercial banks of the country?

Mr. LUCE. That is perfectly true, but at the present moment municipalities are coming here to ask us to pass legislation to treat them as bankrupts and provide for their going through insolvency.

[Here the gavel fell.]

Mr. SABATH. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am grateful to the gentleman from Massachusetts for at least conceding that should a loan be made to Chicago, it would be fully secured and repaid. This is really more than I had expected from the gentleman. Now, I assure the gentleman that within the last few years the city of Chicago has demonstrated to the world, if not to the gentleman from Massachusetts, that it is making progress in every direction. The city now has a splendid administration which is doing everything within its power to rebuild the fair name of Chicago. I recognize that up to about 2 years ago the city of Chicago suffered. I am not going to talk politics, nor am I going to say that it was due to Republican maladministration, but is not that a fact? I assure the gentleman from Massachusetts, and every other Member present that we of this city are making progress and now have perhaps as good a record for accomplishment as any other city in the United States.

I differ with the gentleman from Massachusetts when he says that this amendment would afford relief to no school district in the United States outside of Chicago, for an examination of the amendment offered by my colleague [Mr. MEEKS], a member of the committee, will disclose that it is substantially my bill, H.R. 9465, and will show that the provision to which the gentleman objects, namely, to make loans upon full and adequate security, are embodied in other provisions of this bill and in all sections granting authority to the R.F.C. to make loans.

Take any section at random, and this will be found to be the case. For instance, section 8 states that "the Reconstruction Finance Corporation is authorized and empowered to make loans upon full and adequate security based on mineral acreages", and so on.

The gentleman from Massachusetts [Mr. LUCE] stated also that the great State of Illinois has neglected or refused to come to the rescue of its unpaid 16,000 deserving school teachers. May I again call his attention to the fact that in a special session of our legislature a few months ago an act was passed authorizing the Chicago Board of Education to pledge not only a great block of its property, which has a value of $40,000,000, and which he described, but any other property owned by the Board of Education not used for educational purposes, to obtain money with which to pay its school teachers?

I also wish to say that not one single cent of this authorization will be taken out of any other appropriation provided for or authorized in this bill. The Chairman of the Reconstruction Finance Corporation has plainly stated that the Corporation can make loans up to $100,000,000 out of funds that have already been repaid and which are again legally available for loan purposes.

The pending amendment was adopted by the Committee on Banking and Currency after weeks and weeks of careful consideration. It has been carefully worded; the Government's highest interests are protected; it has the approval of every member of the committee, with the exception of the gentleman from Massachusetts [Mr. LUCE], and one or two others; it has the approval of the Reconstruction Finance Corporation, and the approval of the administration also.

Let me again call attention to the fact that this is merely an authorization and not an appropriation. It only authorizes the Reconstruction Finance Corporation to make loans to the limit of $75,000,000 for the payment of school teachers' salaries. I repeat, it applies to all school districts in the United States, provided, of course, that they furnish full and adequate security, and I disagree with the gentleman from Massachusetts [Mr. LUCE] when he states that there is not any other district in the United States, outside of Chicago, that is not solvent and that can furnish good securities that are and will be acceptable to the Corporation. I am reliably informed that 27 States will be able to comply with the requirements of my amendment.

I desire to say one word, if I may, Mr. Chairman, to the gentleman from Massachusetts [Mr. DOUGLASS], who has made an earnest and convincing plea for his committee bill. I want to say to the gentleman from Massachusetts and those interested in the gentleman's bill that when the gentleman asks for a special rule for his bill, I, as one member of the Rules Committee, shall gladly vote for it, because I am in favor of the Congress' doing all within its power to take care of the country's praiseworthy educational institutions. Congress should come forward and do the righteous

thing, the imperative thing, for these brave men and women to whom we confidently intrust the education of the youth of America.

The gentleman from Massachusetts, I believe, has stated that this bill will not interfere with his bill. I shall give the gentleman the same support of his bill that I am giving to this meritorious amendment of the committee. I believe this amendment is of extreme importance. I assure the Membership of the House that the provision is broad enough to make possible the authorization of loans on good security to any school district.

Mr. Chairman, ladies, and gentlemen, the mere fact that I remained here today at my post of duty rather than leave the city to attend the funeral tomorrow of a close relative should prove my vital interest in the worthy cause of these unfortunate school teachers, and through them the great cause of popular education.

I cannot close without extending my thanks and appreciation to the gentleman from Michigan [Mr. BROWN], who has recognized the merit and need of this amendment, and for the great aid he has given me and the great service he has rendered in obtaining favorable consideration. This also applies to Mr. PRALL, of New York, Mr. GOLDSBOROUGH, of Maryland, Mr. SISSON, of New York, Mr. FARLEY, of Indiana, and to my colleague, Mr. MEEKS, of Illinois, who, as a member of the Committee on Banking and Currency, and for the committee, offered my amendment.

Mr. PRALL. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. TERRELL of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not think I shall take over 5 minutes; I just want to express myself on this proposition, although I know I am on the unpopular side, as I usually am; but that does not keep me from expressing my views.

So far as I am able to understand, there has never been a decision of the Supreme Court of the United States holding that Congress could appropriate money to anything except Federal projects. The Reconstruction Finance Corporation Act has never been passed upon by the Supreme Court. A number of important laws, as a matter of fact, have never reached the Supreme Court. I am one of those who believe that Congress should not enact a law unless there is constitutional authority for the law, and I am trying to stand by this proposition.

I taught school for many years, and certainly am in sympathy with the school teachers. I should like to help the schools, but I know this is a State problem, and was so declared by the framers of the Constitution of the United States. Congress has no right to appropriate one dollar for schools anywhere in any State, and I base this statement not only upon the Constitution itself but upon the decisions of the courts of the United States and upon veto messages of Presidents who have disapproved legislation of this kind.

Mr. KENNEY. Mr. Chairman, will the gentleman yield for a question?

Mr. TERRELL of Texas. I yield for a brief question.

Mr. KENNEY. The Reconstruction Finance Corporation has been making money out of its loans, has it not?

Mr. TERRELL of Texas. That does not alter the question at all, even though they may have made hundreds of millions.

I read now, Mr. Chairman, an excerpt from the veto message from President Buchanan, who was President of the United States during the year 1859, when this law was enacted.

This is very short. The Congress had passed a law donating land and land scrip for the establishment of agricultural and mechanical colleges in the different States. He vetoed the bill, and here are just a few of his words:

> I deem it to be both inexpedient and unconstitutional.
>
> Does Congress possess the power under the Constitution to make a donation of public lands to the different States to provide colleges for the purposes of educating their own people? I presume the general proposition is undeniable that Congress does not possess the power to appropriate money in the Treasury, raised by taxes on the people of the United States, for the purpose of educating the people of the respective States. It will not be pretended that any such power is to be found among the specific powers granted to Congress, nor that "it is necessary and proper for carrying into execution" any one of these powers.
>
> Should Congress exercise such a power, this would be to break down the barriers which have been so carefully constructed in the Constitution to separate Federal from State authority. We should then not only "lay and collect taxes, duties, imposts, and excises" for Federal purposes but for every State purpose which Congress might deem expedient or useful. This would be an actual consolidation of the Federal and State Governments, so far as the great taxing power is concerned, and constitute a sort of partnership between the two in the Treasury of the United States, equally ruinous to both.

Mr. KELLER. Will the gentleman yield?

Mr. TERRELL of Texas. I yield to the gentleman from Illinois.

Mr. KELLER. That was before the Civil War?

Mr. TERRELL of Texas. Yes.

Mr. KELLER. And the Congress afterward did pass the very bill that the gentleman objects to?

Mr. TERRELL of Texas. That is true, but it has not yet been passed upon by the Supreme Court.

Mr. KELLER. But it has been in effect for many years?

Mr. TERRELL of Texas. It has been in effect, that is true. Many laws have been passed years ago that are unconstitutional and have not been passed upon by the Supreme Court of the United States.

Mr. KELLER. It has been good for the schools all over the country.

Mr. TERRELL of Texas. Some of them have, but I am going to stand by the Constitution of the United States, as I understand it.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I do not believe the committee will object to the Hastings amendment, which accomplishes substantially what was desired by the original amendment.

Mr. HASTINGS. Mr. Chairman, I ask unanimous consent that the committee amendment and the amendment thereto may be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk again read the amendments.

The CHAIRMAN. The question is on the amendment to the committee amendment.

The question was taken; and on a division (demanded by Mr. HASTINGS) there were—ayes 87, noes 50.

So the amendment to the committee amendment was agreed to.

The CHAIRMAN. The question now recurs on the committee amendment as amended.

The question was taken; and on a division (demanded by Mr. SABATH and Mr. GLOVER) there were—ayes 90, noes 73.

Mr. LUCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers, Mr. MEEKS and Mr. LUCE.

The Committee again divided; and the tellers reported that there were—ayes 113, noes 80.

So the committee amendment as amended was agreed to.

Mr. BROWN of Kentucky. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

> Amendment offered by Mr. BROWN of Kentucky: On page 21, after section 9, insert a new section as follows:
>
> "That the Reconstruction Finance Corporation is authorized to make loans for periods not exceeding 20 years, to finance the acquisition of any system, plant, or works for the production, transmission, or distribution of electric energy by such public corporations, bodies, or instrumentalities as are referred to in section 201 (a) (1) of the Emergency Relief and Construction Act of 1932. The provisions of title 2 of the Emergency Relief and Construction Act of 1932 as amended and all acts supplementary thereto applicable to loans to said public corporations, bodies, or instrumentalities so far as consistent with the terms thereof shall apply to loans made under the terms of this section."

Mr. LUCE. Mr. Chairman, a point of order. The Committee has already passed upon this proposal.

Mr. BROWN of Kentucky. Mr. Chairman, I desire to be heard.

Mr. RANKIN. This is not the same proposal.

The CHAIRMAN. Does the gentleman from Massachusetts desire to be heard further?

Mr. LUCE. I do.

Mr. Chairman, my understanding is if there is a substantial change in a proposal that has been defeated, it may be brought up; but if the new proposal is not essentially different, the Committee cannot be obliged to take the time to consider it again.

Mr. RANKIN. Mr. Chairman, may I call the attention of the Chairman to the fact that a substantial change has been made, as will appear from a reading of the amendment. The amendment on yesterday confined its application to municipalities that purchased power from public plants, which necessarily confined it to small areas. That has been eliminated by this amendment and therefore broadens the scope of the amendment to reach the entire country.

Mr. Chairman, I submit that the change is radical, substantial, and entirely changes the purport of the amendment, and that the gentleman's point of order should not be granted.

The CHAIRMAN. The Chair feels that there has been sufficient change made in this amendment to make it a different proposition, and the Chair therefore overrules the point of order.

Mr. BROWN of Kentucky. Mr. Chairman, yesterday afternoon we voted on an amendment somewhat similar in nature to this, but confined only to municipalities buying their power from a Government agency. Whatever objection was offered yesterday afternoon to the amendment was offered on the ground that we were picking out particular portions of the United States and granting a privilege that we did not grant to other sections.

The amendment which I offer removes all such arguments from consideration, because there is not a municipality in the United States that cannot come in under this amendment as offered and get the necessary funds if they can present security that is adequate and satisfies the Reconstruction Finance Corporation. There is not a municipality that cannot come in and get the money. That argument is completely removed from the picture. This applies to every section of the United States.

There is just one issue before us this morning when you vote on the amendment, and that is: Are you opposed to these municipalities being offered the opportunity of owning their own municipal lighting plants?

It is not a question of voting for one section over another; we are voting for all the country, and if you are in favor of municipalities being allowed to own their light plants, then you should be in favor of this Government agency lending the money to make it possible for them to do so.

As the gentleman from Mississippi [Mr. RANKIN] said yesterday afternoon, there is not a type of security that can be offered that is better than the returns from these municipal plants. We have not very many of them in the State of Kentucky. We have had a government there for 30 or 40 years that has been opposed to the people having the right to benefit by these public monopolies. We have had a government there that has not believed the people ought to have the right to purchase cheap power, but that they ought to be exploited by private enterprise. So we have not had an opportunity in more than three or four instances to benefit by municipal ownership. There are in Kentucky the towns of Owensboro, Providence, and Falmouth with the lowest light rates in the State because they have municipal plants, and at least one of these towns is without any city tax rate and is supporting the entire government of the city by the returns on their municipal plant. We should like for the rest of the State of Kentucky to have the right to do the same thing, and we should like for the rest of the municipalities in the United States to have the right to either get a fair and decent rate from their private companies or the right to come to the R.F.C. and, by furnishing adequate security, get the money to buy their own light plants.

This is the issue before us this morning—not to grant relief to any particular section, but to all towns in the United States.

Mr. CONNERY. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. CONNERY. The gentleman said this would allow them to get decent rates from the companies that they now have. What does the gentleman mean by that?

Mr. BROWN of Kentucky. What I mean is, if they cannot enter into a contract with the private companies now serving them, they will have this avenue open to them so they can bring their securities here and borrow money from the Reconstruction Finance Corporation and build or buy the plant that is now in their town.

Mr. CONNERY. I am in favor of the gentleman's amendment.

Mr. RANKIN. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield to the gentleman from Mississippi.

Mr. RANKIN. Let me say to the gentleman from Kentucky, and to the other Members of the Congress, that whenever you give the municipalities the right to borrow this money, then your power companies will begin to bring your rates down. There is no amendment that has been offered in this House that will do more to bring down power rates to the ultimate consumers in this country than this amendment. Very few of these communities will ever exercise this right, very few of them will ever borrow money under this provision, but here is what the amendment will do. You people who live in towns and cities that are being overcharged on electric light and power rates will see them begin to bring those rates down, base them on the cost of production, and not on watered stocks, unreasonable overhead charges, and on great expenditures made to spread propaganda throughout the country, and to keep lawyers on the pay rolls that they do not need in order to keep the people misled as to what they are doing to them.

This will not cost very much, and I sincerely trust that the Membership of the House will adopt the amendment, because it will help to bring the rates down in every town, city, and community in the United States, that has not already brought them down, to the T.V.A. yardstick.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the question before us is really this: Are we going to use the Reconstruction Finance Corporation as a weapon of social justice, as a kind of club to coerce one or the other group in some particular municipal fight, or are we to use it for the purpose for which it was originally created and for which most of us want it extended?

One of the recent speakers has just said that if you approve of municipal ownership you should vote for this amendment. Mr. Chairman, that is a strange statement. The mere fact that we approve the right of an individual to conduct whatever business he sees fit does not necessarily mean that we want to give that person the right to borrow money from the Reconstruction Finance Corporation. The mere fact that you approve of a particular kind of business does not necessarily mean that you want to put the Reconstruction Finance Corporation into that kind of business.

The Reconstruction Finance Corporation was organized for the purpose of bolstering up the economic system of the country by assistance to banks, insurance companies, and railroads. We are now carrying it further and giving direct assistance to industry for the particular purpose of keeping them going and thus keeping people at work.

We all know the purpose for which this amendment has been introduced and we all know it will not put a single additional man to work. The people are already working in these plants that are to be acquired and the use of this money will not put any more men to work than are working now.

To show the manifest absurdity of the suggestion, why, if it is a sound suggestion, should we not take every kind

of public utility and give the same kind of an authorization, whether a street-car system, a bus system, a water-works system, a power line, or anything else of a like nature? How long would the resources of the Reconstruction Finance Corporation last, Mr. Chairman, if we should permit every municipality of the country that wants to acquire anything of this kind to come in and ask for money for such a purpose?

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. BRITTEN. Would not the effect of this amendment be the setting up of a selling agency in practically every city in the United States where private interests have these particular utilities.

Mr. HOLLISTER. It would seem to me it might very well work out in that way.

Mr. BRITTEN. It seems to me it would have that effect in practically every city in the country because wherever they have in any small city or community a more or less defunct electric utility their object would be to sell that utility to the city and a selling agency would be immediately established for that purpose.

Mr. HOLLISTER. In many cases the city would not be helped at all and it would simply mean that some private promoters who had a losing proposition on their hands would see a chance to get out from under.

Mr. LEE of Missouri. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. LEE of Missouri. Does not the gentleman believe that any such light plant in the country that wanted to borrow money from the Reconstruction Finance Corporation, whether it was defunct or not, would be just as apt to pay this Government as Mr. Dawes would be to pay the $90,000,000 that you lent him under Mr. Hoover's administration?

Mr. HOLLISTER. I do not think the gentleman is addressing his remarks to the question. I am not suggesting the idea it might not be paid back. I am suggesting that this is not the function of the Reconstruction Finance Corporation. The gentleman, apparently, takes the attitude that a great many of the Members take, that the mere fact that the loan will probably be repaid is a reason why one should be able to go to the Reconstruction Finance Corporation to borrow money. I say that so far we have not adopted that theory, and I do not think we ought to go that far.

Mr. LEE of Missouri. Oh, no; Mr. Chairman——

Mr. HOLLISTER. I cannot yield further to the gentleman.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Kentucky.

Mr. BROWN of Kentucky. If a private individual in a town in your State owned a power plant, under this bill he could borrow money. Does the gentleman contend that if all the people in that town owned such a plant it would be worth any less or it would be any more dangerous for the R.F.C. to lend it money?

Mr. HOLLISTER. But that is not the gentleman's amendment. Under the gentleman's amendment, the R.F.C. may advance money to municipalities to acquire a power plant, not borrow on one already owned.

Mr. BROWN of Kentucky. Under this bill, as now written, the private owner of a plant can borrow money from the R.F.C.; and my contention is that if the people of the town owned the plant, there would be just as good security.

Mr. HOLLISTER. I am willing to yield for a question, but that is not a question.

Mr. TRUAX. Will the gentleman yield for a question?

Mr. HOLLISTER. I yield to the gentleman.

Mr. TRUAX. Is it not a fact that a great majority of the power lines and power plants in the State of Ohio are owned by the Ohio Power Co., a subsidiary of the House of Morgan?

Mr. HOLLISTER. The gentleman probably knows a great deal more about that subject than I do, but the gentleman's question has nothing to do with the proposition I am discussing.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I think that if this amendment did not do anything else except to give particular cities and towns throughout the United States an opportunity to have some defense against these big power companies who are controlling all the gas and electricity of the United States—if it only gave the cities and towns an opportunity to have a club to say to these power companies, "If you do not give us decent rates, if you do not give us low rates, if you do not give the people a chance, we will build our own plant", I think the passage of this amendment would be worth while.

I am deeply interested in this matter for this reason. In 1912 my father was mayor of the city of Lynn, Mass. He brought down an expert from the Massachusetts Institute of Technology to make a survey of this very situation in the city of Lynn. This expert got all of the facts and figures together and reported that the Lynn Gas & Electric Co. was making some 300-percent profit on the rates that the people of Lynn were paying.

One of my colleagues told me this afternoon that in his city the small home owners today are paying the same rates for gas and electricity that they did when the gas and electric company first started, showing that it is not a question of justice and fair rates. It is not a question of fair rates at all; it is a question of getting everything they can out of the people. I hope this amendment of the gentleman from Kentucky will pass. It will be a great forward step for every city and town in the United States, giving them an opportunity, or a club if you call it, against the big Power Trust, and will let the average taxpayer of the country pay the right rates for gas and electricity and not the high exorbitant rates charged by the Power Trust.

Mr. LLOYD. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. LLOYD. Assuming all the gentleman says in favor of the amendment, what we are trying to do is to furnish industry money so that they can put men to work. Does not the gentleman think the better way would be to provide for this by some other legislation?

Mr. CONNERY. I think there is no time like the present. It is germane to this legislation, and we ought to do it now.

Mr. McFARLANE. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. McFARLANE. Does not the gentleman think that when these municipalities borrow money to build a plant it will put men to work in those industries?

Mr. CONNERY. Yes; and the workers will be supplied with greater buying power, thereby aiding all business men in that city or town.

Mr. DONDERO. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. DONDERO. What does the gentleman say about public utilities regulating the rates of power companies in the cities? Does not the gentleman think they are sufficient?

Mr. CONNERY. I heard a colleague to my right here say just now that the public utilities do not regulate. Of course, there are utility commissions and commissions; some act for the people, others for the interests of the power companies.

Mr. HOLLISTER. I should like to ask the gentleman a question. I do not think the gentleman from Texas understood what the amendment is.

Mr. CONNERY. The gentleman from Texas meant that if in Topeka, Kans., a new plant was being erected by money furnished by the Reconstruction Finance Corporation, that would put people to work.

Mr. HOLLISTER. But that is not covered by this particular amendment.

Mr. RANKIN. Permit me to answer the gentleman from Michigan [Mr. DONDERO]. The trouble is that instead of the State commissions regulating the power interests or the

utilities, the utilities are regulating the State commissions. That is the reason we had to resort to the establishment of the Tennessee Valley Authority, in order to give the people some yardstick by which to measure the rate.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 1 minute more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. TRUAX. Concerning what the gentleman from Mississippi [Mr. RANKIN] says, the Public Utilities Commission of Ohio, which is supposed to regulate or fix the rates, is now known by the people not as a public-utilities commission but as a utilities commission.

Mr. CONNERY. Yes; as I said some work for the people, others for the Power Trust. I hope the amendment of the gentleman from Kentucky [Mr. BROWN] will be agreed to. I think it is a good amendment and will inure greatly to the benefit of the small-tax payers of the United States.

Mr. HASTINGS. Will this amendment enable loans to be made to municipalities for the construction, building, and installation of their own plants?

Mr. CONNERY. That is what I understand.

Mr. HASTINGS. Will it allow the building of new ones?

Mr. RANKIN. You can do that under the P.W.A.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WOLCOTT. Mr. Chairman, it has been our hope under this bill to give the full share of benefit to such small industries which cannot now go to the banks or other ordinary lending agencies of the country and obtain capital with which to carry on their business. As a consequence, these factories and businesses have to close, and men and women are put out of employment. We want to give every small industry in the Nation an opportunity to live and progress and to expand and to put men to work. This talk here today about creating funds under the R.F.C. by which municipalities can buy up the utilities of the Nation should not be considered as an amendment to this bill, because we know from the appraisals of these utilities that there are not just a few millions of dollars involved, but there are actually billions of dollars involved. I call attention to the fact that the money provided for in this bill would not be one one-thousandth of the capital of these utilities which are now serving the country. I want to see low rates, and I want to see low rates in the industrial States, such as New York and Massachusetts, the New England States, and in Michigan and Ohio and the Midwest States, and why? Because in these States we have not these subsidized power plants such as you have in the Tennessee Valley, such as you will have in the Grand Coulee District, such as you have at the Wilson Dam and Roosevelt Dam and the Coolidge Dam and the Boulder Dam. We have not the facilities for getting cheap power such as you, and we want to keep these industries. You have taken away from us certain of our agricultural pursuits because of these Government subsidies. When we can soberly sit down around a committee table and work out a plan whereby every municipality may take over its light and power plant, then I think perhaps we should give favorable consideration to it, but in this bill the limitation of $300,000,000 is placed, and if every cent of that money were used in the purchase of public utilities and lighting plants, by municipalities, you could not begin to even buy out one one-hundredth part of the capital stock of these companies, and so all the benefit which you would give to the municipalities by way of reduced rates would be inconsequential. I do not contend that the funds advanced by the R.F.C. under this amendment would be deducted from the $300,000,000 provided for in this bill, but I use this figure solely for comparison. Further, I contend that you are not putting one man to work by adopting this amendment. It is our purpose under this bill to give to the small industries of the Nation a chance to live.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. MAY. To call the attention of the gentleman to the fact that if we loan money to municipalities to acquire these light plants, we will take that much property out of the realm of taxation for the Federal Government when it becomes municipal property. In addition to that, we do not increase employment in any single instance, but perhaps reduce it, because the private utility would employ more men than a municipal plant.

Mr. WOLCOTT. The gentleman is perhaps right. I feel that if the public utility commissions of the several States cannot regulate a situation such as that brought to our attention by the gentleman from Massachusetts [Mr. CONNERY] in which he says the utilities of his State are getting 300-percent profit, then there is something the matter with that State administration.

Mr. BROWN of Kentucky. And I want to say that there is something wrong with the administration.

Mr. WOLCOTT. Then it is up to the gentleman's State to remedy it. Such a condition does not exist in my State. [Applause.]

Mr. GIFFORD. Mr. Chairman, lest an opportunity be not afforded a little later on, I wish to compare what you are doing now in respect to section 9 with section 11. Under this section we seem to be loading down the R.F.C. with all sorts of loans on things which are somewhat doubtful in respect to the relief of unemployment which they would afford. Under section 11, commerce and industry are to be subjected to no such liberal treatment. They must show first that there are no available funds in the local banks, and then must go to the Federal Reserve bank in their district, and after being refused twice, then—and then only—can they go to the R.F.C.. By that time the loan would necessarily be regarded as a most dubious one.

I call to the attention of the committee that I have already heard this point made by those who have a great deal to do with the Reconstruction Finance Corporation. We passed a bill 2 years ago to authorize the Federal Reserve Board to make loans to private industry for 6 months. Did they do it? They did not. We are doubtful as to whether they will do it now. When section 11 is reached, I hope that some member of the committee will see to it that that part of the section be stricken out which provides that when there are no available funds at the local banks, commerce and industry must be forced to go to the Federal Reserve bank of that district before they may make application to the R.F.C. They should be allowed to go either to the Reconstruction Finance Corporation or the Federal Reserve bank.

Section 11 is the important one embodying the real purpose of this bill. This measure is designed to assist commerce and industry, that business may receive a more permanent cure and future unemployment be prevented. I take this opportunity of presenting this matter to the attention of the Committee on Banking and Currency, and I urge that this proposed amendment be presented, especially in view of the unwillingness of the Federal Reserve banks to carry out the plain intent of the Congress expressed in the act of 1932.

At that time I personally called on the Federal Reserve bank in my district and asked if they would make loans to industry, and they said, "Probably not. We do not intend to enter into competition with our member banks, even for 6 months." The intent of the Congress was rudely violated. Under this act an industry must show the Federal Reserve bank why the local member bank will not loan the money. The local bank probably will be called upon by the Federal Reserve bank anyway to pass upon the loan. When the local member banks have money on hand—and they now do have it, but do not see fit to loan it—what possible chance has industry, after being refused twice, to go to the Reconstruction Finance Corporation?

The Reconstruction Finance Corporation could simply say that if the desired loan were not a proper one to be made by the other two agencies, why should or how could they approve it?

Let us see to it that the Reconstruction Finance Corporation, in its delegated duty to assist industry and commerce, is not to be called on to review prejudicial opinions, but rather be permitted to make its own investigations and decision, uninfluenced by the refusals of other agencies which simply do not wish to do business.

Mr. KELLER. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. KELLER. I should like to know if, in the gentleman's opinion, Congress is unable to pass a law to compel the agencies of this Government to do what this Congress told them to do?

Mr. GIFFORD. I reminded the Reserve bank officials that the intent of Congress was that they should come to the relief of industry for the next 6 months.

Mr. KELLER. And the gentleman should have said more.

Mr. GIFFORD. I did say a great deal more on the floor of this House on the assembling of the next Congress.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. GIFFORD] has expired.

Mr. BOILEAU. Mr. Chairman, I move to strike out the last two words. I think we should bear in mind that these loans are to be made only upon application of the municipality which desires to have its own electric plant. If the people of a community feel for one reason or another that their interests will best be served by having their own electric plant, it seems to me we should afford those people an opportunity to acquire that plant, by making loans, just as we make loans to private business. This bill provides that the Reconstruction Finance Corporation can make loans to industrial and commercial businesses. It would seem to me only fair that we should loan to municipalities which are desirous of engaging in the power business the money to enable them to acquire a plant. In no locality is there a possibility of an electric plant being established unless the people of that community feel that for some reason or another private business has not been dealing properly with them. The only time there is any agitation for a public power plant is when the people of a community feel they are paying excessive rates. If the people feel that in their locality they are paying excessive rates, it seems to me we would be doing the fair thing in this bill by making money available to them to carry on that business, which is certainly of a public nature.

One gentleman made the statement that this bill would have the effect of taking property out of taxation and placing it in the hands of the municipality which would not pay Federal taxes. That may be true to some extent, but if a public utility, if an electric plant in any given community is paying such large income taxes to the Federal Government that the Federal Government would be materially injured by the loss of that income, then it seems clear that the profits are so large that they should be retained in the hands of the people of that community through the operation of their own public plant.

Mr. RANKIN. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. RANKIN. When the Tennessee Valley Authority delivered the contract to the city of Tupelo, Miss., to supply power, to be furnished to the people at rates based on the cost of production, the mayor of the city held that contract up and said, "This contract reduces the light and power bill to the people of Tupelo just exactly as much as our city ad valorem taxes amount to, all told."

Mr. BOILEAU. I thank the gentleman for his contribution.

Mr. MAY. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. MAY. I should like to ask the gentleman if he does not feel that if, under this legislation, we authorize municipalities to borrow money to buy these plants, it may be a means by which the municipalities will be able to pay large sums of money in exorbitant and ridiculous prices to the public utilities that now own the plants simply because of the fact that they take it for granted it is all coming from the Government?

Mr. BOILEAU. In coming to that conclusion the gentleman must assume that those who will act for the communities are a bunch of bums, a bunch of grafters, and that they are crooked. In the first place, there must be a sentiment in the community for a publicly owned plant. In the second place no municipality is going to pay an exorbitant price for a plant, or more than the plant is worth. There is no more reason to say that graft will result from the adoption of this amendment than there is to say that there has been graft in the acquisition of all public-utility plants by municipalities.

Mr. MAY. Mr. Chairman, will the gentleman yield further?

Mr. BOILEAU. Yes.

Mr. MAY. Does not the earning capacity of an electric plant in a municipality have a decided bearing upon the sale value of the plant? If it is not earning anything, it will not sell. If the plant is earning a big profit, it will sell at a big price. Would not, therefore, profits have to be taken into consideration in fixing the value of these plants?

Mr. BOILEAU. I do not entirely agree with the gentleman.

[Here the gavel fell.]

Mr. HART. Mr. Chairman, I am very much interested in the statement of my colleague from the seventh district of Michigan to the effect that if the commissions in the various States could not regulate properly the rates paid by consumers, that there was something wrong with the government in those States. Had the gentleman been acquainted with the conditions in his own State he would know that there is and has been something wrong there for years. For instance, the rate the ordinary householders pay in cities comparable in size to Washington is 9 cents per kilowatt-hour. The rate in the city of Washington is 3.2 cents. When I came here it was 3.8 cents. Now, there is no such difference in cost. There might be a difference in cost of a cent a kilowatt-hour, but there is no such difference in cost as 6½ cents per kilowatt-hour.

We in Michigan live in one of the most utility-ridden States in the Union. For instance, the utility which furnishes power for most of the State and for my city is the Consumers' Power Co. I happen to operate a number of plants for which I buy power from this company. The distributing plant of the Consumers' Power Co. which furnishes power to Saginaw and Bay City is located 3 or 4 miles outside the city of Saginaw; as a matter of fact, it is about half-way between the two cities. Saginaw has a population of about 83,000, and Bay City has a population of about 52,000. In Bay City is a municipal distributing plant buying current from the Consumers' Power Co. and retailing it to their inhabitants. I have a competitor in Bay City, 8 miles from my plant. I compared bills with him one day. Each of us happened to have a bill for the same number of kilowatt-hours—2,020. My competitor, buying from the Consumers' Power Co., paid $54, whereas I, buying from the Consumers' Power Co. also, paid $127 for the same number of kilowatt-hours; and our plants are located but 8 miles apart, and we are competitors.

Mr. RANKIN. Mr. Chairman will the gentleman yield?

Mr. HART. I yield.

Mr. RANKIN. The records show that in the city of Detroit, Mich., the consumers pay approximately three times as much for light and power as do the people right across the river in Windsor, Canada, although Windsor transmits hers from Niagara Falls, 250 miles away.

Mr. HART. I am aware of that fact. Now, the conditions were so bad and it was so generally understood that the commission was not functioning in behalf of the people in Michigan that the Governor preferred charges against the commission and removed the commissioners. Now we are beginning to have some hearings before this commission and may get some results.

The practices of these utilities are abominable. They go into city elections. They have furnished the money for certain candidates in city elections. If they have a contract coming up they immediately begin a campaign to elect someone who will negotiate for them; and they write their own rates; they have done it for years.

I am not advocating Government ownership of all public utilities. What I am after is fair rates, fair play.

[Here the gavel fell.]

Mr. PRALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think we are going far afield in giving any consideration whatever to this amendment. The purposes of the pending bill are to help recovery by extending aid to industries to continue and increase employment. It was never contemplated by our committee that the R.F.C. should be used to buy anything. We have had many hearings on bills providing for loans to municipalities and on bills for other purposes, but none of the proposals were included in this bill because we could not see that they extended aid to the unemployed. I am quite sure the gentleman from Massachusetts is mistaken in his statement that this amendment will relieve unemployment.

In this bill $300,000,000 is provided for one purpose, that of aiding industry to get on its feet. I do not suppose the electric and power plants in this country could be bought for less than billions of dollars, and every amendment adopted by the committee today which removes any amount from the sum set up in the bill for the purpose of the bill takes just that much aid from industry.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. PRALL. I yield.

Mr. SNELL. There seems to be considerable misunderstanding as to the effect of the amendments already adopted on the $300,000,000 the bill carries for industry. For instance, to be specific, is the amount of money that was earmarked for the school districts to be taken from the $300,000,000?

Mr. PRALL. No; it does not.

Mr. SNELL. Then, regardless of any of the amendments put on the bill there will be $300,000,000 for industry?

Mr. PRALL. Yes.

Mr. SNELL. And the sums necessary to take care of the other amendments will be in addition to the $300,000,000?

Mr. PRALL. Yes; that is provided in the amendment. It does not affect the $300,000,000 set up in the bill.

Mr. SNELL. In the hearings before the gentleman's committee was any consideration given to authorizations similar to that contained in the amendment pending before the House at the present time?

Mr. PRALL. Yes; our subcommittee sat for 6 weeks holding hearings almost every day. During that time many bills were presented to the committee upon which it acted unfavorably. Probably a great many of them will be offered today as amendments to the pending bill. Had the committee considered that any of these proposals would have aided the objects sought to be accomplished by this bill the committee would have included the suggestions in the bill. This is primarily a bill to aid industry and not to purchase anything, not to furnish money for such uses as the buying of electric power plants or for States or municipalities to invest in other activities.

[Here the gavel fell.]

Mr. SNELL. Mr. Chairman, I ask unanimous consent that the gentleman from New York may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PRALL. I hope the House will stand by the committee. I have no objection to Members introducing bills authorizing the purchase of these plants; but this is an object foreign to the purposes of the pending legislation.

I hope the House will not only vote against this amendment but against every amendment offered which does not primarily take care of industry.

Mr. MAY. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman from Kentucky.

Mr. MAY. The whole effect of the amendment now under discussion would be merely to transfer title from one party to another party and would not aid industry at all?

Mr. PRALL. It would mean absolutely nothing to industry.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman from Missouri.

Mr. COCHRAN of Missouri. I have just read the amendment and it seems to me that it gives additional power to the Reconstruction Finance Corporation to loan money to States or subdivisions thereof for the purpose of buying power plants, and so forth. If this amendment carries, will the gentleman say that the money so loaned would come out of the appropriation that we are making for loans to industry?

Mr. PRALL. I may say to the gentleman that in connection with other bills that have been introduced, reports come from the R.F.C. that if those objects, whatever they may be, run into very much money, Congress will have to appropriate additional funds.

Mr. COCHRAN of Missouri. The amendment that we are now considering does not take away from the amount that we are now appropriating, but simply gives to the Reconstruction Finance Corporation the power to loan money for the purpose contained in the amendment, namely, for the purchase of power plants, and so forth. The gentleman is not going to contend that we are taking away one dollar from this loan-to-industry appropriation by the amendment.

Mr. PRALL. It may be construed by the R.F.C. that that is what it means.

Mr. COCHRAN of Missouri. The intent of the Congress right now, regardless of the construction placed upon it by the Reconstruction Finance Corporation later, is simply to give them the power to loan money for the purpose enumerated in the amendment, if they have the money, and not to provide that any part of the appropriation contained in this act is to be used for that purpose.

Mr. PRALL. Well, whatever meaning and whatever interpretation the R.F.C. may choose to make, I hope, and I again ask, the Members of the House to vote against this amendment and not load the bill down with amendments for other purposes.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. In line with the question propounded by the gentleman from Missouri [Mr. COCHRAN], I call attention to the fact that the amendment with respect to $75,000,000 to cover loans for teachers' salaries specifically provided that it shall not come out of the $300,000,000. It was limited to $75,000,000. I suggest that if it is intended the proceeds of this authorization shall not come out of the $300,000,000, it ought to so state.

Mr. COCHRAN of Missouri. That is what I was trying to show. This will not come out of the appropriation.

Mr. FISH. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman from New York.

Mr. FISH. I am somewhat worried, too. I believe the House should understand as they proceed what becomes of the $300,000,000.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. It seems to me it is very important to understand just where this $300,000,000 goes which we are allocating to the R.F.C. We have a provision in the bill that carries an authorization of $125,000,000 for drainage or irrigation districts to buy bonds with. The question comes up whether they can use the $300,000,000, which was supposed to be for loans to help industries, to buy these drainage bonds?

Mr. PRALL. No; they cannot.

Mr. FISH. Suppose the R.F.C. runs short of funds, can they take any of the $300,000,000?

Mr. PRALL. No; they cannot.

Mr. FISH. I think it is very important that that be made most emphatic.

Mr. PRALL. The appropriation which the gentleman refers to, of $125,000,000, was made under another act some time ago, wherein $50,000,000 was first provided. The $50,000,000 was not sufficient and they applied for $100,000,000 additional funds. We increased this amount to $125,000,000 because they have applications now pending for almost this amount.

Mr. FISH. But could they take any of this $300,000,000 if the other fund runs short?

Mr. PRALL. They are bound to loan $300,000,000 to industry under this bill, regardless of anything else.

Mr. FISH. That is what I want to know.

Mr. PATMAN. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman from Texas.

Mr. PATMAN. Under the existing law, the R.F.C. has the right to extend its credit to irrigation and levee districts, as the gentleman just explained, and under the law, as amended in this bill, to mining corporations, and now it is proposed to extend the benefits to municipalities.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. In extending this credit they will be operating under existing laws and using existing funds. They have a considerable amount at their disposal. Section 5 (d) is in regard to extending direct loans to industry and section 5 (d) in giving the R.F.C. permission and authority to extend the loans also makes an authorization of $300,000,000. Therefore, any amendment that we put in this bill, such as the Brown amendment and the Sabath amendment or any other amendment, the amount of money that is expended will not come from section 5 (d) because that section stands out by itself, to cover commercial and industrial loans $300,000,000.

Mr. PRALL. That is the way I understand it.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, this is a very important amendment. Let it be clearly understood that the gentleman in charge of the bill has plainly stated to the House that if this amendment is adopted the $300,000,000 provided for in this bill will in no way be affected. I say this for the future benefit of the Reconstruction Finance Corporation if the amendment is adopted.

We passed a law appropriating money to be disbursed by the Public Works Administration. There were several counties and municipalities in my State that applied for loans for the purpose of constructing their own power plants. The public utilities of my State immediately went into court and challenged the right of the counties to issue bonds for this purpose. This tied up the loans. A special session of our legislature was held, and I regret to say that it was subject to severe criticism. Why? Because it was claimed by the press that the public-utility corporations operating in the State went to the State capital and by means, fair or foul, protested the legalization of such bonds, and the protests prevented our legislature from enacting legislation that would have enabled the counties and the subdivisions thereof to construct these power plants. If I am in error in what I say, I hope some Member from my State will correct me.

Now, here is proposed a plan to extend an opportunity for the States or subdivisions thereof to apply to the Reconstruction Finance Corporation for aid to construct their own power plants. If the Reconstruction Finance Corporation does not have the money, it cannot lend it; but I see no reason why the Reconstruction Finance Corporation should not have the power to make such loans, provided the money is available.

I may say in conclusion—and this, again, is also for the benefit of the members of the Reconstruction Finance Corporation—the members of the House committee in control of this bill have stated here on the floor that if this amendment is adopted the money is not to come out of the $300,000,000 provided in this bill for loans to industry, but is simply an additional authorization giving power to the Reconstruction Finance Corporation to make such loans if it is in a position to do so. I hope the amendment is agreed to. [Applause.]

Mr. PRALL. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The question was taken; and on a division (demanded by Mr. BROWN of Kentucky) there were—ayes 66, noes 96.

Mr. RANKIN and Mr. COCHRAN of Missouri demanded tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. PRALL and Mr. BROWN of Kentucky.

The Committee again divided; and the tellers reported that there were—ayes 73, noes 124.

So the amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On Page 21, following line 10, insert a new section as follows:

"SEC. 9 (a). The Reconstruction Finance Corporation is authorized and empowered to make loans out of the funds of the Corporation upon adequate security to publicly and privately controlled colleges, universities, and other institutions of higher learning, including corporations for higher learning controlled by denominations, to provide emergency relief through the refinancing of accumulated financial obligations: *Provided*, That the aggregate amount of such loans at any time outstanding shall not exceed $15,000,000."

LOANS TO DENOMINATIONAL COLLEGES

Mr. WHITTINGTON. Mr. Chairman, while the title of the bill under consideration stipulates that it relates to direct loans for industrial purposes, the fact is there are other matters embraced in the legislation and it is really an omnibus bill.

I favor the main purpose of the bill, which is to provide for direct loans to industries, to maintain and increase employment of labor where such loans cannot be obtained from existing banking institutions, and I am opposed to all amendments that would divert any part of the $300,000,000 authorized to be appropriated for industries, to other purposes.

Under the Relief and Construction Act of 1932, the Reconstruction Finance Corporation was authorized to make self-liquidating loans to State universities and colleges, and to States, counties, and municipalities for the operation of educational institutions. Under the Public Works Act of 1933, such and similar loans were authorized to be made by the Administrator of Public Works, and the authority previously conferred upon the Reconstruction Finance Corporation was transferred to, and is now vested in, the Administrator of Public Works.

Provision has thus been made in the existing depression for loans to State universities, colleges, and other educational institutions where the public credit may be pledged for their repayment.

There is no existing provision for loans to privately controlled colleges, universities, and other institutions of learning, including corporations for learning controlled by denominations.

The denominational colleges and universities are supported by donations and contributions. They depend upon the liberality of their benefactors. In the very nature of the case, during the wide-spread depression, contributions for the support and maintenance of denominational institutions have greatly decreased. Formerly relief and charity work

was done by voluntary contribution, but in the emergency where worthy citizens who gladly contributed to denominational schools and to charities, without any fault of their own, have lost all, denominational colleges and universities have been among the greatest sufferers.

The denominational institution fills a large place in public education. Citizens are taxed to maintain the State and publicly controlled colleges and universities. The educational facilities afforded by denominational colleges provide for training and educating the youth of the land without direct expense to the taxpayers. They are to be encouraged and maintained, for their proper functioning relieves the taxpayers of providing additional institutions to accommodate the students who now attend denominational colleges and universities.

Personally, I believe that the public interest would be promoted by the enlargement and multiplication of denominational institutions. The duty of the State is to provide the youth with at least a high-school education. The obligation is not so great to provide college or university training. In many States appropriations are made by the State legislatures for scholarships in private and denominational colleges and universities. Without being required to equip or maintain the higher institutions of learning by providing scholarships in denominational colleges, the legislatures are promoting the interests of the taxpayers.

Denominational colleges ordinarily have had excellent credit with banks and banking institutions. The amendment I propose is not a gift or a grant. The justification for the amendment is there is no source of credit to denominational colleges and universities in the emergency. They have ample and sound security; they are entitled to credit. My amendment would authorize the Reconstruction Finance Corporation to extend that credit primarily because banks are unable to provide the necessary loans.

With no taxing power and with gifts and donations largely eliminated as a result of the depression, the denominational colleges and universities are really in a serious plight. In many cases the endowments of these institutions were invested in stocks and securities that have materially declined. The endowments have been seriously impaired. Relief is essential to enable these institutions to function properly.

I am aware that the Banking and Currency Committee conducted hearings on similar proposals. The Senator from Massachusetts [Mr. WALSH] and the gentleman from Kansas [Mr. GUYER] introduced similar legislation some months ago.

While the better practice is for legislation to be reported by the committee rather than be proposed on the floor of the House, I maintain the subject matter is not new. Unless the House considers the amendment which I propose, there will be no other opportunity during the present session for the consideration of this vital and important matter.

Previous provision has been made not only for State colleges and universities, but provision has been also made for agriculture, banking, railroads, and public works. There is nothing more important than the education of the youth of the land. We cannot neglect the training of the boys and girls of today who are to be the men and women of tomorrow. I know of nothing more vital to recovery than the proper training of the youth of today, and I know of no institutions where better training is given than in the denominational schools of the country.

The amendment that I have offered authorizes the Reconstruction Finance Corporation, out of its funds—without taking any part of the $300,000,000 authorized to aid industry in the pending bill—on adequate security, to make loans to denominational colleges, universities, and other publicly and privately controlled institutions, to provide emergency relief through the refinancing of accumulated financial obligations, with the provision that there shall not be outstanding loans aggregating more than $15,000,000 at one time. When multiplied millions are being supplied by the public Treasury for commerce and industry, for relief and for public improvements, I assert that Congress should recognize and encourage the fine work of the denominational colleges and universities by authorizing for the next current year loans aggregating $15,000,000 to aid them in refinancing.

I trust that the amendment will be adopted.

Mr. SMITH of Virginia. Will the gentleman yield.

Mr. WHITTINGTON. I yield.

Mr. SMITH of Virginia. When I heard the amendment read, I was inclined to support it; but I was wondering whether it included preparatory schools.

Mr. WHITTINGTON. The amendment applies to schools of higher learning, because the State and municipally owned colleges may obtain loans under the Public Works Act of 1933. The amendment has to do with institutions of higher learning, and for that reason I limit the amount of outstanding loans at one time to $15,000,000. I have in mind the bill mentioned by the gentleman from Massachusets [Mr. DOUGLASS] and appropriations for preparatory schools under that legislation, which will doubtless come before the House at an early date.

Mr. RANDOLPH. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. In West Virginia, over a period of years, the denominational colleges have been the backbone of our higher educational system. Today we have the denominational colleges of the State being driven to the wall. Now is the time to come to the rescue of these worthy institutions. I want to say that I favor the gentleman's amendment.

Mr. WHITTINGTON. And let me say, further, that the loans I seek in the amendment I have offered will aid the taxpayers. The proper fostering of denominational education is for the benefit of the taxpayers of the Nation. The denominational colleges have probably suffered more than any other institutions from the depression. The amendment will afford imperative relief to worthy institutions.

Mr. PRALL. Mr. Chairman, this is clearly another attempt to get from the Reconstruction Finance Corporation funds for other purposes than those which the bill provides. There is no reason in the world why we should confuse this bill by adding amendments providing funds for private colleges or schools or hospitals.

A bill came before the Subcommittee on Banking and Currency which provided for funds for colleges, and the Reconstruction Finance Corporation objected to it. The committee reported adversely, and I again appeal to the Membership to vote down this amendment.

Mr. McGUGIN. Mr. Chairman, I move to strike out the first word. Mr. Chairman, it seems to me in all fairness it comes with poor grace from the Committee on Banking and Currency of the House to complain about an amendment's being added to this bill because it is for purposes other than for industry, especially as meritorious as this amendment is.

The House Banking and Currency Committee received a bill from the Senate which contained 11 pages, and it struck out all of those 11 pages and substituted its bill. The Senate bill was limited entirely to industry, but the House Committee on Banking and Currency had some pet purpose it wanted to serve. It is all right for the committee to take care of pet projects, but it is all wrong for the House to take care of borrowers under the head of "other purposes."

The committee saw fit to make undeveloped mineral acreage a proper subject for credit at the Reconstruction Finance Corporation, and no man has enough ingenuity in financial trickery to think of a credit more flimsy than undeveloped mineral rights.

We are told that $15,000,000 for private and denominational colleges would be loading this bill down with bad legislation. We are told that by the committee, in the face of the fact that the committee provided for making loans on mineral acreage. Undeveloped mineral acreage, Mr. Chairman, is what Dr. Cook sold his securities on.

Mr. WHITTINGTON. And may I say that the $15,000,000 would be available to every one of the 48 States of the Union.

Mr. McGUGIN. Yes; the $15,000,000 could be loaned to denominational schools, and practically all of them own mortgages and other securities of substantial value, and it is quite certain that the money will be paid back. I want it distinctly understood that I did not vote for the R.F.C., in the first instance, and I have never voted for a single bill to extend its authority. I am unalterably opposed to using public credit for private purposes.

We are now debating this bill. I do not intend to vote for it in the end. I do submit that this House could most graciously accept this amendment for the denominational colleges, since the committee has seen fit to take care of mineral acreage, and has seen fit to go far beyond industries and provide for the purchase of preferred stock in insurance companies. Of course, it is common knowledge that when the R.F.C. buys preferred stock it is because the companies do not have adequate securities to present. That is the primary reason any company sells preferred stock. It does not have good collateral upon which to borrow money. It provides in the case of mutual insurance companies to take any security that they offer or that will pass the R.F.C. Why not permit these denominational and private colleges to keep their doors open by adopting this amendment? If there is any merit in this bill, there is more merit in the amendment offered by the gentleman from Mississippi than in anything the bill provides for, other than industry.

Mr. PRALL. Mr. Chairman, I move that all debate upon this amendment close in 10 minutes.

The motion was agreed to.

Mr. SMITH of Virginia. Mr. Chairman, I offer the following amendment to the amendment which I send to the desk.

The Clerk read as follows:

Mr. SMITH of Virginia offers an amendment to the amendment: In line 4, strike out the word "higher" where it occurs in the amendment.

Mr. WHITTINGTON. Mr. Chairman, as far as I am concerned, I have no objection to that amendment to my amendment.

Mr. SMITH of Virginia. Mr. Chairman, I desire to be recognized just to say in behalf of the entire amendment as it is now changed that it seems to me that we should adopt it. It does not interfere with any loans to industries. I am voting, as many of you are, against every amendment offered on the floor that will affect or stop loans to industries or stop putting men to work, and the only chance that you are going to have at this session of Congress to get relief for these educational institutions is on this bill. You will not get a chance on the floor. We are lending money to railroads and insurance companies, on homes and on farms, and on everything else, but we are doing nothing for the privately owned educational institutions, and there is no reason why the Congress should discriminate against them.

Mr. WHITTINGTON. This amendment specifically provides that the $15,000,000 is not to come out of the $300,000,000.

Mr. SMITH of Virginia. Yes; and that it is to be loaned on adequate security. It puts those people on the same basis that you put other private industries. There is no reason why we should discriminate against these institutions.

Mr. LUCE. Mr. Chairman, this proposal received the long and serious attention of the subcommittee. We heard eminent educators from various parts of the country who disclosed to us clearly and convincingly the unfortunate situation in which the private colleges find themselves. That situation received our complete sympathy, yet we decided it was unwise to advise the House to grant their request, partly because of the money involved, but that was, after all, a minor and unimportant consideration. The determining factor was to be found in the fact that this amendment would be a cruelty to the institutions themselves. Those institutions have been founded, conducted, and perpetuated through the benevolence of their friends, largely graduates of the institutions, sometimes individuals of large means, but always as a result of benevolence and philanthropy. Every man within the sound of my voice knows that the moment there is a public supply of funds for any of these institutions private supplies dry up. Men say, "You can get this from the Government or from some subdivision of the Government by a vote of the city council or the State legislature or the Congress. Why should we give anything when you can make the taxpayer do it?"

Mr. WHITTINGTON. Will the gentleman yield?

Mr. LUCE. Certainly.

Mr. WHITTINGTON. May I remind the gentleman that this merely provides for loans to enable those institutions that are supported by contribution to function.

Mr. LUCE. Absolutely. It applies to a loan, but that does not in any way affect the consideration I am presenting, that the moment it is found an institution can be saved from closing its doors by coming to Washington, that moment its friends, its graduates, townsfolk, and everybody else concerned stop taking any further interest in the situation of the institution in question.

Mr. WHITTINGTON. Will the gentleman yield further?

Mr. LUCE. Certainly.

Mr. WHITTINGTON. If we follow that argument to its conclusion, Congress would not make any appropriations for direct relief, would it?

Mr. LUCE. Why, sir, I see nothing to tie up the direct relief the gentleman has in mind with the benefactions that men make to schools and churches and hospitals; and if you begin with the colleges, you would have to go on to the hospitals and you would be asked to go on to the churches. There would be no stopping short of the complete field of private benevolence. So I feel I am accurate in saying that the adoption of this amendment would be an injury to the institutions which it is meant to benefit. So long as there are graduates who have faith in the institutions that gave them their education, so long as there are towns that desire to keep within their borders institutions that shall have their doors open to give higher education, so long as men feel enough responsibility for maintaining those institutions that make for the welfare of mankind, it is unfortunate that such institutions should ask for public funds.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. LUCE] has expired.

Mr. BROWN of Kentucky. Mr. Chairman, if we follow the plea of the able chairman of this committee we might as well abolish all of Congress except the committee. The gentleman asked us, because the committee did not offer this amendment, not to put it in. I do not think there is any doubt that if this mining-pool amendment had been offered from the floor of the House he would have pleaded with us to vote it down, but because it was offered from within the committee it is all right.

Now, there is no question that these private colleges need and deserve relief. The Reconstruction Finance Corporation is not going to loan any money unless the security is adequate. I have had pleas from the best citizens in my district to vote for this amendment on some bill on the floor of this House because our private colleges need this relief. They have the best security on earth to offer. If you are going to have the Reconstruction Finance Corporation, if you are going to loan money to mining pools, if you are going to loan money to any other agencies, private power plants, and not to the public, I see no reason why you should not loan it to these private colleges.

Mr. WHITTINGTON. And they are not able to operate because the banks have been told by the Federal Reserve Board that they cannot make such loans?

Mr. BROWN of Kentucky. The Federal Reserve banks have ruled that these colleges are not sufficiently liquid, and they are not able to borrow money. The Reconstruction Finance Corporation is the only hope they have.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. BROWN] has expired.

Mrs. McCARTHY. Mr. Chairman, this will probably be the last opportunity we have to give any relief to the private and denominational schools. There are many well-established institutions which will have to close their doors unless

this amendment is adopted. In my own district there is the Salina Wesleyan University and Business College; the latter supplies business education quite largely for one part of my district. One member of the committee in opposition to this amendment stated that the pledges to the schools are unpaid. However, they are unpaid because of the depression, but the people who made those pledges made them in good faith; and as soon as the depression has passed, those pledges will be paid. There is also unpaid tuition due every one of those institutions. The students intend to repay those tuition fees, and those institutions will go on thereafter if we give them some temporary relief. Of course, the objection is going to be made that these are denominational schools and that we have a separation of church and State. That is all well and good and must be continued as a permanent policy, but this is temporary emergency legislation, to meet a time of stress. We owe a debt of gratitude to those splendid denominational schools that have furnished such fine, well-educated citizens in the past, who have become great leaders and statesmen. We should not permit those institutions to close their doors when all they need is a temporary loan from the Government. The money is bound to be repaid, and the students in those institutions will have an opportunity to complete their education.

Mr. RANDOLPH. Will the gentlewoman yield?

Mrs. McCARTHY. I yield.

Mr. RANDOLPH. In the denominational colleges of West Virginia at the present time most members of the faculties are actually serving with their salaries 6 months in arrears. They are actually giving service at great sacrifice, because as members of the teaching profession they continue at their posts in an hour when the Nation needs such consecrated persons to guide and direct those young men and young women who are preparing to become active members of society.

Mrs. McCARTHY. That condition is prevalent in denominational schools throughout the United States.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment of the gentleman from Virginia to the amendment of the gentleman from Mississippi.

The amendment was agreed to.

The CHAIRMAN. The question is on the amendment of the gentleman from Mississippi, as amended.

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 68, noes 77.

Mr. WHITTINGTON. Mr. Chairman, I ask for tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. PRALL and Mr. WHITTINGTON.

The Committee again divided; and the tellers reported that there were—ayes 68, noes 103.

So the amendment was rejected.

Mr. WEIDEMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEIDEMAN: On page 21, after section 9, insert a new section, as follows:

"SEC. —. That the Reconstruction Finance Corporation is authorized and empowered to make loans direct to municipalities and other governmental subdivisions organized pursuant to State law at an interest rate not to exceed 1½ percent per annum, said loans to be made upon such security in the form of tax-anticipation warrants, short-term notes, delinquent-tax certificates, or other collateral, as the Board may deem adequate to secure such loans; and the Reconstruction Finance Corporation is further authorized and empowered to purchase the tax-anticipation warrants, short-term notes, delinquent-tax certificates, or other collateral of the municipalities and governmental subdivisions organized pursuant to State law, for the purpose of aiding such municipalities and governmental subdivisions in maintaining the necessary and essential governmental expenditures and services."

Mr. WEIDEMAN. Mr. Chairman, this amendment is the so-called "municipal loan amendment" upon which the subcommittee took testimony.

This amendment is approved by the Municipal Council of Mayors, an organization composed of the mayors of approximately 2,000 municipalities.

The bill upon which the original hearings were held did not contain a limitation on the interest rate which could be charged the municipalities for their refinancing needs either through short-term notes, tax-anticipation warrants, or by any other means. It was only after Mayor LaGuardia, of New York; Mayor Wamsley, of New Orleans; the mayor of Newark; and representatives of the mayors of San Francisco and various other cities said that no substantial good could come to municipalities unless there was a limitation upon the interest rate that could be charged them for these loans that such a provision was inserted.

This amendment will authorize the Reconstruction Finance Corporation to make loans direct to municipalities and other governmental subdivisions at an interest rate not to exceed 1½ percent, said loans to be secured by tax-anticipation warrants, short-term notes, delinquent-tax certificates, or other collateral as the R.F.C. Board may deem adequate.

The passage of this bill would save many municipalities and other governmental subdivisions from bankruptcy, and would enable cities, townships, and so forth, to pay up their indebtedness and not default on their obligations, and would guarantee the payments of municipal and county bonds heretofore issued.

Take, for example, the city of Detroit, whose bonded indebtedness amounts to approximately $400,000,000. The city of Detroit has now balanced its budget and is living within its income, but it has an inherited deficit of $13,000,000 which it is carrying on its budget from year to year. In order to carry on the city's business it is necessary for the city to issue scrip bearing interest at the rate of 5 percent per annum. Each time the city has script printed there is a printing cost of about $35,000. Therefore, the yearly cost to the taxpayer to carry this scrip, which is used because the bankers claim they cannot loan the city the necessary money through short-term obligations, is $650,000 for interest and $35,000 for printing, a total of $685,000. If this amendment is passed, the R.F.C. could loan money to the city of Detroit and other governmental subdivisions and cities at the rate of 1½ percent per annum. Under this bill, the cost to the city of Detroit would be $195,000 per year, a saving of $490,000 per year. If municipalities were loaned money at the same rate as the Federal Reserve banks are loaned money, the cost would only be $68,500 per year.

The point I want to make is this: The additional payment of interest is nothing but a bonus for the bankers, paid for by the taxpayers, for which they are rendered no service, and for which they receive nothing in return.

The exorbitant interest demanded by bankers is the reason for the high taxes now levied; it is the reason why, in the name of economy, the salaries of teachers, policemen, firemen, and city employees have been generally reduced; so the divisions of government could live within their income, so they could continue to pay their tributes to the bankers.

Mr. BYRNS. Mr. Chairman, we shall have to get through

Think what a saving it would mean to the people of the country could the municipalities of the country avail themselves of this reduced interest rate, a saving of money which ordinarily would go to the private bankers. This amendment will accomplish something substantial. The President of the United States has said that interest payments must be pared down. You are not going to help municipalities by lending money to them at a greater interest rate or a greater premium.

The United States Government can print money for the Federal Reserve bank at a cost of from one twenty-sixth to one thirty-fourth of 1 percent, the differential being due to the fact that a few years ago bills were printed in the denomination of $10,000, whereas today they are printing bills of smaller denominations, which has slightly increased the cost. If we can finance the Federal Reserve banks at a cost of one thirtieth of 1 percent, there is no reason in the world why we cannot extend similar aid, perhaps in a somewhat lesser degree, to the cities and municipalities of the country; there is no reason in the world why we cannot help the taxpayers of the country by charging the municipalities 1½ percent, or, in other words, 50 times as much as we charge the Federal Reserve bank for printing its notes.

You have authorized loans to school districts. Let me read you what is happening in some of these cities: In Toledo, Ohio, the policemen and firemen have had their wages cut in half. In Youngstown, Ohio, the police department is receiving only one-half pay. In Dayton, Ohio, the funds are in closed banks. In Cleveland the police and fire departments are receiving only half pay for full time, street lights are cut off, and the garbage-collection force is idle.

In San Antonio, Tex., the policemen and firemen are being paid only $75 per month. Wichita Falls is in a serious condition. In Flint, Mich., the operating expenses have been cut in half.

[Here the gavel fell.]

Mr. WEIDEMAN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. STEAGALL. Will the gentleman yield for a motion?

Mr. WEIDEMAN. I yield to the gentleman from Alabama.

Mr. STEAGALL. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

Mr. COCHRAN of Missouri. Mr. Chairman, that is not fair.

Mr. BYRNES. Mr. Chairman, we shall have to get through with this bill and the next bill by tomorrow night.

Mr. COCHRAN of Missouri. Mr. Chairman, we have some important amendments to offer.

Mr. STEAGALL. Mr. Chairman, I modify my motion. I move that all debate on this amendment close in 5 minutes.

The motion was agreed to.

Mr. WEIDEMAN. May I impress upon the membership of the House that you are not giving away anything. If we eventually want to solve the problem of the welfare of municipalities, there is only one way to do it, and that is by reducing the interest cost which we have to pay to the bankers for financing. You cannot do it any other way. In the village of Lincoln Park, Mich., the policemen and firemen are on welfare and there are many other municipalities in the same condition.

We are bound to come out of this depression that we have had. We are on our way out of it now, but you cannot help the situation if you are going to pile upon these municipalities interest debt upon interest debt, which benefits only the bankers. You could use these interest savings, if necessary, to pay the school teachers, to pay the policemen and firemen, or you could use it for garbage collection and for other city purposes.

Mr. MAY. Will the gentleman yield?

Mr. WEIDEMAN. I yield to the gentleman from Kentucky.

Mr. MAY. In the reading of the amendment, I did not catch what rate of interest was provided for.

Mr. WEIDEMAN. One and a half percent.

Mr. MAY. There is no law which compels a banker to make a loan. If the rate of interest to municipalities is reduced to one and a half percent, will this not result in the bankers loaning their money to somebody else?

Mr. WEIDEMAN. This is Government money. If the Government can lend its own money to the Federal Reserve banks and that private banking system at one thirtieth of 1 percent, which you gentlemen know is the rate they pay for printing the money, why can we not loan it to municipalities at fifty times that rate?

Mr. DONDERO. How much does this amendment propose to make available for loans to municipalities?

Mr. WEIDEMAN. That is left to the judgment of the Reconstruction Finance Corporation. They may loan anything they want to, but this will not hurt the people of the United States. It will only hurt the bankers, and I suspect they are violently opposed to this amendment. They are opposed to anything which will cut down the interest rate. Interest produces nothing and consumes everything. If we buy an article for $1, 25 cents of that $1 goes for the payment of interest. Our interest bill on public and private debts amounts to three times the amount of our normal Federal Budget.

Mr. DONDERO. Other moneys would have to be appropriated for the Reconstruction Finance Corporation in order to meet these demands.

Mr. WEIDEMAN. We have not had much trouble in that direction in this Congress.

Mr. RICH. Will the gentleman yield?

Mr. WEIDEMAN. I yield to the gentleman from Pennsylvania.

Mr. RICH. What interest rate does the gentleman expect to charge municipalities for the lending of this money by the Federal Treasury?

Mr. WEIDEMAN. One and one half percent.

Mr. RICH. If we loan money at 1½ percent what does the Federal Government have to pay for the money?

Mr. WEIDEMAN. The Federal Government should not have to pay a penny if they furnish the same kind of money that I have in my pocket, and that they issue to Federal Reserve banks. I have here a $5 bill, which was issued in 1929. I wish you would examine your money. This money has behind it Insull bonds, foreign bonds, and cats and dogs. This is national currency. All the national-currency bills do not have this on them: "Or by like deposit of other securities." They have Insull bonds, German bonds, Brazilian bonds, and so forth, deposited with the Federal Reserve banks, and they are given these brandnew United States national currency notes. This is the same kind of money and the same privilege that I propose to give to municipalities.

Mr. RICH. The Government in securing its funds must pay 3 percent, we will say, for the money that they borrow. How can they furnish money to these municipalities and pay 3 percent, unless it is fiat money?

Mr. WEIDEMAN. Well, if this is fiat money or if what the gentleman states is true, we are on fiat money now.

This same kind of money issued to bankers is called sound money, but when we advocate the identical kind of money backed by the faith and credit of municipalities, the sound-money men would make you believe that it is not as good as money backed by Insull bonds, German bonds, or by mere promissory paper of an individual, or of even a foreign commercial house.

The taxpayers and citizens of cities and villages should be given the same opportunity as is given to the Federal Reserve bank and to international private bankers.

We have given the power over the issuance of money to the private bankers; this power must be restored to the people in accordance with the Constitution of the United States. It is the duty of the Government to come to the rescue of these distressed cities whose people are being oppressed by the tremendous demands of interest payments to the bankers.

Mr. KENNEY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. KENNEY to the Weideman amendment: Page 21, after line 10, insert a new section, as follows: "That the Reconstruction Finance Corporation"—

Mr. GOSS. A point of order, Mr. Chairman. I understood the gentleman was offering an amendment to the amendment and not a substitute.

Mr. KENNEY. I am offering an amendment to the amendment striking out the rate of interest and adding at the end of the amendment the words:

*Provided*, That the aggregate of such loans shall not exceed at any one time the sum of $300,000,000.

The Clerk read as follows:

Substitute amendment offered by Mr. KENNEY for the Weideman amendment: Page 21, after line 10, insert a new section, to be known as "section 9a":

"That the Reconstruction Finance Corporation is authorized and empowered to make loans direct to municipalities and other governmental subdivisions organized pursuant to State law, said loans to be made upon such security, in the form of tax-anticipation warrants, short-term notes, delinquent-tax certificates, or

other collateral as the Board may deem adequate to secure such loans; and the Reconstruction Finance Corporation is further authorized and empowered to purchase the tax-anticipation warrants, short-term notes, delinquent-tax certificates, or other collateral of municipalities and governmental subdivisions organized pursuant to State law, for the purpose of aiding such municipalities and governmental subdivisions in maintaining the necessary and essential governmental expenditures and services: *Provided, however*, That the aggregate of such loans made direct to municipalities and other governmental subdivisions outstanding shall not at any one time exceed $300,000,000."

The substitute amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Michigan [Mr. WEIDEMAN].

The amendment was rejected.

Mr. COCHRAN of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN of Missouri: On page 21, after line 10, insert a new section, as follows:

"That the Reconstruction Finance Corporation is authorized and empowered to make loans under the Reconstruction Finance Corporation Act, as amended, out of funds of the Corporation, to any public or private hospital organized under the laws of any State upon the same terms and conditions and subject to the same limitations as are applicable in the case of loans to financial institutions specified in section 5 of such act as amended."

Mr. COCHRAN of Missouri. Mr. Chairman——

Mr. PRALL. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. COCHRAN of Missouri. Mr. Chairman, on February 8 I introduced a bill authorizing the Reconstruction Finance Corporation to make loans to hospitals. The gentleman from New York [Mr. PRALL] very kindly granted me a hearing upon this bill. Gentlemen came as far as a thousand miles to appear before the committee in support of the measure which is the amendment I am offering. The witnesses showed the subcommittee that the average value of a hospital in this country in round numbers is $900,000, and they also showed that the average outstanding indebtedness of a hospital is $300,000. Can anyone conceive of better collateral for the Reconstruction Finance Corporation?

The Reconstruction Finance Corporation advanced to a railroad with headquarters in my city $14,000,000, and they took it to New York and paid it to J. Pierpont Morgan. Not long afterward they came back and applied for another loan. I had not been home for 5 months, but I knew that this railroad was in distress financially, but despite this fact the Reconstruction Finance Corporation advanced $3,000,000 more to this railroad, and the following month it went into the hands of a receiver.

I read in this morning's paper that the Chairman of the Reconstruction Finance Corporation said that 47 percent of the loans had been repaid.

My amendment specifically provides that this money shall not come out of the $300,000,000 to be advanced to industries. I do not want this to come out of the $300,000,000 that we desire to so advance. What I want to do is to give the Reconstruction Finance Corporation the power to lend to hospitals the same as it has to railroads, banks, and other corporations, and the collateral it will receive will be far superior to the collateral it has already received for the loans it has advanced.

Mr. WEIDEMAN. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield to the gentleman from Michigan.

Mr. WEIDEMAN. The reason the railroads are in such bad shape is because they have watered their stock so much and the interest payments on their watered stock eat them up and they cannot possibly get out of their present condition.

Mr. COCHRAN of Missouri. I may say to the gentleman that I think the country would have been better off if we had let the railroads in distress go into the hands of receivers and refinanced on a proper valuation and then they could earn an amount sufficient to meet their indebtedness. [Applause.]

Mr. WEIDEMAN. I agree with the gentleman, because, in that event, the interest would not eat them up.

Mr. COCHRAN of Missouri. I repeat, the sooner you take the watered stock out of the railroads the sooner they can earn a sufficient amount to pay the interest on their indebtedness.

I think I have received 500 telephone calls from Members of this House or their secretaries asking me the status of my bill, which indicates that the Members have heard from the hospitals in their districts and have been urged to help pass this legislation.

I know the amendment is sound, and I hope the Membership of the Committee will support it.

Mr. KENNEY. Does the gentleman's amendment apply to private hospitals and city-owned hospitals?

Mr. COCHRAN of Missouri. Private hospitals. I do not provide for city-owned hospitals. The amendment provides for private institutions that are owed millions of dollars by citizens of this country who went to the hospitals ill and could not meet their bills but who will pay as soon as they are financially able to do so. The hospitals have done their share during this depression; and as we have helped others, why should we not help them if they can submit proper collateral in support of a loan?

The CHAIRMAN (Mr. COOPER of Tennessee). The question is on the amendment offered by the gentleman from Missouri.

The question was taken, and the amendment was rejected.

Mr. TERRY of Arkansas. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. TERRY of Arkansas: Page 21, line 10 after section 9, insert a new section, as follows:

"SEC. 9 a. That the Reconstruction Finance Corporation is authorized and empowered to make loans, for not exceeding 25 years, to or for the benefit of school districts duly organized pursuant to State law for the purpose of enabling such districts to reduce and/or refinance their outstanding indebtedness: *Provided*, That the aggregate amount of such loans shall not exceed $75,000,000. Such loans shall be secured by a pledge of such part of the revenues of such district derived from taxes or assessments heretofore or hereafter imposed pursuant to State law and/or such other assets of such district as may be acceptable to the Corporation; and such loans shall be made under such terms and conditions and in such amounts as the Corporation may prescribe. No such loan shall be made until the Corporation shall have been satisfied that an agreement has been entered into between the district and the holders of all or a major portion of its outstanding bonds or other obligations, under which the district so applying for such loan will be able to purchase or refinance all or a major portion of its bonds or other obligations at a price approved by the Corporation, and which will, in the opinion of the Corporation, result in a substantial reduction in the outstanding indebtedness of the district.

"The Reconstruction Finance Corporation may set up or designate such agency in each State as may be necessary to carry out the provisions of this act."

Mr. LUCE. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. LUCE. The Committee has already adopted an amendment relating to loans to school districts. It is difficult to determine by listening to the reading whether this amendment differs from the one adopted or not. So I raise the point of order in order to have that ascertained.

The CHAIRMAN (Mr. COOPER of Tennessee). The Chair will state, with regard to the point of order raised by the gentleman from Massachusetts, that an examination discloses that there is a substantial difference between the proposed amendment and the one adopted by the Committee some time ago. Therefore, the Chair overrules the point of order.

Mr. LUCE. A parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LUCE. If this amendment contradicts the other in any particular, what would be the effect of the adoption of this amendment?

The CHAIRMAN. Naturally that would be a question of consistency on which the Chair cannot rule. That would be a matter for the Committee to determine whether it

wanted to adopt an amendment that was inconsistent with some other amendment that had previously been adopted.

Mr. LUCE. What would be the effect if we adopted an amendment that was inconsistent with the other?

The CHAIRMAN. That is a question for the Committee.

Mr. LUCE. Would the last action of the Committee prevail over the former action of the Committee?

The CHAIRMAN. The Chair cannot answer that. That is naturally a question of law, and the Chair cannot rule on that.

Mr. LUCE. I realize the difficulty involved, and I suggest that the gentleman from Arkansas point out whether this is consistent with the amendment previously adopted by the Committee.

The CHAIRMAN. The Chair reminds the gentleman from Arkansas [Mr. TERRY] that debate upon this section and all amendments thereto has been exhausted. The question is on the amendment offered by the gentleman from Arkansas.

The amendment was rejected.

Mr. BEEDY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial to which I referred in my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read as follows:

SEC. 10. The Reconstruction Finance Corporation Act, as amended (U.S.C., supp. VII, title 15, ch. 14) is amended by inserting before section 6 thereof the following new section:

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

Mr. GOSS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. Goss: Page 21, line 24, after the word "them", insert "*Provided*, That corporations in which the United States owns or controls, directly or indirectly, the entire beneficial interest, shall report to Congress annually and include in the report a complete financial statement."

Mr. GOSS. Mr. Chairman, the purpose of this amendment is to require, under section 5 (c), which we have just read, any corporations in which the Government owns all of the stock to report to Congress annually and submit in the report a complete financial statement. So far during this whole program we have formed many corporations which are entirely or partly owned by the Government of the United States. In none of the bills have we required reports to be made annually to Congress, although these corporations have been authorized by this body. When the permanent appropriation bill was on the floor of the House, the able and distinguished Chairman of the Committee on Appropriations interrogated me in the course of the debate, and this is one of the questions which the chairman of that committee would like to have had solved. Inasmuch as the Committee on Appropriations cannot offer legislation on appropriation bills, I have felt it appropriate to offer this amendment for the consideration of the House at this time, because the very subject involved in the amendment is under discussion in this section.

It seems to me ridiculous, when the Government organizes and owns all of the stock of a separate corporation, that that corporation is not required by law to make an annual report to Congress; and here is where the trouble comes in. I have discussed this matter with the distinguished Chairman of the Subcommittee on Permanent Appropriations, the gentleman from New York [Mr. GRIFFIN], and also with the Chairman of the Committee on Appropriations, and both are in favor of the amendment, because when these subcommittees of the Committee on Appropriations come back to Washington in December and start writing up the appropriation bills none of this information is available to these subcommittees. This seems to me a reasonable request, to have these reports in so that your appropriation standing committees will have the benefit of the information contained in the financial statements of these Government corporations. We come here early in December to mark up these appropriation bills. In the subcommittee on independent offices we have dozens and dozens of departments. A few days is given to each department, and it would be physically impossible to prepare those bills with the coming of Congress in January without the necessary financial statements. If the House does not order these corporations to submit annual and financial statements giving the status of their finances, it would be impossible to know whether we should or should not appropriate money.

I have offered this amendment at this time so that these corporations which, with the approval of the President in this particular section, the Reconstruction Finance Corporation may acquire and may organize to do a banking business or an import and export business, will report to Congress annually each year and give a complete financial statement. I trust the House in its wisdom, to help one of the committees it itself has organized, will require this information to be given. It is bad enough to have the United States Government owning and operating these corporations, but without a proper financial statement, how can your committees of Congress function?

Mr. KVALE. Is it not merely an ordinary business procedure?

Mr. GOSS. That is all it is. I cannot conceive why the House should deny members of its committees an opportunity of having a financial statement of corporations of which the Government owns all the stock.

Mr. STEAGALL. Mr. Chairman, the committee feels there is no objection to this amendment. It feels it will be conducive to the proper handling of funds. I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

Mr. FISH. Mr. Chairman, I move to strike out the entire section.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FISH: Beginning in line 11, page 21, strike out section 10.

Mr. PRALL. Mr. Chairman, I move that all debate upon this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. FISH. Mr. Chairman, this bill which has for its main purpose the loaning of money through the Reconstruction Finance Corporation to industry, or was supposed to have that for the main purpose, evidently includes a great many other purposes. One of them is to set up an export and import bank with practically no limitation as to the money that bank is to expend or whether they are to loan 100 percent on American goods that we are to ship to some foreign nation. There is apparently no restriction whatever in this section. It is improperly written and might be construed to mean anything. It might convey to the Reconstruction Finance Corporation full power to loan 100 cents on the dollar to any amount whatever to ship goods to Soviet Russia or any other nation.

I listened with much interest to the colloquy between the distinguished gentleman from Massachusetts [Mr. LUCE] and the equally distinguished gentleman in the chair with regard to their interpretation of consistency and inconsistency and where one began and the other ended. This question of setting up a bank and loaning money out of the Treasury to either sell or give away American goods is totally inconsistent with the speech made by Franklin D. Roosevelt in Ohio on August 20, 1932. In a revised version of the Alice in Wonderland story, the Governor, now President, told the Ohio Democratic platform convention:

It has been suggested that the American public was apparently elected to the role of Alice in Wonderland.

White knights had great schemes of unlimited sales in foreign markets and discounted the future 10 years ahead.

A puzzled, somewhat skeptical Alice asked the following simple question:

"What if we produce a surplus?"

"Oh, we can sell it to foreign customers."

"How can the foreigners buy it?"

"Why, we will lend them the money."

"I see", said Alice, "they will buy our surplus with our own money."

Now, that is exactly what is proposed by this administration in this section, an absolute and total repudiation of the statement of the Democratic candidate for the Presidency. Mocking and decrying the Republican administration which never loaned any money to any foreign country, Candidate Roosevelt ridiculed Herbert Hoover and his policies. Now this administration, with the same man who made that speech a year ago last August, as President comes here and proposes to loan money to sell our goods to foreign nations, to be paid for with our own money. The great American game of fleecing the American taxpayer is about to reopen on another vast international scale. We have always been mulcted when it came to making loans or extending credit to foreign nations.

If we want to become the international Santa Claus of the world, the nations of the world will buy all the goods we have just as long as we put up the money; but where is that money coming from? Is it coming out of the $300,000,000 authorized in this bill, or is it coming out of the general funds already appropriated for the Reconstruction Finance Corporation?

No matter what we may think of Lenin, the founder of communism, he was a pretty wise man when he said "the capitalists will commit suicide for temporary profit." That is exactly what we propose to do here with only this difference, that there will be no profit at all. We just commit financial suicide for no profit whatever, not even temporary profit. If we are going to give away any money or any goods, let us give it to the American people rather than to the Communists in Russia. There are plenty of people in this country who have no means of support, who are destitute and hungry, and there is need for relief throughout the Nation. So I should like to have a vote on my amendment to strike out this section and have it brought back here in proper form and not as an unlimited proviso as it is now. I am opposed, moreover, to lending one cent of cash or credit to Soviet Russia or any other foreign nation when our people back home need every penny themselves.

The CHAIRMAN. The time of the gentleman from New York [Mr. FISH] has expired.

The question is on the amendment offered by the gentleman from New York [Mr. FISH].

The amendment was rejected.

The Clerk read as follows:

SEC. 11. The Reconstruction Finance Corporation Act, as amended (U.S.C., supp. VII, title 15, ch. 14), is amended by inserting before section 6 thereof the following new section:

"SEC. 5d. For the purpose of maintaining and increasing the employment of labor when credit at prevailing bank rates for the character of loans applied for is not otherwise available at banks or the Federal Reserve bank of the district in which the applicant is located, the Corporation is authorized and empowered to make loans to any industrial or commercial business established prior to January 1, 1934. Such loans shall, in the opinion of the board of directors of the Corporation, be adequately secured, may be made directly, or in cooperation with banks or other lending institutions, or by the purchase of participations, shall have maturities not to exceed 5 years, shall be made only when deemed to offer reasonable assurance of continued or increased employment of labor, shall be made only when, in the opinion of the board of directors of the Corporation, the borrower is solvent, shall not exceed $300,000,000 in aggregate amount at any one time outstanding, and shall be subject to such terms, conditions, and restrictions as the board of directors of the Corporation may determine. The aggregate amount of loans to any one borrower under this section shall not exceed $100,000.

"The power to make loans given herein shall terminate on January 31, 1935, or on such earlier date as the President shall by proclamation fix; but no provision of law terminating any of the functions of the Corporation shall be construed to prohibit disbursement of funds on loans and commitments, or agreements to make loans, made under this section prior to January 31, 1935, or such earlier date."

Mr. O'CONNOR. Mr. Chairman, I move to strike out the last word. In the section at the bottom of page 22 there is the following provision:

The aggregate amount of loans to any one borrower under this section shall not exceed $100,000.

Mr. PRALL. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

Mr. AYERS of Montana. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. AYERS of Montana. Are we now considering section 11, on page 22?

The CHAIRMAN. That is correct.

Mr. McCORMACK. I suggest that I should like to have 2 minutes.

Mr. COX. I wish to offer an amendment and I should like to discuss it.

Mr. SAMUEL B. HILL. I wish to offer an amendment, and I should like to have 5 minutes to discuss it.

Mr. PRALL. Mr. Chairman, I withdraw the motion.

Mr. O'CONNOR. Mr. Chairman, on the bottom of page 22 is the following provision:

The aggregate amount of loans to any one borrower under this section shall not exceed $100,000.

Yesterday, in some remarks I made, I stated it was my conviction that that amount was too low to be of any real help to many industries which needed help. I did not believe that any industry with a million dollars net assets, for instance, could be helped substantially by a loan of $100,000, so as to put men back to work. I realize there is the other school of thought, that because this money should be widely distributed, the amount of $100,000 should be reduced to a lower sum. The Senate bill carried $1,000,000 as the limit. I believed the limit should be $300,000 or at least $250,000, to finance many businesses that could be called "small" businesses, and I intended to offer an amendment to that effect, but because I believe there is considerable sentiment in the committee for an increased amount, and believing it will be worked out in conference, that this amount will be increased to at least $250,000, and hoping that result will occur, I do not at this time propose to offer any amendment increasing the amount, and I hope and trust that when the bill comes back it will have a larger amount as the maximum.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

There was no objection.

Mr. McCORMACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: On page 22, line 11, after the word "commercial", insert the words "or other."

Mr. McCORMACK. Mr. Chairman, the purpose of this amendment is to extend the benefits of the direct-loan provision of this bill to all business. It will be noticed that as now worded this section confines the benefits to industrial or commercial business. Because of the interpretation placed by the Reconstruction Finance Corporation upon the original act, the fishing industry would be unable to get the benefits of this section, nor could the mineral business obtain the benefits of the provisions of this section of the bill.

I do not want to go into detail. I have talked this amendment over with the chairman of the subcommittee and I do not think he will object to it. If he so states I can see no necessity for taking further time of the House.

Mr. PRALL. Mr. Chairman, may the amendment be read again by the Clerk?

There being no objection, the Clerk again read the amendment.

Mr. PRALL. Mr. Chairman, I am sorry I cannot agree with the amendment.

Mr. McCORMACK. I regret very much to hear the chairman of the subcommittee make that statement.

Mr. PRALL. I wonder if the gentleman could not connect this amendment with the amendment already passed making provision for the fishing industry; could not this

amendment be referred to that section? The amendment suggested would open up the section to every line of business.

Mr. McCORMACK. Will the gentleman from New York agree to the amendment modified so as to make the section read, "to make loans to any industrial or commercial business which shall include the fisheries industry"?

Mr. McGUGIN. Mr. Chairman, if the gentleman will yield, I would remind him that the fisheries industry has already been taken care of by a previous amendment.

Mr. McCORMACK. No. The amendment to which the gentleman refers was an amendment of existing provisions of the Reconstruction Finance Corporation Act. This provision of the measure authorizes direct loans to industry between now and January 1, 1935. The amendment to which the gentleman refers was of existing law, which will be in effect after the expiration of this provision on the 1st of January 1935. Between now and January 1, 1935, the fisheries industry could not obtain the benefit of the direct loans provided in this particular section. The purpose of my amendment is to open the benefits to the fisheries industry.

Mr. Chairman, may I ask the gentleman from New York if the modification of my amendment meets the approval of his subcommittee?

Mr. PRALL. I am sorry to advise the gentleman from Massachusetts that the committee does not feel that it cares to make any further changes in the bill; that it is opposed to any further amendments or any further changes.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. DONDERO. Would not the fisheries business be considered a commercial business and come under the present wording of the bill?

Mr. McCORMACK. It ought to, but it does not. The original Reconstruction Finance Corporation Act provided for loans to agriculture, commerce, and industry, as I remember it. Certainly the fisheries business is either commerce or industry; but it has not been so construed; it has been held to be neither commerce nor industry.

Mr. DONDERO. What is it, then?

Mr. McCORMACK. I consider it either commerce or industry, preferably commerce.

Mr. DONDERO. Fishing is carried on for commercial purposes.

Mr. McCORMACK. Exactly; but the Reconstruction Finance Corporation has not so construed it.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. COX. Is not the amendment the gentleman now proposes necessary to carry out the effect of the amendment already adopted with regard to the fisheries industry? Is it not necessary to make effective what has already been done?

Mr. McCORMACK. My friend is correct. It is necessary to make effective, so far as direct loans are concerned, the amendment heretofore adopted.

Mr. Chairman, I ask unanimous consent to modify my amendment so that it will read, "to any industrial or commercial business which shall include the fisheries industry."

The CHAIRMAN. Without objection, the amendment will be modified; and the Clerk will report the amendment as modified.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: Page 22, line 11, after the word "business", insert "which shall include the fisheries industry."

Mr. McCORMACK. Mr. Chairman, permit me to say that this ties in with the action already taken by the committee with reference to the fishing activity.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BLAND. This is simply a perfecting amendment.

Mr. McCORMACK. Absolutely; it is a perfecting amendment and is essential if those engaged in the fisheries industry are to obtain the benefits of this section of the bill.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

Mr. BEEDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BEEDY: On page 22, line 8, after the word "banks", strike out "or the Federal Reserve bank of the district in which the applicant is located."

Mr. STEAGALL. Mr. Chairman, I do not think there is any objection to this amendment which really perfects the language of the section, and I shall ask for a vote if it is satisfactory to the gentleman from Maine.

Mr. BEEDY. Mr. Chairman, I should like to proceed for about 2 minutes.

Mr. PRALL. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. I yield.

Mr. PRALL. Then this portion of the section would read, "is not otherwise available at banks, the corporation is authorized and empowered to make loans."

Mr. BEEDY. Yes. In other words, I fear that many of these loans will never get as far as the Reconstruction Finance Corporation if they are turned down by the Federal Reserve bank in the first instance.

Mr. Chairman, permit me to say just one thing more to clear up the situation about the $300,000,000. There is no money appropriated by this bill; let us be clear about that; nor is there any mandate to the Reconstruction Finance Corporation to lend a dollar to industry. We do say that whereas prior loans have been made on sound and adequate security, we will now open the door a little wider, and if the R.F.C. is satisfied that the loan can be made on a reasonable basis the loan may be made. But once the R.F.C. starts making such loans, it may never lend more than $300,000,000. There is no amount earmarked here; there is no amount set aside from the general funds of this Corporation; but out of their revolving fund they may start loaning where they see fit under this broader power and within their discretion, but they may never exceed $300,000,000.

I think that makes clear what has been said this afternoon about the power to loan $300,000,000 direct to industry.

Mr. KENNEY. Will the gentleman yield?

Mr. BEEDY. I yield to the gentleman from New Jersey.

Mr. KENNEY. An amendment was passed this afternoon which authorized loans to school districts and other school authorities. Is it the gentleman's interpretation that the R.F.C. may loan to some city that operates its schools or is a city or other municipality precluded so that only school districts may take advantage of the amendment?

Mr. BEEDY. I may say to the gentleman that I would not want to go off half-cocked on an interpretation of that amendment.

Mr. KENNEY. It looks to me as if cities are not included, and that the city of Chicago could not get anything for the benefit of its school teachers under the amendment as passed.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The amendment was agreed to.

Mr. COX. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Cox: On page 22, line 25, after the word "exceed", strike out "$100,000" and insert in lieu thereof "$50,000."

Mr. STEAGALL. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 5 minutes.

Mr. TRUAX. Will the gentleman make that 15 minutes?

Mr. STEAGALL. No.

Mr. TRUAX. Mr. Chairman, I make the point of no quorum.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty-three Members are present, a quorum. What is the gentleman's motion?

Mr. STEAGALL. The motion is that all debate on this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. COX. Mr. Chairman, may I have your attention for a minute, and I will not take more than 1 minute. I dislike to offer any suggestion that looks to the modification of a bill that the Committee on Banking and Currency is sponsoring, but may I call your attention to the fact that members of the committee handling this legislation have time and time again on the floor during the debate made the statement that the legislation was intended to take care of the smaller industries of the country. The Senate bill authorizing loans up to $250,000,000 fixed the maximum loan to any one borrower at $1,000,000. This would mean there would be but 250 concerns accommodated under the act if each of them borrowed up to the maximum.

The House committee modified this language of the Senate bill and fixed the maximum amount that any one borrower might obtain at $100,000, and increased the sum that might be loaned under the bill from $250,000,000 to $300,000,000. Under the bill as it is written if all borrowers were accommodated or obtained loans to the maximum amount, but 3,000 concerns could be taken care of. Reducing the amount from $100,000 to $50,000, it would be possible to make maximum loans to as many as 6,000 borrowers.

Here is what I wish to direct the attention of the Membership to particularly, and that is that there is precious little, if anything, in this bill of benefit to any other than a few of the highly industrialized sections of this country. You Members coming from the outlying States of the country will find that under the bill as drawn there will be nothing for an industry in your State and the only promise of benefit to any industry in a great many of the States as carried in the bill will be to reduce the maximum loan from $100,000 to $50,000 or to some amount considerably less than $100,000.

Mr. BURNHAM. Will the gentleman yield?

Mr. COX. I yield to the gentleman from California.

Mr. BURNHAM. What is the gentleman going to do with an industry that is not considered a large business but which comes within the purview of the term "smaller industry", an industry employing 300 or 400 people, which desires to expand its business? It desires to renew its equipment and perhaps employ an additional 200 or 300 people, but cannot get along with a loan of less than $500,000.

Mr. COX. Any operator with assets sufficient to secure a loan of $100,000 is not, to my mind, in the class of small industry. Large industrial operators are able to take care of themselves. Let us keep to the spirit of the proposal and give our concern to the small man.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was rejected.

Mr. SAMUEL B. HILL. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SAMUEL B. HILL: Page 23, after line 7 insert a new paragraph as follows:

"SEC. 11½. The Reconstruction Finance Corporation Act, as amended (U.S.C., supp. VII, title 15, ch. 14), is amended by inserting before section 6 thereof the following new section:

"'SEC. 5e. Notwithstanding any other provision of law, the Corporation is authorized and empowered to make loans, upon full and adequate security, for periods not in excess of 20 years, to private corporations to aid in constructing and maintaining facilities for the growing, harvesting, marketing, storing, warehousing, and/or processing of forest products: *Provided*, That such loans shall be made only when the board of directors of the Corporation is satisfied that the borrower will apply the proceeds of the loan only in connection with a program of reforestation under which the forest involved will be rendered self-perpetuating, and the project is recommended by the Forester of the Forest Service and approved by the Secretary of Agriculture, after due study and investigation, as technically and financially sound: *Provided further*, That loans shall not be made for the construction of new plants if existing domestic plant capacity is substantially in excess of domestic market requirements.'"

Mr. STEAGALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN (Mr. McREYNOLDS). The gentleman will state it.

Mr. STEAGALL. I made a motion that all debate on the section close in 5 minutes.

The CHAIRMAN. This is an amendment that forms a new section. The Chair is informed that the motion the gentleman made only applied to a section and amendments thereto. This is a new section.

Mr. SAMUEL B. HILL. This amendment is consonant with the purposes of the bill as presented by the committee. In other words, it is to help industry.

The manufacturing and processing of forest products is an industry and no doubt comes within the purview of the act as an industry under the general provisions of the bill as they now stand.

However, we are asking in this amendment that you couple with the industry of growing, harvesting, and manufacturing of forest products a program of reforestation, so that the timber from which the products are taken will be self-perpetuating. In other words, we seek by this amendment to provide for employment not merely for the short period of time that is required to cut the standing timber at a given time but also to provide employment for all time for the community by perpetuating the growth of timber through the financial aid that this amendment offers, and for that purpose we are asking that the time of the loan be not to exceed 20 years.

This amendment is of interest to every State and community which has commercial timber and is interested in perpetuating its supply of timber. Its importance will be brought home to you when you realize the fact that within the 2 decades immediately preceding the passage of the National Industrial Recovery Act we imported from outside sources timber products of greater value than the amount you appropriated under the Public Works Act, or greater than $3,300,000,000. By perpetuating our own timber supply and by perpetuating the employment necessary to the reforestation of our denuded and dwindling forests we shall at least save to our own people the employment which is given to foreign people who supply us with the timber products that are brought into this country from the outside.

Now, you may say that there is already provision for this kind of loan, and there is legislation looking toward this kind of loan, but it is absolutely unworkable, and I am so advised by the representatives of the Reconstruction Finance Corporation.

This amendment, favored by the United States Forester, is a workable amendment, would provide employment for many thousands of people throughout the country, would perpetuate a natural resource which would last not only for this generation but for future generations. I therefore present it for your favorable consideration.

This amendment is in the interest of conservation not only of the timber as a commercial product, but it is equally important from the standpoint of watershed conservation and from the standpoint of preventing soil erosion, and, also, as I have said, from the standpoint of furnishing employment to the various communities in which these commercial timber products may be produced. I therefore respectfully urge the adoption of the amendment.

[Here the gavel fell.]

Mr. PRALL. 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 Washington [Mr. SAMUEL B. HILL].

The amendment was rejected.

The Clerk read as follows:

SEC. 12. The Federal Reserve Act, as amended, is amended by adding after section 13a thereof a new section reading as follows:

"SEC. 13b. When it appears to the satisfaction of a Federal Reserve bank that an established industrial or commercial business located in its district is unable to obtain requisite financial assistance on a reasonable basis from the usual sources, the Federal Reserve bank, pursuant to authority granted by the Federal Reserve Board, may make loans to, or purchase obligations of, such business, or may make commitments with respect thereto, on a reasonable and sound basis, for the purpose of providing it with capital, but no obligation shall be acquired or commitment made hereunder with a maturity exceeding 5 years.

"Each Federal Reserve bank shall also have power to discount for, or purchase from, any bank, trust company, mortgage company, credit corporation for industry, or other financing institution operating in its district, obligations having maturities not exceeding 5 years, entered into for the purpose of obtaining capital for any such established industrial or commercial business; to make loans or advances direct to any such financing institution on the security of such obligations; and to make commitments with regard to such discount or purchase of obligations or with respect to such loans or advances on the security thereof, including commitments made in advance of the actual undertaking of such obligations. Each such financing institution shall obligate itself to the satisfaction of the Federal Reserve bank for at least 20 percent of any loss which may be sustained by such bank upon any of the obligations acquired from such financing institution, the existence and amount of any such loss to be determined in accordance with regulations of the Federal Reserve Board: *Provided*, That in lieu of such obligation against loss any such financing institution may advance at least 20 percent of such capital for any established industrial or commercial business without obligating itself to the Federal Reserve bank against loss on the amount advanced by the Federal Reserve bank: *Provided, however*, That such advances by the financing institution and the Federal Reserve bank shall be considered as one advance, and repayment shall be made pro rata under such regulations as the Federal Reserve Board may prescribe.

"The aggregate amount of loans, advances, and commitments of the Federal Reserve banks outstanding under this section at any one time, plus the amount of purchases and discounts under this section held at the same time, shall not exceed the combined surplus of the Federal Reserve banks as of July 1, 1934, and all operations of the Federal Reserve banks under this section shall be subject to such regulations as the Federal Reserve Board may prescribe.

"For the purpose of aiding the Federal Reserve banks in carrying out the provisions of this section, there is hereby established in each Federal Reserve district an industrial advisory committee, to be appointed by the Federal Reserve bank subject to the approval and regulations of the Federal Reserve Board, and to be composed of not less than three nor more than five members as determined by the Federal Reserve Board. Each member of such committee shall be actively engaged in some industrial pursuit within the Federal Reserve district in which the committee is established, and each such member shall serve without compensation but shall be entitled to receive from the Federal Reserve bank of such district his necessary expenses while engaged in the business of the committee, or a per diem allowance in lieu thereof to be fixed by the Federal Reserve Board. Each application for any such loan, advance, purchase, discount, or commitment shall be submitted to the appropriate committee and, after an examination by it of the business with respect to which the application is made, the application shall be transmitted to the Federal Reserve bank, together with the recommendation of the committee."

Mr. McGUGIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to make a few observations about the experience of the Government of the United States in the banking business.

One of our first experiences was playing the role of an international banker. In this experience we lent about $18,000,000,000 and then we found we could not collect that, and we whittled it down to about $11,000,000,000 and now we find that our debtors are repudiating this debt. So the great experience of Uncle Sam in international banking has cost him $18,000,000,000.

Not content with this, we wanted to try some private banking. So in the Seventy-second Congress we started the R.F.C. and said we were going to limit it to furnishing credit for banks, insurance companies, and railroad companies, and that we were simply going to take care of financial agencies which had the privilege of rediscounting paper. This has not worked out. We should have known better. In a Republic there is no way to use public credit for private purposes and limit it to certain classes. So now we find the R.F.C. branching out into all manner and forms of loans.

According to this morning's papers, the R.F.C. has made loans something like $5,500,000,000 and, in addition to that, $800,000,000 of advancements as to which there is no hope or claim of recovery. This is a total of $6,300,000,000. So through the R.F.C. the Government of the United States is today the greatest banker in the world.

In addition to this, we have also gone into the mortgage business, and we have $4,000,000,000 worth of farm and city mortgages, which is only a starter. Just a few days ago I was talking to a member of the Home Loan Board and he told me that they had applications in the Home Owners' Loan Corporation today for over $4,000,000,000 worth of loans, with a limit of $2,000,000,000 of bonds. This means that at the next session of Congress we are going to increase that limit by another $2,000,000,000 or another $3,000,000,000 or $4,000,000,000.

As of this day, beginning with the enactment of the R.F.C. law, Uncle Sam is a banker to the tune of $10,000,000,000 in the R.F.C. and the two mortgage corporations. This is a total of $96 for each man, woman, and child in this country.

Now, this bill today makes the R.F.C. an out-and-out banker. There will be no end to the classifications added to it in another session.

Let me say this. We cannot have socialistic banking and not have socialistic business. No Congress ever enacted a more socialistic measure than this Congress when it enacted the Reconstruction Finance Corporation Act. Both political parties are to blame for the R.F.C., but the Democrats are more to blame than the Republicans for the international banking. The Republican Party with the Reconstruction Finance Corporation is into the tar up to its eyes, just as deep as is the Democratic Party.

The truth is that the present overwhelming demand for public money for private purposes is to be dated back to the enactment of the Reconstruction Finance Corporation Act. That act gave the idea to the American people that every citizen had the right to thrust his personal financial troubles upon the Government. Of course, no government can long bear such a burden.

Mr. BROWN of Kentucky. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 23, line 16, after the word "Board", strike out the word "may" and insert the word "shall"; and, in line 17, after the word "or" where it occurs the second time, strike out the word "may" and insert the word "shall."

Mr. BROWN of Kentucky. Mr. Chairman, the purpose of this amendment is to put industry on its feet. The committee that wrote the provision pertaining to the Federal Reserve Bank Act, in saying what they were going to do for industry, concluded by saying "it may do it."

I do not know what you gentleman may think of it, but the only thing that will do any good for business in my section is the word "shall." It will not do them a dime's worth of good to grant the banks the privilege of saying they "may" do so-and-so. They have that privilege now, and they do not do it. My amendment proposes to write in the word "shall" instead of the word "may." You provide for an advisory committee appointed by the Federal Reserve Board, and then when you get through passing on the safety and security of the loans you leave them to the tender mercies of the Federal Reserve banks.

Since the Federal Reserve banks have had the privilege of issuing currency on bonds instead of actually loaning to private business, they would rather buy the Government bonds and issue currency than take a chance on local or private industry.

If you are in earnest about doing something for private industry, you will strike out the word "may" and insert the word "shall." I remember what was said in reference to the bill passed 2 years ago in regard to loans to industry.

It never was done and it will not be done now, unless you write in there a mandatory provision instead of a permissive clause.

Mr. STEAGALL. Mr. Chairman, we have just heard criticisms of the Reconstruction Finance Corporation because, as alleged, it has made loans recklessly. We are now told and advised by my good friend from Kentucky [Mr. BROWN] that unless we insert a mandatory provision re-

quiring Federal Reserve banks to loan the funds authorized by this act, no loans will be made by the Federal Reserve banks. I am surprised at the contention of the distinguished gentleman from Kentucky, that Congress should pass an act requiring banks to make loans. There are only about $140,000,000 more that will be available for these loans under the provisions of the act which limits loans to the amount of the surplus of the banks as of July 1 of this year. It would be folly to require the banks to make such loans. All the Federal Reserve banks could do would be to proceed to lend on demand the amount of money on hand and then their relief activities would be terminated. It would be a case of first come first served and funds soon exhausted. The Federal Reserve banks under this section are expected to use this fund within their discretion and upon the advice of a board of business men, selected from the industrial world and from the communities from which applications will come, and to pass on applications and the merits of each borrower, and to purchase or make commitments through loaning institutions upon that basis.

The Federal Reserve officials told the committee they thought that substantial relief might be afforded by Federal Reserve banks acting in cooperation with other lending institutions by making commitments which would enable other institutions to extend necessary loans now being withheld. For the purpose of supplementing the service that may be rendered by the Federal Reserve banks, the bill has a provision authorizing applicants who are not able to secure desired accommodations from Federal Reserve banks to turn to the Reconstruction Finance Corporation and have their case reviewed—reviewed as it were in an appellate court, where the application may again be passed upon. Of course, it would be an act of folly for the Congress to undertake to say that banks shall make loans. We are obliged to trust the officials of these institutions to discharge their duties. Of course, they do not always conduct their transactions and their business in a way satisfactory to many of us. I have found fault, as many of us have, with things that have happened in the past in the conduct and operation of Federal Reserve banks. But surely we can only authorize the banks to make loans. There must be exercise of discretion in each case in order that justice may be done all worthy applicants.

Mr. McGUGIN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Mr. Chairman, my time has expired. I move that all debate upon this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The amendment was rejected.

Mr. PATMAN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 24, line 24, after the period, insert another paragraph, to read as follows:

"No salary in excess of $17,500 annually shall be paid to any person connected with any Federal Reserve bank or Federal Reserve Board."

Mr. LUCE. Mr. Chairman, I make the point of order against the amendment that there is nothing in the bill relating to the salaries of members of the Federal Reserve Board.

The CHAIRMAN. The Chair sustains the point of order.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word. Yesterday I wired the governor of the Federal Reserve Bank at Dallas, Tex., and asked him to furnish me at his earliest convenience the names, the position held, and the salaries drawn by each person connected with the bank and receiving more than $3,000 annually.

I also wired the same to the Federal Reserve bank in New York. I did not hear up until this morning, so I wired them again, and I have just received this reply from Dallas, Tex., from the governor of the bank there. He says:

Wrote you in reply to your telegram of yesterday advising it is policy of Reserve System for Federal Reserve Board only to give out information of the character desired and suggested that you direct your request to that Board, which has full information with respect to all the Federal Reserve banks.

Of course, I requested the Federal Reserve Board to give me that information first, and I was told by the secretary, Mr. Morrill, that they did not have the information, that they could not furnish it, that the only way that I could get this information was through each Federal Reserve bank. The Federal Reserve banks now claim that the information is here and that the Federal Reserve Board should give it out. It just goes to show in connection with this secret money system that we have what I intimated in my remarks yesterday, and that is inability to obtain this information in any way.

CREDIT OF NATION USED FREE OF CHARGE

The Federal Reserve banks use the credit of this Nation free of charge. They do not pay one penny for the use of it. They pay unlimited salaries. You do not know how much they pay. I happen to know that one or more officials of the Federal Reserve Bank of New York receive a salary of $50,000 annually and other benefits in addition. Last December a committee of big bankers tried to persuade the Federal Reserve Board to allow the $50,000 salary to be raised to $75,000 annually. I commend the Board for denying the request. It is the people's credit they use and it is the people's credit they spend. Yet you do not know how much it is, and it occurs to me that we should have a restriction upon the salaries. We have it as to insurance companies when they borrow money from the R.F.C. We have it on railroad-company executives when they borrow from the R.F.C.

So why should there not be restriction on Federal Reserve banks? I serve notice now that although this amendment has been held out of order, I expect to insist upon the adoption of this amendment on every bill that comes up where the amendment will be in order, and I hope it will be adopted.

We have in this country today 12 Federal Reserve banks. Each of those banks has a governmental monopoly, an exclusive monopoly on the use of the Government's credit. Those 12 banks hold two and one-half billion dollars' worth of United States Government bonds. They purchased those bonds with Government credit; and after they used the Government's credit to purchase those bonds, they continue to charge and the United States Government continues to pay interest upon those bonds which were bought with the Government's credit. Last year the Government of the United States paid those banks $37,000,000 in interest upon those bonds. The total expenses of the Federal Reserve System amounted to $29,000,000, so they made a profit of $9,000,000 right there, using the Government's credit to buy and hold Government obligations, and nothing else.

Mr. McGUGIN. Will the gentleman yield?

Mr. PATMAN. Yes; I yield.

Mr. McGUGIN. Does not the gentleman particularly favor the House bill in preference to the Senate bill, because the House bill goes into Government banking more than the Senate bill?

Mr. PATMAN. The gentleman from Kansas should favor it, because he said public credit should not be used for private corporations. That is exactly what the Federal Reserve banks are doing. They are owned by private corporations. A Federal Reserve bank is worse than a private corporation in this—individuals own a private corporation. Individuals do not own the Federal Reserve banks, but they are owned by private corporations. Not a dollar of stock is owned by any one individual. Not a dollar of stock is owned by the Government of the United States. It is a corporation owned by private corporations. So if the gentleman is consistent in his remarks, he will certainly stand for any amendment that will restrict the power of this corporation.

Mr. McGUGIN. Oh, no; the gentleman knows the Federal Reserve bank is a quasi-public corporation.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

The Clerk concluded the reading of the bill.

The CHAIRMAN. The question is on the committee substitute for the Senate bill.

The question was taken; and on a division (demanded by Mr. PATMAN) there were ayes 166 and noes 0.

So the substitute amendment was agreed to.

The CHAIRMAN. Under the special rule the Committee will now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCREYNOLDS, 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. 3487, and, pursuant to House Resolution 388, he reported the bill back to the House with an amendment adopted in the 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 a Senate bill.

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

The SPEAKER. The question is on the passage of the bill.

Mr. STOKES. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. STOKES. I am opposed to the bill.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. STOKES moves to recommit the bill to the Committee on Banking and Currency with instructions to report the same back forthwith with the following amendment: Page 21, line 11, strike out section 10, "to establish or to utilize export and import trading and banking corporations, etc."

Mr. STEAGALL. Mr. Speaker, I make a point of order. Only one motion to recommit is in order, and that is a general motion to recommit under the rule under which the bill was considered.

The SPEAKER. The point of order is sustained. An amendment has already been adopted by the House.

The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 178, noes 6.

So the bill was passed.

On motion by Mr. STEAGALL, a motion to reconsider the vote by which the bill was passed was laid on the table.

The SPEAKER. Without objection, the Clerk will be authorized to correct section numbers.

There was no objection.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their own remarks on the bill that has just been passed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, there exists in many of the communities of the United States a very real need and desire for loans to be made direct to industry, in order to provide working capital to deserving firms whose plants are idle or operating part time and are unable to resume or expand operations for lack of funds and cannot obtain loans from local banks and mortgage companies.

Public Works and Civil Works projects giving employment to millions of citizens, in addition to the vast sums granted to aid agriculture and refinance the mortgages on the farms and homes of the Nation are very worthy and furnish a striking contrast to the failure and refusal of the last national administration to furnish such aid. I hope that the Public Works and Federal Emergency Relief Administration programs will be continued just as long as they are needed, and I do not believe that we should at the present time seriously consider abandoning these or any of the other agencies for national recovery. However, I am firmly convinced that we should go a step farther and render it possible for the small factories throughout the Nation which are now closed to again operate, and those operating part time to run full time, and give jobs to their former employees, as will be accomplished by this legislation.

BILL H.R. 6527

Mr. Speaker, I introduced on January 8, 1934, my bill, H.R. 6527, dealing with this most important subject, which was one of the first bills to be introduced and considered by the Committee on Banking and Currency, the body of which reads as follows:

To further aid in the resumption and carrying on of normal business and industrial activities, the Reconstruction Finance Corporation is authorized to make direct loans to approved firms and corporations, such loans in all cases to be made under proper safeguards, and to be based on security that is adequate reasonably to insure repayment of principal and interest in full: *Provided*, That such loans shall be limited to providing funds for pay rolls and working capital.

The principle of my bill will be carried into effect by the bill which is now before the House, and I feel certain that the enactment into law of S. 3487 will do much to revive industry, create employment, and increase the prosperity of the American people.

LOANS TO OYSTER INDUSTRY—SCHOOL DISTRICTS

I strongly favored the amendment to render the fishing industry eligible to receive loans, as it will also qualify the oyster or shell-fish industry in southwest Washington to receive such loans. Also, I actively supported the committee amendment to provide $75,000,000 for loans to school districts, which will enable the schools to remain open and pay the delinquent salary warrants of school teachers, and it is hoped in some cases restore their salaries or at least prevent any further reduction in the same.

UNEMPLOYMENT INSURANCE

Mr. Speaker, as a direct and natural result of our unemployment crisis, to which I have just referred, much thought and study have properly been given to the subject of unemployment insurance.

President Roosevelt, when Governor of New York, called a conference to consider plans and systems of unemployment insurance and a joint commission was appointed by Governor Roosevelt of New York and the Governors of Connecticut, Massachusetts, New Jersey, Ohio, and Pennsylvania, which rendered a favorable report on February 14, 1932. Since then a number of States have legislated on the subject, notably Wisconsin and Ohio, and the American Federation of Labor and numerous large employers of labor have indicated their friendly interest, and the subject is now being considered by committees of the House and Senate.

In view of this situation, I deem it in order to invite the attention of my colleagues in Congress, and our constituents, to a discussion and analysis of unemployment insurance.

WHY ADOPT UNEMPLOYMENT INSURANCE?

In a recent number of a magazine widely circulated among employers a prominent counsel of the largest manufacturers' organization in the United States said:

All the testimony of European authority is to the effect that unemployment insurance does not cure unemployment.

The absurdity of such a statement is as glaring as a similar statement concerning old age and old-age pensions would be. No thinking person regards old-age pensions as a cure for old age, nor widows' pensions as a way of bringing back dead husbands, nor life insurance as a means of preventing death. It is just as fallacious to hold that unemployment insurance should cure unemployment. It never was devised for that purpose. It is frankly a measure devised primarily to relieve the suffering caused by the devastations of unemployment. And, it should be added, even the best of all possible measures can relieve only a part of this suffering. There is still an enormous toll taken from society in the form of undernourished, diseased bodies, sick minds, disrupted families, vagabondage, begging, crime, lowered standards of working conditions, bitterness engendered by continuous suffering, and many other evils due to the breakdown of our economic machine, many parts of which origi-

nated in the "one-hoss shay" we used in a former and simpler age and did not scrap as we scrap the parts of physical machines when they are out of date.

WHAT IS A DOLE?

Probably the most effective weapon of attack on proposals to establish unemployment insurance for the involuntarily unemployed in this country has been to use a word which seems to have the unique power of causing as many chills to play up and down the spines of the timid as certain other words burdened with connotations they ill deserve. That word is "dole." It is used, as a rule, wholly incorrectly, sometimes by persons who maliciously and purposely wish to damn unemployment insurance by that small but powerful word and at other times by the stupid and ill-informed who are addicted to expressing opinions concerning things of which they know little or nothing.

Now, a dole is supposedly something a person gets for nothing, something involving no system, no contract nor responsibility declared or undeclared. In plain and simple terms, it is a charitable gift. When we have said that we have described what has been going on in every corner of the United States during this entire depression and every preceding depression. We have been doling out rations, money, gifts of one kind or another to the unemployed, and while we have been doling we have been shuddering at what we are determined to call "Britain's dole."

In Great Britain a recent investigation has shown no less than 35.2 percent of the persons continually insured during the 7¼ years between 1923 and 1930 had drawn no benefit at all and another 38 percent had received benefit less than 10 percent of the time, despite an average unemployment rate of 13 percent, which sometimes mounted as high as 20 percent.

UNEMPLOYMENT INSURANCE IN OTHER COUNTRIES

Great Britain was the first country to establish a national compulsory unemployment-insurance scheme. As we have said, it was the outgrowth of dissatisfaction with existing ways of relieving distress due to unemployment. At present 18 countries have adopted insurance to meet this hazard. Approximately 35,000,000 workers are covered by compulsory insurance and 3,000,000 by voluntary insurance, including trade-union benefits supplemented by government subsidies. Next to the British scheme in size and importance is the German scheme, established in 1927. It, too, has been in operation during a period of unprecedented depression and has consequently been subject to extraordinary buffeting. It comprises not only a set-up for ordinary unemployment insurance, but also for emergency or extended unemployment benefits and for welfare support, or what we would term "relief." Benefits are graduated according to average earnings of 11 wage groups. The duration of standard benefit is 20 weeks, except in the case of insured persons with means who are entitled to benefit only during 36 days.

The most significant thing about all the unemployment-insurance schemes in other countries is that authoritative opinion is invariably favorable to the principle. By authoritative opinion one does not mean the passenger on a trans-Atlantic boat who regales his fellow passengers with the story of someone who knew personally someone else who knew personally a lazy chap who preferred the dole to a job. Like any other institution subject to controversial attack, such as marriage, prohibition, and the eternally recurring question of the delinquencies of the latest generation, unemployment insurance suffers from the human tendency to generalize. Only by an honest and objective review of factual material and authoritative opinion based on wide experience and impartial judgment can any fair estimate be made. For example, one may find superficial magazine articles based on a running acquaintanceship with the British unemployment-insurance scheme, which may or may not be adversely critical. But no one who has made a thorough and exhaustive study of it, comparing it with far less satisfactory contemporary methods of relieving unemployment in the United States, has condemned the principle of unemployment insurance.

ATTITUDES AND ACTION IN THE UNITED STATES

Various objections to introducing unemployment insurance in the United States have been made. In the first place we have played up our individualism, our ability to handle social and economic questions without Government intervention. After the President's Unemployment Conference in 1921 some hope was entertained that numbers of industrialists would establish unemployment reserve funds to cover their workers, just as they provided funds to cover the depreciation of plant and machinery during times of depression. But what happened? In spite of all the interest aroused and the wide discussion of the subject, the mountain labored and brought forth a mouse. A few of the more progressive employers did get plans under way, but all during the years when we were living high employers were more absorbed in expanding productive capacity and planning for an endless prosperity than in providently laying aside funds to protect their workers from being drenched by the rain which history should have demonstrated to them always falls sooner or later in the kind of artificial climate we have invented.

As a result, less than 100,000 workmen are covered by these voluntary plans. Some of them have vanished in the present depression, unable as individual plans to stand up in a situation demanding industry-wide if not Nation-wide and world-wide treatment. A negligible number of workers are also provided for by varyingly generous schemes out of their trade-union funds and others out of funds provided by employers and trade union cooperating. But probably not over 200,000 workers are provided for by all these schemes and as time goes on and the depression eats into their funds it is obvious that these individual plans can have little effect on the problem of providing relief for 10,000,000 or 12,000,000 unemployed. It is worth noting that progressive employers who have tried to work plans of their own acknowledge the necessity of compulsory legislation if there is to be any adequate coverage of workers. They realize that our anachronous American philosophy of individualism cannot possibly meet the situation.

Another monkey wrench thrown into the machinery for compelling provision by legislation for the involuntarily unemployed has been the opposition of the rank and file of manufacturers. Sometimes perhaps a hall of fame will be erected to honor manufacturers who have supported any measure enacted for the purpose of improving the lot of the worker. Robert Owen would have a place there. So would the Earl of Shaftesbury and a few other brave men who dared to desert their backward and selfish fellow employers in the interest of the worker. Today, too, one finds occasionally an employer who is sufficiently interested in protecting workers from exploitation to appear in legislative councils in the interest of shortening hours of labor or to support some other piece of labor legislation which would not undermine and destroy society as his associates claim.

And so, down through the dismal history of the exploitation of workers during the industrial revolution of the eighteenth and nineteenth centuries and this even more terrifying industrial revolution of the twentieth century, one finds the rank and file of employers organizing opposition to every form of legislation enacted for the protection of workers. The first labor law in England provided that children under 9 years of age could not work over 12 hours a day in cotton mills and it was considered viciously radical and subversive by the majority of employers. Each generation looks at such acts passed in another age as obviously good, but certain groups of manufacturers almost automatically rise up in protest against any legislative measure proposed today in the interest of improving the status of the worker. So it is to be expected that employers in general will oppose the introduction of unemployment insurance just as they opposed the introduction of accident compensation. It is also to be expected that while their opposition will be troublesome, it will only retard and not prevent the introduction of unemployment insurance just as in the past it only retarded the law preventing children under 9 from working over 12 hours a day.

Until lately the American Federation of Labor has opposed unemployment insurance, but at the annual conference of November 1932, this policy was reversed. This is a significant step, for the Gompers tradition was against legal provision of anything which a militant trade-unionism could provide for itself by its own weapons. In both England and America a considerable number of trade-unionists would like to have the unions provide all the plums to their members such as health benefits, out-of-work benefits, and old-age pensions. But in the face of an increasingly complex and interdependent economic structure they are fast yielding to the inevitable.

In spite of our vaunted though anachronous individualism, and in spite of organized and unorganized opposition, unemployment insurance will probably be introduced in some of the States of the United States in the near future. Three years of acute depression, with all the attendant suffering that it implies, the demand for larger and larger relief funds, the growing dissatisfaction with the uncertainty of obtaining these funds and with the ways of distributing them will serve to convert the obstructionists and to awaken the apathetic. It did not take very long to break down opposition to Federal relief. Some of the States which were loudest in their opposition are now gladly reaching out their hands to the Reconstruction Finance Corporation. In like manner opposition to unemployment insurance will fall away as present sources of relief are exhausted and already unsatisfactory methods of testing for need become, in the face of overwhelming numbers, less and less adequate.

The first State to propose unemployment insurance legislation was Massachusetts, in 1916. Since then numerous bills have been proposed in various States. In the special session of 1931 the Wisconsin Legislature enacted an unemployment insurance law with the provision that it should become conditionally compulsory July 1, 1933. If by June 1, 1933, the employers (many of whom had declared they would prefer to establish their own voluntary plans) of not less than 175,000 employees have voluntarily established plans complying with standards prescribed by the State, the compulsory system will not take effect. Otherwise it will go into effect on July 1, 1933. This plan provides for contributions by employers only.

Following a conference on unemployment insurance, called by Governor Roosevelt, a commission was appointed by the Governors of Connecticut, Massachusetts, New Jersey, New York, Ohio, and Pennsylvania to report on compulsory unemployment reserves. On February 14, 1932, they reported in favor of establishing such reserves. In the Seventy-second Congress Senator Wagner introduced bills providing for the encouragement of compulsory legislation by States. This was to take the form of permitting employers to deduct a portion of the payments they made to reserve funds when paying their income and corporation taxes. Bills based on the interstate report advocating compulsory reserves are being introduced in Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Indiana, Michigan, and several far western States. The California bill is very similar. This ought to insure a large degree of uniformity in State legislation.

The Ohio bill, introduced in the State legislature in January 1933, provides for a reserve fund to be maintained by contributions from the employer amounting to 2 percent of his total pay roll and from employees amounting to 1 percent of their weekly earnings. Provision is made for reducing or increasing employer contributions according to the merit rating established by experience. This is in accordance with industrial accident compensation laws and is designed to distribute the cost of insurance more equitably and provide incentive for stabilizing work and preventing unemployment as far as such a relatively unimportant factor in employment stabilization can aid in prevention. Benefits are not to be paid until after a 3 weeks' waiting period and will amount to 50 percent of the unemployed man's normal weekly wages, not to exceed $15 a week. Benefits would be payable not more than 16 weeks and only after a worker had paid in contributions for 26 weeks during the 12 months preceding his application, or for a period of 40 weeks in the 2 preceding years. Administration is provided for by the appointment of an unemployment-insurance commission of three members by the Governor, with the advice and consent of the senate. The chief groups excluded from coverage are interstate commerce employees, farmers, farm laborers, teachers, Government employees, employers and workers in small establishments of less than three employees, short-time casual laborers, and nonmanual workers with annual salaries of $2,000 or more.

In the Ohio plan the State is to assume the function of trustee, with no financial liability because the framers of the bill are strongly convinced that one of the most important functions of unemployment insurance is to relieve taxpayers of the burden of supporting able-bodied unemployed. This is a far cry from the demand of the Independent Labor Party of Great Britain which insists the state should bear the entire burden of caring for able-bodied unemployed. The Ohio Unemployed Insurance Commission stresses the place of charity as distinct from unemployment insurance in dealing with the unemployed, stating that "insurance is designed to help those who are normally self-supporting to remain self-supporting" and assigning workers who are physically and mentally deficient, certain classes of casual workers, and others who do not properly fall in the insurance categories to charity, public and private. The commission points to the fact that by relieving the charities of the burden of caring for the majority of unemployed workers (who are victims of industrial depression and should therefore not be recipients of charity) they are making it possible "for case workers to deal much more efficiently and effectively with the unemployable and partially employable."

Aside from the difficulties in regard to interstate competition, other problems in relation to unemployment insurance are given an exaggerated importance. For example, opponents insist that unemployment cannot possibly be an insurable risk. This seems to be an academic red herring even though its parentage cannot be traced to academic cloisters. It is unquestionable that the incidence of the risk shows great variations, that unpredictably severe depressions furnish serious hazards and that it is impossible to calculate rates on an actuarially sound basis from experiential data. Even if we acknowledge the truth in these observations it should be observed that life, health, and other forms of insurance first had to be tried in order to make the data available with which actuarially sound modifications could from time to time be made. Moreover, there is a large body of employment and unemployment data now available which would enable some States, at least, to compute fairly accurately the amount of contributions necessary in order to provide a given amount in benefits, with restrictions as to preliminary employment in the State, waiting period, duration of benefit, and other requirements for the receipt of benefit.

It should be kept in mind that rates must be based on experience in many industries, with large groups of persons and over a long period of time, in order to cover years of depression as well as prosperity. When one considers the unpredictability of epidemics, hurricanes, floods, earthquakes, and other disasters against which insurance may be taken, it seems within reason to plan for unemployment insurance. It is primarily a matter of how much a group is willing to pay for benefits of a stipulated amount over a limited period of time. As we have pointed out, Great Britain discovered she could not afford to pay for the extention of benefits to the chronically unemployed, just as many persons who carry accident insurance cannot afford to pay the higher premium for total disability.

HOW SHOULD AN UNEMPLOYMENT FUND BE SUPPORTED?

As to the question of how an unemployment-insurance fund should be supported, there is variance of opinion. In European countries the state usually makes some contribution, although in Germany employers and workers support the standard benefit fund and the government, national and local, supports only emergency benefit funds. In

Great Britain, as we have said, the state contributes to the insurance fund and pays the entire cost of the transitional benefit cases. The Wisconsin act provides for contributions by employers only, which is also the recommendation of the Interstate Commission, composed of the representatives of the Governors of the States of New York, Ohio, Massachusetts, Pennsylvania, New Jersey, and Connecticut. The Ohio bill provides for contributions from employees as well as employers. The bill introduced in Illinois in January 1933 provides for contributions from employers only, unless employees wish to have greater benefits by making voluntary contributions. Much may be said both for and against contributions from workers. Employees contribute in all foreign countries which have unemployment-insurance funds.

The chief argument for such contributions is a psychological one, the claim being that workers have more self-respect when they help to pay for what they get. Against contributions by the workers we find it stated that such payments eventually come from industry and are passed on to the consumer, and that it is more practicable to avoid deductions from the pay envelops. There is much to be said for Federal contributions in the United States not only to spur the States to action but also in order to insure some degree of Federal supervision in the interest of uniformity and excellence of practice on the ground that our Federal Government is in most cases more capable than our various and overlapping local governments.

Whether individual plants or groups of plants in an industry should have separate funds or whether there should be a general pooled fund depends on how much importance is attached to the possibility of using unemployment insurance premiums to bring pressure to bear on employers to regularize employment. Considering the far greater significance of such losses as are incurred by idle plant and equipment and the retraining of personnel, unemployment-insurance premiums would probably play a small part. While it might be worth while to add this small factor, it may be even more important to observe sound insurance practice in spreading risk over as wide a number of contributors as possible, thus building up greater financial strength. The final report of the recent Royal Commission report states,

> It is, in our view, impracticable to provide within the scheme for differentiation between industries in the rates of contributions or rates of benefit or periods of benefit because of a risk of unemployment above or below the average. * * * So long as the scheme itself does not encourage unsound organization and undesirable methods of working, we are of the opinion that the best way of dealing with an industry which fails * * * to make satisfactory arrangements for the engagement and employment of labor, is by measures outside unemployment insurance.

It would be quite possible in any case, when sufficient data are accumulated through experience, to arrange for lower premiums for industries with good employment records and, indeed, even for individual employers. It is interesting to note that the reason Great Britain discarded the provision for refunding a portion of the employer's contribution, according to his rating for keeping workers steadily at work throughout the year, as "partly because the actual financial effect was an appreciable additional charge rather than a saving to the fund, and partly because the administration of the provision was found to be both difficult and expensive."

The Interstate Commission on Unemployment Insurance claims that by starting with an attack on persistent unemployment and irregularity of operation by providing for compulsory reserves by individual firms and groups of employers, it should prove possible to assess responsibility for avoidable irregularity. With this information secured they regard the possibility of formulating a more comprehensive plan more practicable than at present. This Commission claims that the pooling of reserves may result in perpetuating careless management and, consequently, in a failure to spur employers to regularize employment. On the other hand, the Ohio Commission on Unemployment Insurance recommends a merit-rating system, following the example of workmen's compensation, but insists that separate reserve funds maintained by individual employers for their own employees conflict with the principle that sound insurance depends on covering the widest possible spread of persons subject to the risk insured against. The new Mastick bill, proposed in the New York State Senate January 4, 1933, gives the commissioner of labor power to compel pooling either by industry or by locality. This makes it possible to arrange to cover the irregular trades such as the building and garment trades as well as small communities where a pooled fund would have obvious advantages.

The question of coverage is largely one of protecting those workers least able to provide for their own protection; although some persons favor stretching the coverage to include fairly prosperous groups in order to spread the risk. It would probably be advisable to exclude nonmanual workers earning more than $2,500 to $3,000 a year, Government employees, and other fairly well-assured steadiness of income, self-employers, and certain other groups. Prof. Paul H. Douglas thinks it probably both advisable and necessary for political and administrative reasons to exclude agricultural and domestic workers, although certain compromises might be effected when unemployment insurance was well under way and other difficulties had been ironed out. The question of seasonal and part-time workers, age limitations, and other matters would be decided in the light of the wealth of experience with such groups in other countries.

In the limited scope of these remarks, it is impossible to go into the question of the amount of contributions and benefits for different age groups, the very important part an adequate system of Federal employment exchanges plays in testing for willingness to work and in serving as clearing houses for employers and workers, and numerous other matters related to unemployment insurance. There are numbers of details to be considered by any group contemplating the installation of this form of insurance. But once it was set up, with a system of relief to supplement it, the machinery would be there and improvements and modifications could be effected from time to time. The importance of having a definite, businesslike system, understood by employers and workers alike, would do away with much of the uncertainty and chaos resulting from our American dole giving.

CONCLUSION

Once more let us emphasize the importance of regarding unemployment insurance as a method, the best possible method developed thus far, of relieving and not curing unemployment. Efforts to devise a more smoothly coordinated economic organization, geared more adequately to a civilization which has long since burned its pioneer bridges behind it, must be unremitting. But, as we have indicated, it may be a considerable length of time before such efforts are effective. In the meantime we must seek better ways of handling relief of the unemployed than our present highly unsatisfactory ones; unsatisfactory from the point of view of expense, of proving the worthiness of applicants, and of preserving the self-respect and morale of the involuntarily unemployed. The concensus of authoritative opinion in countries which have adopted compulsory unemployment insurance is in favor of retaining it. The United States needs to supplant its chaotic dole giving by a dignified system of unemployment insurance to insure the payment of benefits as a matter of right and justice to involuntarily unemployed workers for a stipulated period of time. A supplementary system of relief on the basis of need would prevent the insurance system from carrying burdens too heavy for it. The majority of workers, however, would be carried by the insurance scheme and case-work treatment would be applied only to persons not qualified for benefits under this scheme. It goes without saying that if case work were necessary in only the second- and third-line trenches and not in the first-line trenches it could be far more effectively applied than under the present overwhelming circumstances. As a matter of simple justice, "It is possible", says Mr. R. H. Tawney, the British economist, "for a society, by making

the fullest possible provision for common needs, to abolish, if it pleases, the most crushing of the disabilities, and the most odious of the privileges which drive a chasm across it."

I am indebted to Miss Mary B. Gilson, the author of Unemployment Insurance in Great Britain, which has recently been published as one of the series of public policy pamphlets issued by the University of Chicago Press, for many of the facts which I have presented.

Mr. FARLEY. Mr. Speaker, the subject of direct loans to industry has been one carefully and thoroughly considered by the committee, and comes as the result of a wide-spread demand by industry throughout the entire land. Some industries have been badly crippled because of the depression that started with us in full force in the spring of 1930. Many of these industries have undertaken to hold their capital and organization intact, and in most cases have exhibited a fine spirit of loyalty to the country by keeping their men employed in far too many instances when they lost money by so doing.

It looks like a better day for labor and for capital now employed in these small industries that they are to have access to the resources of the Reconstruction Finance Corporation and likewise the Federal Reserve banks. I call your attention to the two outstanding provisions of S. 3487. The object of this legislation, in the main, is to broaden the powers of R.F.C., to facilitate exports and imports; to empower it to extend credit; to maintain and increase employment; to assist in refinancing and reducing of existing commercial and industrial burdens; and to further facilitate the extension of credit to small industrial concerns; and to amend the Federal Reserve Act relative to loans to industry proposed by Federal Reserve banks.

There are two important provisions in this measure, the first of which is to make accessible to industry the resources of R.F.C. We are all of the impression that the R.F.C. is a division of the Government set up to meet an emergency, the length of its life to be determined by Congress from time to time. One of the first things we did in this session was to extend the functions of the organization to July 1, 1935, and undoubtedly these extensions will be authorized from time to time as long as the emergency exists, and they accomplish faithfully what was intended when the organization was authorized. However, there is a feeling that this is temporary and as industry is a vital part of our national well-being, a more permanent form of financing is desirable.

To this end for the first time the resources of the Federal Reserve banks, through the use of their surplus, have been opened to make direct loans to industrial enterprises, and I have a feeling that this will meet a situation so much desired that it will become a permanent part of the Federal Reserve System.

This bill provides for the establishment of 12 intermediary-credit banks, corresponding with the districts where the Reserve banks are now established. The bill further provides for the selection of a board, which shall not be composed of less than three or more than five outstanding business men who are to act in an advisory capacity in conjunction with the Reserve Board with reference to loans. It is hoped and expected that when the capital structure of the banks of the country has been rebuilt, they will again be in position to grant credit to worthy institutions upon adequate and sufficient security.

It is not the wish of any Member of Congress to usurp the functions of the banks of the country. We want them to continue to serve us, but we have reached a place where we do not want them to be our masters. There is no community so small that it does not have need of financial assistance. Farmers must be financed. Merchants must be financed. Every type of industrial program will depend on this assistance, and I for one feel that by authorizing the Federal Reserve System to take over this part of the banking function at this time is of outstanding importance and value, and in the end will be so regarded by a large majority of the people, even the banking institutions themselves.

We learn by experience, and if all the poorly secured loans made in the past had been handled in a conservative and constructive manner for the benefit of the people, rather than profit of unscrupulous individuals, we certainly would not have had to pass through the terrible ordeal such as the last 3 years have been. We are making progress. Money is flowing back into the channels of trade. Men are being reemployed; and when we are in position to put labor to work, then it will be that the farmer's product can be sold; and whenever the farmer begins to make money and comes back into the market as a purchaser we will then be far out on the road to recovery and we can look back upon it as a time of hardship by profitable experience.

The committee has labored long and faithfully and held hours of hearings with some of the outstanding industrialists as witnesses before the committee. Newspapers of the land have given the project their support in a very sympathetic and helpful manner.

I am indebted to an article in a recent issue of the Washington Post for the fine résumé of the past year's activities in the administration. I have taken the liberty in a former article to quote some of their statements of this progress.

I want to say to you, Mr. Speaker, ladies, and gentlemen, that no more constructive piece of legislation has been passed, and I compliment you for the very fine spirit in which this legislation has been put on the statute books.

Mr. WALDRON. Mr. Speaker, the pending measure (S. 3487) is a moral victory for those of us who more than a year ago insisted that direct financial aid to industry through the Reconstruction Finance Corporation was the surest means of providing jobs and accelerating economic recovery.

The workers of my district, the largest industrial section in Pennsylvania, want jobs and not charity. Steady employment and an assured income each week, in my opinion, can only be obtained by opening the mills and starting the wheels of industry humming.

In the last session of Congress, when the President's recovery program was being finally enacted, I pointed out to the country that the one flaw in the plan was the failure to provide the proper credit facilities for commerce and industry. Millions of dollars of credit had been pumped into insurance companies, banks, mortgage companies, and other lending institutions, without any assurance that these agencies, in turn, would use it to put new life into industry. The farmer, the home owner, the destitute, and others were provided for, but the job-producing employer in our large cities and industrial centers was left completely out, and he was supposed to "take up the slack" of jobs when the relief appropriations were exhausted.

As it became apparent that nothing was going to be done about it by the administration, I introduced three bills providing for direct loans to industry by the Reconstruction Finance Corporation. Efforts to secure administration support of these measures failed and Congress adjourned without taking any action thereon.

What followed is history. The credit intended to accelerate recovery through the established lending agencies did not reach the job-producing industries. Much of it was frozen in bank vaults, which, while making those institutions 100-percent liquid, was not loaned out to business. Mortgages were impossible to obtain, even on the best security. Needed working capital was denied, except upon a greatly reduced basis, and then only for impractical periods of time. Concerns operating under the N.R.A. with increased labor costs and overhead, were compelled to go along on a hand-to-mouth basis rather than to move forward with steady precision. Instead of more jobs, there frequently were less jobs, and when the C.W.A. and other relief agencies ceased activities recently through exhaustion of appropriations, there was not enough industrial jobs available to absorb even a small percentage of those released. We are now facing another unemployment situation which, it is hoped and believed, this form of relief will overcome and would certainly have overcome, in large part, had it been applied last year.

Those of us who saw this situation last June sought by every honorable means to change the administration's viewpoint. Some recognition of my proposal was given last fall when the Reconstruction Finance Corporation attempted to set up mortgage-loan companies to meet the pressing need for credit fo rthe smaller concerns. The plan has not furnished the relief needed. The agitation, however, has continued throughout this session of Congress, and administration approval has been finally won for the measure now before you. I am happy to have been a leader in this fight for the thousands of men and women in our industrial sections who abhor charity and seek only the right to toil at their regular trades at a fair living wage.

After I introduced my bills last year, thousands of letters poured into my office, and to the Committee on Banking and Currency, from all over the United States urging that some action be taken upon my proposal. The story these letters told of the heroic struggle of industry to hold its ground or to advance with consequent benefits to unemployed workers and the communities served is too long to be repeated.

However, a few instances from my own district will illustrate the situation. One concern whose credit rating, under normal conditions, was in excess of $100,000 had that rating reduced to $10,000 by the banks with whom they formerly did business. Several others complained that loans were called when such loans represented only a fractional part of the present value of buildings and equipment which was free and clear of encumbrance. One manufacturer with orders ahead that would furnish employment for 60 people was compelled to operate with only 7 employees when his working capital was tied up in a closed bank and additional capital could not be obtained from any other lending agency. Another large firm, with realty worth several million dollars and not one penny against its property, shut its doors, throwing several hundred people out of employment for a period of several months, because it could not obtain a small loan to carry on in the off-season. Scores of other instances of hardships these business men have encountered in their effort to obtain credit might be cited.

In September last I directed a letter to a selected list of several hundred firms in my district embracing every class of business and manufacturing, all of whom were in existence and doing business on January 1, 1933. Replies were not received from all of them, but of this group 25 firms had closed their doors, throwing out of employment approximately 1,300 people. A few weeks ago I covered the same group, and at this date find that 31 additional firms are out of existence, involving nearly 800 employees. These concerns ranged in size from the small merchant, employing two or three people, to a factory, employing 678 persons.

If my bill, H.R. 6124, had received the recognition to which it was entitled at the last session of Congress, many of these concerns would be flourishing today and there would be some 2,100 fewer mechanics and artisans walking the streets of Philadelphia seeking employment.

The pending measure, S. 3487, recognizes the justice and fairness of my proposal and should be the means of pumping credit into industry, which will provide jobs for many who are now unemployed. While it does not go as far as my bill would have gone in the matter of the amount that may be loaned to an individual borrower, I shall vote for it, since I believe it will greatly assist the small concerns and open up employment. It is a step which should have been taken a year ago.

Briefly, S. 3487 provides that the Reconstruction Finance Corporation may make loans to any industrial or commercial business established prior to January 1, 1934, when credit at prevailing bank rates for loans of such type is not available at banks or the Federal Reserve bank of the district of the applicant. The loans may be made directly, or in cooperation with banks or other lending institutions, or by the purchase of participations, for a period of not to exceed 5 years. The sum of $300,000,000 is authorized to be used for making these loans, but the amount of a loan that may be made to any one individual borrower is limited to $100,000 by the House provision.

While I believe that $100,000 loaned to any single borrower will take care of the needs of the smaller business concerns, many of whom will not require anything like that amount, I do not believe it is sufficient to take care of the larger concerns needing working capital, who should be given the same consideration and who are capable of putting back to work a much larger number of employees. There are some long-established concerns to whom a million dollars or more might be loaned without any great risk. The bill as it came from the Senate had a limitation of $1,000,000 in the case of any individual borrower, which limitation I believe would be more nearly proper. The measure I introduced (H.R. 6124) would have permitted much larger loans if the security furnished came within the scope of the Reconstruction Finance Corporation Act.

I shall vote for the House proposal, however, in order to speed the legislation to an early conference in the hope that the conferees will increase this limitation to the individual borrower to somewhere near the amount contained in the Senate bill.

I congratulate the administration and its leaders in the House and Senate for their final recognition of the merits of this job-providing proposal, which I consider one of the most important steps in economic recovery taken at this session of Congress.

Mr. REILLY. Mr. Speaker, the meat of the pending bill is that provision that provides for furnishing loans to industry. There are other sections in the bill that are amendatory of existing laws, the object of such amendments being to make the said legislation more workable.

All the Members of this House can testify to the fact that there is a wide demand throughout this country for governmental assistance to industry. Up to the time of the present industrial crisis, and even since the first dark days of October 1929, the banks had rendered the necessary assistance to industry and business in general. But since the banking holiday in March 1933, industries in this country, and particularly small industries, have been suffering for a lack of legitimate financial assistance.

It was hoped that the bill passed at the last session of Congress providing for the guaranty of bank deposits would make it possible for the banks of the country to be more liberal in taking care of the demands of industry, but it does not seem that such legislation has in any substantial way liberalized the loan practice of the banks.

Some of the bankers claim—in fact, many of them—that they are prohibited from making loans they would like to make because of the rigid rules laid down by bank examiners. Whether or not this statement is universally true I do not know, but I do know that many of the bankers in my district state that they would gladly make more loans to industry if the bank examiners would not compel them to write off such loans.

This bill provides for two methods for affording financial relief to industry. One provision enlarges the authority of the Reconstruction Finance Corporation by permitting that organization to make loans to industry or commercial institutions where the needed credit cannot be obtained from the usual channels or through the banks.

The Reconstruction Finance Corporation has been attempting in a mild way to administer to the financial demands of small industries by making loans to the extent of about $17,000,000. These loans have not been made by the Reconstruction Finance Corporation direct to the industries, but through financial set-ups in the different communities. These financial set-ups or corporations are subject to local control. They require a small initial capital, and to this organization the Reconstruction Finance Corporation has loaned that amount I have referred to.

Under this new legislation the Reconstruction Finance Corporation will be at liberty to loan $300,000,000. These loans are to run for a period of not to exceed 5 years. A survey has recently been made by the Federal Reserve Sys-

tem to find out just how much money could be used along the lines proposed in this bill, and it was estimated that there was a loaning demand for about $600,000,000 to provide the necessary financial assistance to industry, which at the present time cannot obtain relief from banking or money institutions.

This bill also provides that the Federal Reserve banks may loan to industry a sum up to the amount of their surplus. All the Federal Reserve banks have at the present time surpluses of about $150,000,000. Of course, the Federal Reserve banks may also render greater assistance to industry by making commitments and extending loans already in existence.

This bill contemplates that the Federal Reserve Board and the Reconstruction Finance Corporation will cooperate with the banks in meeting this demand for working funds, particularly by the small industries of the country. For instance, both of these institutions may propose to the banks that if the banks will advance 50 percent of the amount of money needed by an industry they will advance the balance. In other words, these two Government agencies may join with the banks in going 50–50 on needed industrial loans.

Of course, these advances by the Reconstruction Finance Corporation and the Federal Reserve Board are not to be in the nature of gifts to industry. The loans are required by this bill to be adequately secured and only such institutions that show vitality and life, and a possibility of working out the required loan, will be granted assistance from either one of these lending bodies.

That some industries are to be disappointed in their attempts to receive working loans under the terms of this bill is to be expected. Many industries seeking such loans have been turned down already by the Reconstruction Finance Corporation, and there will probably be others disappointed in receiving loans after this bill, broadening the loaning power of the Reconstruction Finance Corporation and putting the Federal Reserve Banks into the loaning picture, has become a law.

It is hoped, however, that the Reconstruction Finance Corporation and the Federal Reserve banks will be as liberal as possible in executing this law.

Our factories must be kept running in order that men may be employed. There can be no doubt at all but that the lack of finances has closed many factories since the breaking of the panic; factories that had orders in sight and factories that in the old days had ample banking credit.

The Reconstruction Finance Corporation has done a good work. It has loaned out about $5,000,000,000 to banks, insurance companies, railways, and other corporations. Of this sum, $1,500,000,000 has already been paid back, and it is expected that in the final wind-up the Corporation will not lose $1; that is, the interest received on the loans will more than pay the operating expenses of the Corporation and such losses as it may suffer.

Many banks, industries, and corporations have been saved by loans received from the Reconstruction Finance Corporation, and it is hoped that through the passage of this bill many industries will be saved and the army of the unemployed reduced.

BANK-DEPOSIT INSURANCE

Mr. BANKHEAD. Mr. Speaker, at the request of the majority leader, I desire to submit a unanimous-consent request. The next order of business on the calendar of the majority leader is the immediate consideration of the extension of the bank-deposit insurance bill reported by the Committee on Banking and Currency. A rule providing for the consideration of this bill has been presented, but in order to expedite consideration of the bill I ask unanimous consent that it may be in order to consider the bill under the terms of the rule we expected to present, and ask that the resolution be read.

The Clerk read as follows:

House Resolution 303

*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. 3025, a bill to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Banking and Currency, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. Without objection, the resolution will be adopted.

There was no objection.

A motion to reconsider was laid on the table.

Mr. LUCE. Mr. Speaker, the resolution we have just adopted provides for a motion to recommit. Earlier this afternoon we were working under a rule identical with this one which provided "without intervening motion except one motion to recommit."

Will the Chair kindly explain how this provision can be made of any value in the application of the rule under which we are about to proceed?

The SPEAKER. The rule just adopted grants the usual permission to offer a motion to recommit; but when the House has adopted a substitute for the entire bill, a motion to recommit with instructions would not be in order.

Mr. LUCE. What type of motion would be in order?

The SPEAKER. Just a simple motion to recommit.

REVISION OF AIR-MAIL LAWS

Mr. MEAD submitted the conference report on the bill (S. 3170) to revise air-mail laws for printing in the RECORD under the rule.

CITIZENSHIP AND NATURALIZATION

The SPEAKER laid before the House the following message from the President of the United States:

*To the House of Representatives:*

In compliance with the request contained in the resolution of the Senate of May 22, 1934 (the House of Representatives concurring therein), I return herewith House bill No. 3673, entitled "An act to amend the law relative to citizenship and naturalization, and for other purposes."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 23, 1934.*

The SPEAKER. Pursuant to the provisions of Senate Concurrent Resolution No. 19, the Clerk of the House will enroll the bill with the changes contained in the concurrent resolution.

VETO MESSAGE OF THE PRESIDENT OF THE UNITED STATES—LOTTIE BRYANT STEEL (H.DOC. NO. 381)

The SPEAKER laid before the House the following message from the President of the United States:

*To the House of Representatives:*

I return herewith without approval House bill no. 177, entitled "An act for the relief of Lottie Bryant Steel."

The bill provides for the payment to Mrs. Steel, remarried widow of Col. Montgomery Bryant, a former officer of the United States Army, of $105.07, as pension at the rate of $8 per month from May 22, 1902, to the date of her remarriage, June 26, 1903.

Colonel Bryant's death occurred June 17, 1901, some 7 years after he was placed on the retired list of the Army, and was not the result of service-connected disability. Having been on the retired list at the time of his death, no pension was allowable under the laws then in force applying to pensions for service only.

It was not until May 1, 1920, approximately 19 years later, that the law was amended so as to have permitted of the allowance from that date of a service pension to Colonel Bryant's widow. Prior to that time, however, she had remar-

ried, which remarriage precluded the application to her of the benefits of the amendatory law.

Should the beneficiary of this bill again become a widow, she will have a pensionable status under the law of May 1, 1920. I fail to see any justification for the proposal to now place her in a pensionable status for a period during which the law then in force precluded the allowance of pension.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 22, 1934.*

The SPEAKER. The objections of the President will be spread upon the Journal.

Mr. BYRNS. Mr. Speaker, I move that the message and the bill be referred to the Committee on Claims and ordered printed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RADIO MESSAGES

Mr. McCLINTIC. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein certain radio addresses I have delivered during the session.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McCLINTIC. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio messages broadcast over Station KASA, Elk City, Okla.:

THE PRESIDENT'S BIRTHDAY PARTY AND THE DOUGHTON DINNER

(Feb. 6, 1934)

Fellow Oklahomans and friends who are listening in over radio broadcasting Station KASA at Elk City, much time has elapsed since so many persons of the Nation have assembled on one evening to celebrate an occasion as one week ago when more than a million joined in what was estimated to be about 6,000 receptions of the country to assist in raising funds for the Warm Springs (Ga.) Foundation for Crippled Children by helping President Roosevelt to enjoy his fifty-second birthday.

Thirty-five thousand dollars was raised in Washington alone, and I can think of no finer purpose than the will to aid these helpless little crippled children.

Like a super-Hollywood opening, but with more flare and color and greater names than Hollywood could ever possibly muster, the birthday reception, which surpassed anything that Washington remembers, included 10 tables which sold for $1,000 each. One of these tables was purchased by an anonymous contributor, who sent $1,000 for a table for 10 World War heroes—5 from each of two hospitals in Washington—and they were there, engulfed in happiness.

Another sent $2,500 just as a contribution. It didn't get anybody in, not even himself. And a third sent $1,000 to purchase tickets for 500 marines, soldiers, and sailors.

In Washington it was like New Year's Eve, in a way, but a little more thoughtful. President Roosevelt was 52, but the city seemed to be just turned 21—joyous in new strength.

Meanwhile the White House was completely snowed under by the tens of thousands of telegrams, cablegrams, and letters which poured in to wish the President a happy birthday. They came from every nook and cranny of the United States, from the crowded tenements of New York to the lone prospector in Montana. They came from every foreign country—from Americans away from home and from aliens who watched his mighty task from afar. It was the most spontaneous outburst of good will the White House has ever seen.

Ray Baker, chairman of arrangements for the Washington celebration, who brought Mrs. Roosevelt, the lovely wife of the President, to the party, and who comes from Idaho, spent much of his early days in the mine, and at night by the aid of a coal-oil lamp studied law. He was finally admitted to the bar, held a number of offices in connection with his party, one of which was being Director of the Mint, and was selected by Mrs. Woodrow Wilson to write the life of President Wilson, selecting much of his material from the private files of the President.

Will Rogers, the radio star and humorist, who comes from our own State, was master of ceremonies, and arrived late for the President's party, maybe due to the informal reception which he held in the Speaker's reception room at the Capitol earlier during the afternoon, at which time he was assisted by his lovely daughter, Mary, and in which reception all members of the Oklahoma delegation participated. Many others also came in to listen to the cornfield logic by Will, which, when all summed up, seems to be a lot of hooie, but in fact is a lot of good common horse sense.

As a climax to the eventful day, during which time the good will of a nation swept like a rising tide through the White House, over the greatest hook-up in radio history President Roosevelt spoke to the Nation at large and particularly to the millions attending the 6,000 banquets to raise funds for the crippled children. This great leader perhaps understands the need for such a fund for the children more than many others, and as a message of hope for the sufferers from infantile paralysis, from which President Roosevelt recovered before he entered the White House, it is the President's confident belief that medical science will be able to do for the victims of infantile paralysis what it has already done to abate tuberculosis, eliminate yellow fever, and to restrict the ravages of many other human ills.

We are indeed glad that the citizens of southwestern Oklahoma took part in this celebration by holding banquets in various towns on this evening for the purpose of participating in the worthy cause. We were very sorry that it was not possible for us to be in attendance for at least one of the banquets in the district in that section of Oklahoma, but we did the next best thing by notifying a representative in each of the 11 counties of the district to purchase a ticket for us for each of the entertainments held there, since we were especially glad to be able to take part with the citizens of the home State and President Roosevelt in such a worthy cause as helping to raise funds for the crippled children.

One of the nicest dinners that it has been my privilege to attend for a long time was the one given to the Ways and Means Committee a few nights ago by Chairman DOUGHTON, of North Carolina, at which all of the members of the committee were present. This organization has a history that is not known to many of our citizens, as when George Washington, as Commander in Chief of the Continental Army was successful in defeating the British and our form of government took shape, then it was that it became necessary for the first Congress, serving under George Washington, our first President, to find some way to obtain the means necessary to carry on the affairs of the Government. It is generally conceded that President Washington recommended to the leaders who were cooperating with him that such a committee be formed, and from that date until the present time this organization has looked after the principal duties and legislation necessary for the maintenance of the Government.

For a long time this was the only committee in the House of Representatives; however, as the Nation increased in population and activity, in connection with all kinds of business, it became necessary to create other committees, such as Banking and Currency, Army, and Navy, and the various others that are now functioning. There may be some of you who do not know that all bills for the purpose of raising revenue always originate from this source, and when it is taken into consideration that there will be a turn-over this year of more than $10,000,000,000, one can have a conception of the duties of such a committee.

At present, sessions are being held morning and afternoon for the purpose of shaping into form the numerous provisions that have been worked out by a subcommittee that spent the greater portion of the summer and fall here in Washington preparing amendments to the present laws in the hope that those who are termed "big business" and have been escaping paying their proper proportion of the amount necessary to defray the expenses of this Government may be compelled to do so in the future. I do not know of anything that is more disgusting to our people than the realization that Mr. Mitchell, with the National City Bank; Mr. Wiggins, with the Chase National Bank; and J. P. Morgan made profits that amounted to many millions of dollars and were able to escape paying a thin dime in the way of income tax. When it is taken into consideration that J. P. Morgan Co. collected many millions of dollars in the way of dividends on noninterest taxpaying Government securities, and in addition purchasing a yacht that cost more than $2,000,000, one can realize the necessity of changing the law so as to compel every kind of a money tyrant to do his part.

I was especially pleased at this dinner when the newest Member, Hon. CLAUDE FULLER, who was recently elected, stated that his assignment to this committee was considered such a high honor by the people of Arkansas that over 500 individuals wrote him letters of congratulation. Inasmuch as the State of Oklahoma has never before had representation in this organization, I feel very proud that our district has a voice on many matters concerning certain vital questions of importance to the citizens of the Nation.

To give you some idea of the interest that is taken in any provision that relates to a commodity, recently when publicity was given to the fact that the committee had adopted an amendment levying a tax of 5 cents per pound on coconut and sesame oil, which is a product of a seed imported from the Orient that contains many of the properties that can be substituted for butterfat, it brought the largest response of individual telegrams that I have ever seen in all my public life. During one whole day Western Union and Postal messenger boys averaged bringing a telegram to my office every 2 minutes, presenting arguments both for and against the inclusion of such a provision in the new revenue act.

Chairman DOUGHTON is a Scotchman from North Carolina; his ancestors were pioneers of this great State. He is by temperament and other splendid qualifications exceptionally well fitted to look after the duties of his position, and at this dinner expressions of affection came from members of both parties in testifying as to the high regard and esteem in which he is held. One member in speaking on this occasion made bold the statement that no member of this committee had ever voluntarily retired from the same unless he was promoted to some higher position. Vice President Garner, Speaker Henry T. Rainey, and Judge Green, of the Federal court, served as members of this committee prior to their elevation to more important assignments. In addition, this committee makes up all the other committees of the House of Representatives, and for this reason is conceded to have more power than any other in Congress.

We are highly gratified because of the support given to President Roosevelt's money bill and believe it will furnish the means of stabilizing finance in the majority of countries of the world. We know that the taking over of all the Nation's gold will provide a metal base to issue at least $15,000,000,000 in currency, and this will be a sufficient amount to keep the old ship of state on an even keel, also to provide funds to give employment to every deserving person until normal conditions are restored.

The former Secretary of the Treasury, Mr. Ogden Mills, who belonged to the Mellon group, took a pot shot at President Roosevelt's policy in his recent speech delivered in Kansas. It did not even create a ripple of interest here in the Capital. It was timed to happen just before the birthday receptions held in honor of the President; however, no one to speak of paid any attention to his wild utterings, as he was one of President Hoover's trusted lieutenants, and everyone knows that enough damage was done by this crowd to pretty nearly destroy the Nation. I am proud of the honor of cooperating with President Roosevelt, for if there ever was a man who has given his efforts on behalf of our citizens it is the man who is now in the White House.

---

LEGISLATION

(Feb. 13, 1934)

Fellow Oklahomans, again I wish to express my appreciation to station KASA for the opportunity of providing my friends information relative to what has been going on in Washington. I realize that some of you do not have the opportunity of keeping up with the various events and happenings that are published in our splendid daily and weekly papers, and it is for this reason I often refer to items that have been given some publicity.

I am sure that our friends—and especially those who reside in Ellis, Dewey, Roger Mills, and other counties in the northern part of the district—have been made happy because of the passage of a bill in the House which will make livestock a basic commodity and will set aside $200,000,000 to be used for this purpose. This subject was brought to my attention by a number of our prominent citizens when I was at home during the holidays, and I promised to contact the Honorable MARVIN JONES, who is chairman of the committee that has jurisdiction over this subject and who is also our neighbor on the west, being the Representative from the panhandle district of Texas, and if possible, secure the passage of such a bill. I am sure that there are many listening in who are acquainted with this most distinguished gentleman, and by the way I am pleased to say that there never was a finer or more conscientious worker in behalf of those whom he represents. This bill reads as follows:

"To amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes

"*Be it enacted, etc.*, That section 11 of the Agricultural Adjustment Act, as amended, is amended by adding after the word 'hogs' a comma and the word 'cattle.'

"SEC. 2. Subsection (a) of section 12 of the Agricultural Adjustment Act, as amended, is amended by adding at the end thereof a new paragraph, as follows:

"'To enable the Secretary of Agriculture to finance, under such terms and conditions as he may prescribe, surplus reductions and production adjustments with respect to the dairy- and beef-cattle industries, and to make advance rental and/or benefit payments with respect thereto, there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $200,000,000.'"

Another measure that will be of special interest and benefit to many of those residing in the district is the one which provides the sum of $35,000,000 to be used as a fund to loan the farmers during the year 1934 for the purpose of planting, fallowing, and cultivation of crops; also providing $1,000,000 which shall be available to purchase feed for livestock in drought- and storm-stricken areas. The aggregate amount of a loan, under the provisions of this act, is $250; however, it contains a provision that the President of the United States, in an emergency, may make loans without regard to limitations under such regulations as he may prescribe.

It has been a privilege on my part to support these most meritorious bills, and I am proud that the administration has sponsored such measures, which shows conclusively that we have in the White House a President who is just as much interested in agriculture and the production of livestock as he is in any other occupation.

There has been a lot of activity in Washington during the past week with respect to the production of oil. Oil is today one of the largest industries in the Nation, and there are more people directly or indirectly affected by oil and its byproducts than any other commodity. The total value of the production of oil and its byproducts in 1933 amounted to approximately $540,000,000. In addition there are 20 States that are now producing this commodity. A number of unethical citizens have deliberately violated the State and Federal regulations with respect to running hot oil, and this situation resulted in breaking the market until crude oil sold as low as 10 cents per barrel. This situation brought about disaster to a large number of independent producers, to the extent that some were forced out of business and others were taken over by larger companies, who are always able to weather a storm.

One of the first acts of President Roosevelt was to put into effect an oil code which came under the jurisdiction of Secretary Ickes, thus providing the kind of regulations which it was thought would stop the production of illegal oil and at the same time maintain a fair price so that the industry could survive. Soon after I returned to Washington, numerous complaints came to me regarding illegal production; and being interested in protecting the citizens who have tried to obey the law, I prepared and introduced a bill which if enacted into a law would cause all of those who had obtained profits from the sale of illegal oil to pay an income tax and at the same time provide an informers' fee of 50 percent of the penalty named in the legislation.

I never dreamed that when this bill went into the legislative hopper that it would cause the Secretary of the Interior to immediately make an investigation, which, according to the information brought to me, showed that in the east Texas field practically no attention was being paid to proration orders, the existing law that relates to interstate shipment, or the provision of the code; and the amount of illegal oil being produced daily amounted to between forty and seventy-five thousand barrels, which means that over 2,000,000 barrels per month were being thrown on the market and sold at a price practically one-half of the posted price.

The Secretary of the Interior came before the Ways and Means Committee and said that unless something was done to provide new legislation to stop the production of illegal oil, the code jurisdiction would break down and become ineffective within 2 weeks. I have secured the adoption of two amendments to the existing law, which will in the future provide a tax of 0.1 of 1 cent per barrel on all crude products derived from wells and 0.1 of 1 cent per barrel on crude delivered to the refineries, in order that sufficient funds may be had to enforce necessary regulations in connection with the production of illegal oil.

It was my privilege to represent the administration in presenting these three amendments to the committee, and, of course, oil being one of the major industries of the State of Oklahoma, I am very happy that the committee has accepted these amendments relative to this subject.

Another contributing effect of this legislation is that it will cause many of those who have interests in royalty and have been defrauded in the past, to have a means of finding out the amount of oil that has been run from the properties in which they are interested, thus giving them sufficient data to collect that which is rightfully due.

Evidence was presented to the committee which showed that at one time from 85 to 100 train loads of illegal oil was daily being shipped north from the east Texas field, and when it is taken into consideration that a very large amount of this oil went into Canada, unless an informative fee was provided for the purpose of identifying those who were engaged in this illegal transaction, several million dollars would be lost to the Government, that should have been collected by the Income Tax Bureau.

The east Texas field is so large, it is beyond the comprehension of a person unless he actually visits the same, and it is said that there are over 300,000 miles of various kinds of pipe lines and that the practice in the past has been to attach many kinds of bypasses, so that meter readings would not give any correct information as to the amount produced or run from a well. The committee realizes that as long as illegally produced oil is sold at a price far below the posted figure, it will soon demoralize the industry to the extent that many of the little fellows will have to go out of business, thus giving the larger companies an opportunity to form the kind of monopolies that would bring about a much higher price for the different products that are sold to the public.

The recent law that was passed by the Ways and Means Committee, prohibiting oil from going into interstate shipments, has been violated by causing such oil to go into refineries where a very small amount was skimmed from the top and then the crude was reshipped as processed oil to refineries outside of the State, where it was rerefined and practically the same amount of gasoline recovered. It is now believed that with the inclusion of the three amendments which have been accepted by the committee, the industry will be far more healthy in the future, and that all of those who are obeying the law will receive the protection to which they are entitled.

The person who introduced English sparrows into this country many years ago, nearly every day in Washington is given severe criticism because these little fellows have increased in number until they have become the worst nuisance of anything the National Capital has to combat. When the sun goes down great droves of these little fellows come from distances of 50 miles or more and practically cover the public buildings, and because the Humane Society will not allow them to be killed, every kind of a plan that one can think of has been used for the purpose of scaring them away. At first the C.W.A. workers were employed to climb trees and ring cow bells. The birds simply abandoned the place where all of this noise was going on and then returned after the racket ceased. The War Department was then called on to furnish gases, in the hope that the birds, when detecting the odor, would depart for other sections.

This proved ineffective, as the birds would abandon the premises until the wind had blown the gasses away and then give the onlookers the ha-ha. Then stuffed hawks and owls were borrowed from the museum and perched at various commanding positions, but this did no good; then, as a last resort, a shotgun squadron was called out, and under orders from the commanding officer volleys of blanks were fired at intervals, but the birds soon learned that they had nothing to fear from the noises.

This brings me to the thought that there are a large number of our splendid citizens interested in the subject of wild life and the

disaster caused by predatory animals, and I expect to devote my next radio message, which will be delivered at this same hour 1 week hence, to this subject. I feel sure that all of the Waltonites and others who are interested in this particular subject will be interested in listening to an excellent experience had by the present New Mexico secretary of the game commission on a lion hunt, and a method that is now being used in a portion of this congressional district with respect to a study of prairie chickens and the way they are trapped for propagation purposes.

---

WILD LIFE

(Feb. 27, 1934)

Fellow Oklahomans, each week at this hour I am endeavoring to bring to the listeners a message from Washington dealing with questions of interest.

I am sure that everyone realizes that game, birds, fish, and animals, are real factors in the daily lives of millions of our people. This being true, Congress has provided annual appropriations to be used in the enforcing of protective laws and the setting aside of game preserves. The importance of this subject can be realized when it is taken into consideration that 6,000,000 adults take out licenses annually, which amount to over $7,000,000, and it is estimated that hunters and fishermen spend approximately $650,000,000 per year in participating in this class of pastime. The Izaak Walton League has been performing a most wonderful work in this connection. Members of this organization are to be commended for their fine efforts to provide the kind of protection that will make possible the preservation of our wild life in their natural haunts.

Since 1929 game refuges have been established as follows: Montana, 26,669 acres; Oklahoma, 19,985 acres; California, 15,733 acres; Nevada, 17,902 acres; South Carolina, 33,000 acres; Florida, 21,076 acres; Colorado, 5,500 acres; North Carolina, 20,000 acres; Nebraska, 39,000 acres; Wyoming, 3,318 acres; North Dakota, 4,000 acres; New York, 2,274 acres; Maryland, 10,000 acres.

And, in addition, public-spirited citizens in Louisiana and other States have purchased large areas which have been turned over to the State authorities for this purpose. It will also be interesting to know that the waters adjacent to the District of Columbia are fully protected for this purpose. If this kind of action had not been taken, wild life of many kinds would have long since disappeared. One of the most interesting publications relating to this subject that is free for distribution is Farmers' Bulletin No. 1719, and should any of my constituents desire a copy of the same, I shall be glad to take care of your requests for such publication.

It will be interesting to know that many of our most prominent citizens are interested in the propagation of various kinds of wild life. Some time ago I had a conversation with Speaker RAINEY concerning this subject, and he advised me that the most profitable enterprise conducted on his farm in Illinois was the growing of deer. He stated that on one occasion he received an order from Mr. Phillips, a prominent oil producer in Oklahoma, for a solid carload of such animals, and that the same were shipped by express to him without the loss of a single animal. In addition, there are hundreds of small-game farms located throughout the Nation for the purpose of supplying suitable stock to the various States that are interested in this subject.

When one visits the Capital, should he take a trip down the Potomac River, he will see small clusters of evergreens located every few miles apart, which are duck blinds built for the purpose of being rented to those who desire to participate in this kind of sport. The law does not allow a person to shoot ducks or geese from the bank or in an open boat, and unless the game swims within shooting distance of such blinds, they have the kind of protection that prevents extermination.

I do not know of any place in the Nation where more different kinds of wild fowls can be seen than on the Potomac River, and for the first time in many years the species of the heron family known as "egrets" took up their abode in this river during the past summer. These are big white birds whose feathers were formerly used to adorn ladies' hats, and because of the enormous demand, had it not been for a Federal law, this species of wild life would have been completely destroyed. The Potomac River is likewise a fisherman's paradise, as at different seasons both salt- and fresh-water fish can be caught in large quantities, thus giving to the residents of the District of Columbia a pastime that is enjoyed by many.

At present Congress is appropriating the sum of $1,000,000 per year for the purpose of supervising the many refuges and the carrying on of the work of propagation. The Bureau of Fisheries looks after the distribution of various kinds of fish suitable for the waters in every State in the Union, and anyone desiring a supply for their own ponds can obtain the same by writing to their Representative in Congress.

I am sure our listeners will be pleased to know that wild life is increasing; however, there are natural enemies in the way of predatory animals that have to be fought every day in the year, which take a terrible toll of certain kinds of domestic animals, as well as other kinds of game. Recently the Members of Congress who were interested in the discussion of such animals met in the Capitol for the purpose of bringing pressure on the Budget officer in order to secure funds to be used for this purpose.

It is estimated that the damage caused by wolves and coyotes in Oklahoma alone amounts to $250,000 per year. We have in the Wichita Forest Reserve 450 deer, 316 buffalo, and 325 elk. The calves of these animals are more subjected to destruction by wolves than any other kind of animal, and the Representatives in Congress who are interested in this subject by taking united action were able to get the appropriation restored which has been available for several years to provide this kind of aid. The Biological Department has caught 2,130 wolves in our State, and they report 356 destroyed in the year 1933. When it is taken into consideration that there are many other States affected by this kind of evil, one can realize the necessity of carrying on the kind of work that will protect the livestock industry and the many kinds of wild life.

I promised to give an account of a lion hunt, in which the participant was the present secretary of the Game Commission of New Mexico. At the time of the hunt he was employed by the owner of the Vermejo Park, a large area in northern New Mexico, to kill the animals that were destroying young deer, elk, and wild turkeys. In his letter to me he calls attention to some of his accomplishments along this line, with a statement that the United States Biological Survey estimates that a lion will kill 50 deer per year. He further estimates that the work he has accomplished in this connection has been worth $20,000 to the owner of the large tract of land where he was employed. Continuing, this is his story:

"I have had several exciting chases after lions and some that you would have enjoyed"—I am not so sure about this, as lions are one kind of animal that I had an experience with when a young lad that has made a lasting impression on my memory, but I will not go into detail as the recollection is not very pleasant. "Recently, late one afternoon my dogs hit the trail of five lions and together they followed them to their kill, which was a buck deer, very much like the one you shot some time ago. The dogs treed one after another of these lions until I had killed four of them. In treeing the fourth one the dogs separated on the track and one followed the fifth, while the two other dogs treed the fourth. After killing the fourth lion I was unable to find the dog, though I was certain he had treed his lion. I stayed until after dark hunting him, but had to give it up and came on in to the ranch. The dog returned sometime that night.

"The next morning the foreman said, 'I heard your dog barking, indicating that he had treed, for 2 hours about sundown and he appeared to be back of the clubhouse, not over 1 mile away.' I went back next day and sure enough he had treed his lion within a mile of this place, and for the reason no one went to him, the poor worn-out dog quit and went home.

"We again took the track and, after a hard chase through rough country, the lion, a medium-sized female, took to a tree, a scrub piñon bush not over 4 feet off the ground, but overlooking a 20-foot ledge of rock, and in this position was holding her own against the dogs when I came in sight, about 200 yards away. When I saw them I whistled encouragement, as I usually do, to let the dogs know I am coming; then my young Airedale jumped into the bush and grabbed the lion by the under jaw and then the fur began to fly, as the lion dug her claws into the dog's face and head and with a backhand stroke threw him end-over-end down over the cliff. No sooner had the dog hit the ground than he came back around the rocks, bleeding and crippled, but looking for more.

"At this instance the old dog, who has been in dozens of lion fights, did exactly the same thing and received the identical treatment. I rushed up a bit closer and finished the lion with a lucky shot in the heart, and, had I not hastened to shoot, I think those two fool dogs would have fed themselves to the lion until nothing was left of them. They were so bruised and badly injured as to be unable to hunt for a week.

"I have found that these hunting dogs, particularly Airedales, once they are warmed up in a chase, will go in on anything regardless of the odds against them, thus showing remarkable courage, but often unwise."

The gentleman who gave this account is one of the finest sportsmen in the Nation. Alone, for a long time, he rode the mountain ranges with his Airedale dogs chasing and destroying the kind of animals that cause more disaster to wild life than any other that I know of. I am sure that his efforts have resulted in great good to that section of the country.

For the reason our congressional district has more prairie chickens than is to be found in any other section of the United States, and the same are now being caught for propagation purposes, I am sure you will be interested in knowing something about that kind of bird. It is said that they cannot live with civilization, and I am indebted to Mr. Verne Davidson, of Ellis County, for a very interesting report, relative to the method he now uses in catching and branding this very wild species of game. Recently he was kind enough to give me the following facts in this connection:

"Our method of catching prairie chickens is a unique one developed by rangers of our own State game department over a period of 7 or 8 years, by use of fish seines. The original start, I understand, was made by carrying an unaltered fish net about 6 feet wide and 40 feet long between two horses and the capture made by dropping the net on the young birds while feeding. This was soon followed by using cars, which proved to be far less disturbing to the birds and enabled the trappers to cover more territory. I am sorry that I cannot give an accurate report on the numbers and trials encountered in those first attempts. Needless to mention, it was many days work to obtain a few for exhibition at the State fair.

"Observations made during these trips into the chicken country eventually led to some changes in the make-up of the net and the manner of setting it for the catch. I have had personal

charge of all the work for the past 3 years, when the principles had been laid out in a general way as we pursue them now. I had helped the 2 years before in company with the usual set of expert net men who had developed the method to establish a record of chickens caught by 4 rangers, using 3 cars, during the whole month of August and several days in September. The past season the capture of 73 in 1 day with the use of 1 car and 2 men will apprise you of the fact that refinements are nearly perfect.

"Today's method and procedure is this: Using a 60-foot (1-inch mesh) seine, 10 feet in width, with a stout rope along the bottom on which iron stakes are spaced about 6 feet and an opening in the center 3 feet in diameter to which a hoop net several feet long is attached. In the heat of the day, when temperatures are above 100 degrees in the shade, the old mother hen and her chicks find relief bathing in the dust under the shade of the taller oak clumps, which we call 'oak motts' or 'shinnery clumps.' Those in which the cattle are in the habit of using as fly bushes present the ideal set-up for chicken as well as trapper, as there is plenty of dust and less leafy obstruction to the cooling breeze for the chickens, and visibility is best for the trapper. Moreover, the taller bush provides the best place on which to erect the net which is soon to be aflutter with impatient birds seeking their usual method of exit—by wing.

"When the covey is located, the car is usually only 5 or 10 yards away, and by careful maneuvering, the birds may be driven from under their favorite portion of the 'mott' to the opposite side or completely away if the mott is too small. Then the net is set over the dusting holes with the sides shaping in a V and the upper edge brought over as much as possible to form a roof. The roof need be little more than an eave—something to prevent the birds walking up the net and flying on over. The bottom is staked to the ground after being stretched tight. There are technicalities to watch, too numerous to mention. When the net is set, the men climb aboard their car and make a wide circle calculated to allow the birds to return to their dust baths. If the mott were large and the sun quite hot, all will be in the edge and return easily. If it is small, they are out in the shorter cover with mouth open and panting greatly. Providing they are not too old, all will slowly walk back until all are again coveyed together."

I realize that the information given you today is a little different from that which you have been accustomed to hearing over the radio; however, diversification is often the spice of life, and next week I intend to report as to the progress Congress is making under the leadership of our great President, who is interested in the welfare of all of our citizens.

---

LEGISLATION

(Mar. 6, 1934)

Fellow Oklahomans, each week at this hour I am permitted, through the courtesy of Station KASA, to bring you a message from the Nation's Capital. I want to express my thanks to our friends who have been good enough to write me during the past week, and especially those who were kind enough to send me a copy of a local Elk City newspaper which contains an article that attempts to take me to task by one of your local citizens, on the grounds that I have been delivering appointments to a number of deserving citizens in western Oklahoma; also that only my friends are the ones who participated. Although his charges are not exactly correct, I am glad to plead guilty to helping our friends, and I am proud to say that the seventh congressional district has probably received as many appointments as any other district in the State of Oklahoma; also that as long as I am in public life I am going to continue to help every person who cooperates with me in the best manner possible. This week I announced the appointment of 11 ex-service men—1 from each county in the district—who are to be given employment in connection with surveying parties in several of the Rocky Mountain States. This means that one from each county in the district will have this opportunity, and it so happens that Mr. Fay Nichols, of Elk City, is one of those who is to receive this consideration. It is too bad that my lovely friend, who takes me to task for appointing quite a number to responsible positions, did not mention the ex-service men who will be given appointments. Anyhow, I had rather be criticized for being able to do something that is meritorious from every standpoint than to have it said, "He did not have any power or prestige in the city of Washington."

Some very interesting things have been happening in Washington lately. The Senate of the United States has been busily engaged in discussing the pay cut and an amendment relating to the Spanish-American War veterans and others. The bill as passed in this body restores certain items, which in aggregate means that the bill has added increases to the extent of about $340,000,000.

I wish it were possible to obtain a sufficient amount of money to enable every class to obtain the amount of assistance it is entitled to. However, there is one fact that must not be overlooked, and that is, the money has to be obtained from some source, and whenever the load is piled on so heavy that it breaks the wagon down, then everyone will be denied receiving anything. I am sure that every person in the District realizes that this is a fact and can have some conception of the great problem that is confronting the United States Congress and the President at this very critical hour.

One hundred and forty-five signers have been added to the petition on the Speaker's desk, which causes the so-called "bonus measure" to be taken away from the committee and brought straight to the House for consideration. This measure, in my opinion, will pass the House; however, the Senate has already gone on record as being against it; therefore, unless the proposal is limited in some way, a point of order may lie against the bill in the Senate, and this means that no action could be taken during this session, regardless of how the House Members voted.

I was down at the White House a few days ago, and, in discussing this subject with a person who is very close to the President, I suggested that there should be presented some method whereby the needy could be paid that which they are entitled to receive, and that I felt sure those who now have a good salary or a certain amount of property would not complain if a compromise were effected on this basis. So I am making a guess that such a plan may be worked out; anyhow, one-half of a loaf is always better than no loaf at all.

The air-mail scandal still grows and nearly every day some person becomes enmeshed in the net that is gradually being drawn together for the purpose of uncovering all of the various individuals who dealt the cards under the table in order that a few persons could have air-mail contracts without competitive bidding. What a terrible thing it is for a young man, like the son of ex-Senator Smoot, to have his reputation blasted into tiny bits by being forced to admit that when he was working for his father he was charging different companies, one of them being an air-mail corporation, large fees for using his influence in order to bring about certain results.

Then there is the question of up-to-date planes that is receiving a lot of discussion in both branches of the service. It is claimed that there have been no competitive bids on planes to be purchased for a number of years, and it has been shown that profits up to 40 percent have been made by some of these companies. This gives rise to the charge that these planes were not up to date, they lacked some of the material necessities in the way of up-to-date appliances in order to reach the highest point of efficiency, and the implication has been made that this fact has made the planes incapable of performing the same kind of service as others, thus causing the death of a number of Army pilots during the time when the weather was bad. Also, this thought is in the minds of a great many: If the Army aircraft is not able to function during stormy weather, what would happen to this Nation in case we were involved in a war? Both committees of Congress claim that they are going to the bottom of all this in order to find out who has been responsible for all of the irregularities in the years gone by.

A grand jury in Washington has been in session for several weeks in order to hear witnesses who have inside information relative to some of the alleged crooked contracts made for the purchase of uniforms and supplies in the War Department, and men high up are being asked to waive immunity from prosecution and come before the same. Would it not be a fine thing if there could be found some way to keep crooks from using unethical methods and mulcting the Treasury of the United States?

I made a speech last week calling attention to the big corporations that have obtained their capital by selling stock to the public which in a little while stops paying dividends; however, the officials of such companies instead of reducing their salaries continue to pay themselves bonuses and in some cases the same amounts to as much as $200,000 per year. This is nothing but inside robbery. I have a lot more respect for "Pretty Boy" Floyd, or any other bank robber who only takes a few thousand dollars from time to time, than I have for one of these inside robbers who often takes as much as $100,000 at a time from his stockholders by being able to collect enough proxies to keep himself in office. Therefore, I am proud that it was my privilege to vote for a bill that brought all of this information out to the front during the last few days; thus showing to the public, the companies, and giving the names of the officers who have defaulted and cheated their stockholders in order to enrich themselves. There is one thing sure; if there is not enough money available in the Treasury to take care of our ex-service men, Spanish-American War veterans, and to provide employment for the meritorious, as a member of the Ways and Means Committee I will glady vote to confiscate all salaries in excess of $25,000, and in addition raise the inheritance and other forms of taxation sufficiently high to keep the Budget balanced.

I am highly pleased that President Roosevelt has announced that he intends to provide means sufficient to take care of certain classes of the unemployed after May 1. We were somewhat disturbed because we were afraid that normal industry would not furnish a sufficient amount of employment to take care of those who are now working under the Civil Works Administration; however, the President announced that the $950,000,000 recently appropriated would be a sufficient amount to carry on activities until normal recovery will be able to absorb those who are entitled to be given employment.

We are glad to announce that money conditions are still improving. Very few people have a proper conception of what Uncle Sam was up against when the various nations of the world began to slide off the gold standard—and what would have been the effect if some radical changes had not taken place with respect to our currency system. At this minute every nation in the world is engaged in financial warfare; they realize that if their currency can be made a little cheaper than some other countries that it will cause such nations to have an advantage when it comes to commerce. This being true, several nations—before the United States went off the gold standard—actually formed a money pool for the purpose of keeping the American dollar so high that their nation would have a distinct advantage in selling manufactured

articles for export trade, and because of this situation our export trade was practically ruined when President Roosevelt came into power, and it is to his credit that he had the nerve to smash right between the eyes all of these so-called "international bankers" who were enriching themselves at the expense of our Nation by putting into effect the kind of a monetary plan that has been very beneficial.

One of the Washington papers this week called attention to the fact that a banker said to a customer who desired to deposit $1,000, "We can't take your money. We have to limit the deposits of some of our customers." Another institution will not take deposits unless a person is able to furnish good references. Actually, the guarantee bank law which our district started years ago, has brought about flushed conditions when it comes to cash, which is absolutely beyond the comprehension of an ordinary man. Our dollar has been cheapened about 40 percent, yet I have not felt it in any way, and I don't believe that many of our citizens will ever know that this sleight-of-hand performance has been brought about. In fact, most of the difference in price has been absorbed by the middleman; anyhow, it has produced a wonderful effect, causing this Nation now to have nearly as much gold as all of the other nations of the world, and there is one thing certain, we are going to come out of this bad situation in some way that will be satisfactory to practically all of our people.

---

AIRCRAFT

(Mar. 13, 1934)

Fellow Oklahomans, again through the courtesy of Station KASA at Elk City, I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all of those who may be listening.

The subject of aircraft is once more uppermost in the minds of not only the lawmakers but a large number of the citizens of the United States. An investigation has been started by the grand jury of the District of Columbia for the purpose of finding out something about the methods of letting contracts for planes by the War Department, and the names of men high up in different avocations of life have been mentioned in connection with influence favorable to various organizations. One of the most startling disclosures was the fact that 3 days prior to the close of Mr. Hoover's administration the sum of $5,000,000 was expended for Army plane parts, causing to be purchased large supplies that were not needed, and it is evident that the reason for such haste was to give to certain favorites this class of business, prior to the time the authority would go to others. The House of Representatives has passed a resolution authorizing an expenditure of $10,000 to be used in defraying expenses in connection with the payment of witnesses and to employ an attorney to make an investigation of all Army purchases. The statement was made on the floor of the House that the Military Affairs Committee, under the leadership of Chairman McSwain, had promised that they would go to the bottom of this matter and "let the chips fall where they may."

In this connection, it will be remembered that profits as high as 50 percent were made by many of those who were favored with contracts to supply airplanes; and it is the thought of many of our people that when profits of this kind are made that oftentimes the finished planes do not embody all of the latest improvements, and that this may be the cause of a large number of Army pilots losing their lives when called on to perform service in carrying the mail under strenuous conditions. Similar charges have been lodged against naval contracts, and the standing committee in charge of legislation of this kind attempted to hold a hearing for the purpose of finding out why some concerns were paid profits as high as 50 percent.

Some of you may not know it, but the Naval Affairs Committee is a partial organization, as nearly every member represents some district that either has a navy yard, shipbuilding plant, or some other activity owned and controlled by the Navy. Therefore, unless a Member is willing to carry out the wishes of the admirals who determine the policies of the Navy, his district is liable to be punished by having such activities withdrawn or smothered to death, and, of course, such Members feel obligated to do just exactly what they are told to do. This hearing was conducted under the leadership of the same Member of Congress who was appointed by the authority of a special House resolution to investigate the *Akron* disaster. Speaker Rainey appointed me to serve on that committee, but when I found out that two of the members were connected with the Military Affairs Committee and the other two the Navy I respectfully declined, because I believed it would be impossible to obtain any kind of a report unless it met the approval of the Navy Department.

Therefore, after a rather extensive hearing, in which the committee had access to practically all of the records relating to the disclosures that have recently been brought out, a report was submitted to the House, which completely exonerated the Navy. Anyhow the *Akron* is no more. This same gentleman has again given out to the press a statement to the effect that there is nothing wrong with the conduct of the officers in the Navy, relating to the purchase of airplanes in the past. We have a neighbor on the south of us, Congressman McFarlane, of Texas, who advises me that there is no justification for such action, and that he will file a minority report, in which the public will be given what we sometimes call "the low down."

The revival of this question and the bringing to the surface of a lot of bad practice and irregularities has brought Gen. William E. Mitchell, the deposed head of the Army aircraft during the World War, into the limelight. This general has maintained for a period of 12 or 14 years that the officers in the Army were not in any way favorable to the development of this branch of the service, and has continuously called the public's attention to the fact that the planes furnished to the Army and Navy were far inferior to those owned by many nations of the world. Everyone remembers that General Balboa, of Italy, flew 21 ships across the ocean, encountering Arctic weather and every other kind of situation, and he only lost 1 plane during the entire trip. There isn't another record in the world that compares with this one, and it tends to substantiate the charges that have been made by General Mitchell relative to the efficiency of aircraft of other countries.

I have been a strong advocate for many years of changing the present set-up with respect to national defense, by having three branches of this service. One in charge of air, one of land, and the other the sea, thus establishing the policy that is now carried out by England, France, Japan, and practically all of the other major nations of the world. However, there is in this Government a perpetuation of old Army and Navy officers, who look with disfavor upon any new invention, and who are satisfied to carry out the traditions of the days gone by, feeling and believing that that which was good enough to protect this Nation in the past will be sufficient in the future. It is to be regretted that the citizens of this country apparently are powerless to break down the enormous influence that is maintained by those in control of these two branches of the service to the extent that our country cannot have the most up-to-date weapons of defense and offense that human ingenuity can provide.

I have a distinct recollection that soon after the World War, when I became a member of the Naval Affairs Committee, that most of the members, with the exception of myself, were apparently against expenditures and authorizations for aircraft. On one occasion it was proposed that a debate be held at one of the public theaters in Washington, at which I was to affirm the virtues of aircraft and a distinguished gentleman from Califoria, one of the members of the committee, was to take the opposite view. This talk would not be complete unless I made the statement that before my promotion to the Ways and Means Committee, every single opposing member, serving in this capacity had completely changed his viewpoint.

In this connection it will be remembered that for a period of about 3 years, while serving on the Naval Affairs Committee, I advanced the idea that the old obsolete battleships that were hid up the James River during the World War to keep them from being sunk by submarines could be used as an instrument of warfare, if a small second deck were built on each ship for the purpose of carrying bombing planes, thus making such ships their own airplane carrier, enabling them to send projectiles several hundred miles instead of depending upon old obsolete cannons. Finally, when the press carried a sufficient amount of information to arouse interest, it became necessary that an investigation be made, and Admiral Moffett sent one of his trusted officers to my office for the purpose of convincing me that the plan was impractical and should not be put into effect. After a conference, which lasted the greater portion of a day, the officer became convinced that a ship of this type could be constructed and carried such a recommendation to Admiral Moffett.

Then, when the London Conference was held, this admiral had included as a part of the agreement an amendment which allowed nations to develop such a new type, and the Naval Affairs Committee of the United States was the first body of this kind in all of the world to recommend such construction. Admiral Moffett is dead; I am no longer a member of the committee; and, apparently, there is no one in Congress who has sufficient power to break down the opposition of those who favor new ideas. When the new appropriation bill passed the House it carried an authorization for nearly a billion dollars, and there was not a single word in the bill to make certain that any of this money would be utilized in constructing this, the most outstanding type of airplane offense and defense that can be provided.

At present we depend upon large, cumbersome airplane carriers, such as the *Lexington* and *Saratoga*, that cost naked more than $50,000,000. These were constructed under some of those wartime 10-percent-plus contracts, thus enabling the builders to carry on the work of construction for an indefinite period of time and to pay salaries sufficiently high as to make the finished ship the most costly of any of its class in the world. I offered a resolution providing for an investigation; however, there was not an official connected with the Navy Department who was willing to render any assistance; but, on the other hand, everything possible was done to keep the subject smothered, as, in my opinion, they knew that the facts when brought to the light of day would not stand inspection, and every statement I am making has since been substantiated.

When the United States Navy constructs this new type of ship, then no more will we have to construct airplane carriers and it will reduce the cost of maintaining this branch of service at least one-third and, at the same time, give the Navy 50 percent more efficiency.

The reason I have gone into this subject is that the United States, and especially Oklahoma, is air-minded. The major percent of its citizens feel and know that the air offers more possibilities for future development than anything else and that the time is not far distant until planes will be circling the globe; then nations will lay aside all types of obsolete weapons of offense and defense and unless we have the newest and most up-to-date instrumentalities that can be provided by mankind, we cannot hope to carry on in a successful way.

Ladies and gentlemen, I was chairman of the subcommittee that first investigated the *Akron*. It was my privilege to be in charge of the committee that went to Lakehurst for the purpose of flying on the *Akron* the day it crashed. I offered the first resolution in the House asking for an official investigation of this disaster. It was in my office in Washington that the first agreement was made that brought about the establishment of the first school in the world to teach aircraft. My colleagues have given me credit for promoting the new combined cruiser and aircraft carrier, and I am hoping that the result of all of this publicity will cause an awakening in this country of the citizens to the extent that our country can have both on land and sea the kind of aircraft that will enable the Nation to carry on all activities in the most efficient manner possible, and as a last word, I want to pay tribute to Gen. William E. Mitchell, who was court-martialed for giving the public the true situation with respect to what was taking place, and the old adage has been exemplified, "Truth crushed to earth will rise again."

---

COTTON LEGISLATION

(Mar. 20, 1934)

Fellow Oklahomans, again through the courtesy of Station KASA at Elk City, I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all of those who may be listening.

The legislation affecting the great cotton industry has occupied a very prominent position in legislative channels during the past week and none can tell what the final result will be until the Senate acts on the same. This bill is designed to save the cotton industry and because of its particular application to a large number of those whom I have the honor to represent I feel that correct information concerning this subject should be interesting to every individual in a cotton-producing area.

The United States exports more cotton than any other nation in the world, and of all commodities produced cotton represents in dollars and cents the most important crop grown in the United States. Our Nation is confronted at the present time with one of the most serious situations that the Government has ever been called on to solve and this is because practically all of the other nations have changed their legislative authority to the extent that they are able to levy prohibitive taxes against any kind of commodity instantaneously; this means that nations can over night levy a tax so high that it would, in effect, be an embargo against shipments that happen to be in transit on the seas. The Ways and Means Committee during the past week has been holding hearings for the purpose of rewriting our law relating to this subject, in order that the President of the United States may have the right to bargain or make trades with such countries, thus enabling him to increase rates on imports or to levy embargoes by using the quota system in order that our commerce may not be wiped off the seas.

If something is not done to bring about a better readjustment of conditions affecting our exports and imports, the United States will continue to drift into a situation where it will be impossible for our people to enjoy the profits of trade from other nations.

Let us compare cotton with wheat as a stable commodity produced in large quantities in the United States. Testimony has been given to our committee by prominent citizens to the effect that the export trade, relating to wheat, has practically ceased, and the figures show that the total value of wheat exported in 1933 amounted to only $4,768,000. What does this mean? The answer is that England, Germany, Italy, France, and other nations have caused a sufficient amount of virgin agricultural lands to be planted in wheat to produce a yield practically sufficient to take care of their own citizens, thus wiping out the market that we have enjoyed in the past to a large degree. It is for this reason the Government has put into effect a plan for the curtailing of the crop, and it means that a percentage of the soil used to grow wheat must be utilized for some other purpose, as we, as a nation, cannot hope to export but little of the surplus wheat that is grown in the future. Let us look at cotton. The United States, as a nation, exports about 50 percent of the normal yield per year. Because of the cheapness of labor in other nations where cotton can be produced, if such countries increase their acreage, the inevitable result will be that cotton can be placed on the market for a much lower price than we can produce it in the United States.

At present foreign nations are planting 26,000,000 acres in cotton and, according to the figures, they are proposing to increase this acreage to the extent of 20,000,000 acres. If such new acreage produces one-fourth of a bale per acre, it will mean an additional yield of 5,000,000 bales, which will be in competition with the cotton produced in the United States. This will have a disastrous effect upon the cotton-producing sections of the United States, to the extent that further reduction in acreage will have to be made or new uses for cotton will have to be found within our borders.

Brazil has, at the present time, 222,000,000 acres of land that can be planted in cotton. Concessions have been made by this country to Japan, and in 1930, 30,000 Japanese citizens came to Brazil for the purpose of growing cotton. Egypt, the Soudan in Africa, and other countries in South America can enlarge their acreage to the extent that our export cotton business may be wiped off the map. At present India produces more than 3,000,000,000 yards of cloth from cotton each year, from its 278 cotton mills. England, Japan, and other countries are providing a sufficient amount of spindles and looms for the manufacturing of the amount of cotton goods that is necessary to supply their own use.

In view of the fact that the majority of the major nations of the world owe us large sums of money, which cannot be paid at the present time unless there can be found some way to balance the economic conditions, the citizens of our country will have their export market severely curtailed. This brings us to the thought that there must be an economic readjustment within the borders of the United States to the extent that our citizens will realize the necessity of using our own products in preference to those that are shipped from abroad.

The so-called "Bankhead bill" is designed to protect the cotton producer and to bring about a fair disposition with respect to yield, so that the large landowners may not take an unfair advantage of those whom we term "the little fellow." It provides that the provisions of the same shall apply to cotton produced in 1934, 1935, and 1936; also, that the President, if it is desirable, can apply it to the crop produced in 1937. Also, should it be decided that the provisions of this act shall not apply to the cotton produced in any crop year, the President may issue a proclamation proclaiming this fact. It is the intention of the author of this bill to, as nearly as possible, comply with the wishes of those who produce cotton, and the bill specifies that the President, when convinced that two-thirds of those who own, rent, or control land suitable for the production of cotton are favorable to the provisions of this bill, he can cause to be levied a tax equal to 50 percent of the selling price of cotton, not to exceed 5 cents per pound.

In addition the Secretary of Agriculture is authorized 60 days prior to each crop period to make an allotment of bales of cotton to each county in the cotton-growing area in such a manner that the individual owner of land may know the exact number of bales of cotton that he can produce within a crop year in order that the total production may not exceed 10,000,000 bales.

It is provided that each producer of cotton may receive a tax-free certificate covering the number of bales of cotton that he may produce, and, if I read the bill correctly, should there be a storm or any other kind of disaster that would make it impossible for a person to market the number of bales of cotton that has been allotted, such person is privileged to dispose of his tax-free certificate or to utilize the same in a succeeding year.

The ginners of cotton will be charged with the responsibility of making monthly reports to the collector of internal revenue, remitting such tax as may be collected on surplus production. It is also provided that cotton produced in surplus may be stored for a period of 1 year without the necessity of paying the tax, and this provision will give added protection to those who might suffer a loss brought about by crop failure or other situations that cannot be foreseen.

One of the most important provisions contained in this act authorizes the President to enter into agreements with foreign countries to fix the amount of cotton that may be exported by the respective countries entering into agreements and to make all rules and regulations for the carrying out of such agreements, which can be construed as a power to negotiate for trade quotas.

At the present time the United States has an organization known as the "Tariff Commission" and the provisions of existing laws make it possible for the President to increase rates after an investigation has been made and recommendations presented to him covering rates applicable to any commodity, unless the same should be on the free list. This provision of law cannot effectively give to any authority of our Government quick means of coping with new situations that exist in practically every country of the world; and unless something is done to provide new machinery for the handling of such crops as cotton and wheat, the producers in this country are faced with a situation that may destroy completely our export market. Everyone that is posted realizes that the United States has a carry-over of approximately 10,000,000 bales, and that this is a factor that has a disastrous effect upon the price of cotton. Two years ago the product of the cotton farmer was sold at a price less than one half of that which it is now bringing. In my opinion the cotton producer cannot hope for a continuation of the ruling price unless new uses can be found for cotton and the yield be controlled to the extent that this surplus can be cut down. I am of the opinion that if the Government had not agreed to withhold from the market the so-called "option cotton", that which the Government loaned 10 cents per pound on, and the number of bales that were taken over from other activities, that the price could not have been kept up to the present figure.

I have always taken the position that it is far better to bring about a regulation of a commodity by causing the interested persons to agree on some voluntary plan; yet, when it is taken into consideration that there are certain foreign investors who are interested in large cotton plantations in the South who will not enter into any voluntary agreement for the reduction of acreage, it means that the "land hog", or the unfair producer, would gladly take advantage of any situation to produce more cotton in case the success of the plan rested upon voluntary agreements. In view of the fact that our export trade is threatened with extermination and we do not consume in the United States only about one half of the normal yield, it leaves this great industry in a predicament which makes it necessary that the Government put into effect some regulation that will be fair to all concerned—and this is the basis upon which the great Agricultural Committee considered this subject and reported favorably to the House the so-called "Bankhead bill."

I think it would be interesting to those who are listening in to know that Congressman FULMER, of South Carolina, a member of

the Agricultural Committee, made the statement when speaking on the floor of the House that of all the witnesses that appeared before the committee to give testimony on the Bankhead bill, there was only one who opposed the same, he being Mr. Johnson, of the State of Mississippi. The following quotation relates to his testimony:

"Mr. Johnson on the witness stand.

"Mr. BANKHEAD. I believe you say that you have about 48,000 acres in cotton?

"Mr. JOHNSON. No; I said that we have about 48,000 acres in the plantation and about 25,000 acres in cotton cultivation.

"Mr. BANKHEAD. Now, is that not all tenanted by sharecroppers?

"Mr. JOHNSON. Practically all of it; yes.

"Mr. BANKHEAD. They are all colored tenants, are they not?

"Mr. JOHNSON. Yes; practically all.

"Mr. BANKHEAD. Have you no white tenants on the farm?

"Mr. JOHNSON. Probably two or three.

"Mr. BANKHEAD. How many families are on that farm?

"Mr. JOHNSON. On the 3 farms, about 1,600 families; fifteen or sixteen hundred families.

"Mr. BANKHEAD. Who owns that property, Mr. Johnson?

"Mr. JOHNSON. The property is owned by a corporation; a part of the stock is owned in this country, but about 60 percent of it is held in England, a majority of it. About 40 percent of the stock is held by various persons in America, including myself."

In addition to this class of foreign investment, I personally know that in the so-called "delta country" of the Mississippi Valley there are thousands of large plantations whose principal crop is cotton and that the owners of the same will not cooperate in a voluntary manner with the Government for the purpose of taking out of production a certain number of acres. They know that if a sufficient number of the "little fellows" can be induced to sign up an agreement for the purpose of reducing the yield that if they refrain from taking such action that it will enable them to produce a 100-percent crop and be given the benefit of the increased price.

It is unfortunate in life that our citizens always have to contend with an element that is not willing to cooperate for the purpose of bringing about a very much needed result, and the so-called "Bankhead bill" provides a prohibitive tax on cotton produced in a surplus which will force such unethical landowners to do their part. I am intensely interested in protecting the grower of every commodity in the Nation, and have always supported every bill that has had this result for its purpose. Therefore, in view of the intensive study I have made of all of the conditions surrounding this one crop that so vitally affects the largest one area in the United States, it seems apparent that this is the best policy for the Government to pursue at the present time.

---

PHILIPPINE LEGISLATION

(Mar. 27, 1934)

Fellow Oklahomans, again through the courtesy of Station KASA at Elk City I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all of those who may be listening.

The subject of Philippine independence is one that has been brought to the attention of Congress for a number of years, and during the past week the House considered and passed a new bill for the purpose of extending the time for acceptance by the Philippine Legislature; in addition amended the same in order to meet certain objections of the Filipino citizens.

The United States Government has always declared to the other nations of the world that our people did not seek additional territory nor to compel the citizens of our insular possessions to give special recognition to the United States when they were capable of self-government. Every President since McKinley has announced as being in favor of giving to the Filipinos their independence as soon as its citizens were capable of providing a satisfactory form of government; and in addition, the platforms of both parties have been specifically in favor of such a principle. The Filipino race is one of the oldest in the world; their civilization dates back much further than that of our country, and they were proficient in many of the arts and sciences a long time prior to those of many nations. It will be remembered that in 1519 Magellan, a Spanish commander, was killed in a battle by being struck with a steel instrument, which shows that they had a knowledge of manufacturing this metal long before the same was perfected in many nations of the world. In fact, other articles of domestic use show conclusively that they were as progressive as the citizens of Japan in some respects.

The Philippine Islands are peopled with several distinct races, which differ in many characteristics. The Irogotes were possibly the most difficult to subdue, and after the Spanish-American War had been concluded, it was necessary to maintain military control in these islands in order to subdue this tribe, and the struggle was not completed until after several years of intense guerrilla warfare.

The Philippine Islands embrace a territory that is greater than all of New England, including the State of New York. They have a population of over 14,000,000, which exceeds the Republic of Mexico; and, in addition, is greater than 10 of the South American republics. The progress made during the time the islands have been under our flag is very marked. This has been brought about in a large degree because of American capital invested to the extent of $247,000,000. Many of those who opposed this legislation did so on the grounds that the Filipinos were not sufficiently advanced to be able to maintain a stable government; yet, the facts show that the Filipinos have an educational system that compares favorably with many of the nations of the world. At present there are over 8,000 public schools, employing more than 28,000 teachers. It is an interesting fact to know that the University of Manila was founded in 1611, which was 25 years prior to the establishment of Harvard University, one of the oldest colleges in our Nation. It is said that approximately 80 percent of its citizens, at the present time, have a knowledge of the English language, and can read and write. One of the chief causes for advancement in these islands is the splendid Public Health Service which maintains 105 hospitals and has been established for a period of 15 years, and is entirely under the control of Filipinos.

The judicial branch of the Government is represented by a supreme court, with 28 lower courts, and in addition there are nearly 1,000 justices of the peace who have a jurisdiction similar to those within the United States. I am sure that many of our listeners will be interested in knowing that 92 percent of the Filipinos are Christians, 4 percent pagans, and 4 percent Mohammedans, thus showing that Christianity has gone hand in hand with the development of the new civilization in these islands.

The provision of the legislation that relates to independence provides: First, for the formation of a constitution; second, limitation of exports, and after 5 years the tax to be applied on the bonded indebtedness; third, an immigration quota of 50 individuals; fourth, the creation of the office of American High Commissioner; fifth, after a period of 10 years, on July 4, the withdrawal of American sovereignty; sixth, the relinquishment of all Army bases, including some 300,000 acres of land that is now occupied for this purpose; seventh, negotiations as to naval bases.

I desire to briefly comment on some of the provisions that relate to this subject. The Army officials in Washington have always opposed the relinquishment of any kind of territory now under the jurisdiction of the United States for the reason they realize that if activities are to be curtailed it will mean a reduction in their appropriation that is provided annually by Congress, and any policy that would have the effect of reducing the number of officers or men in the Army is always frowned on. As to naval bases, in my opinion, the maintaining of the same in a country very near Japan will be an eyesore to this great nation and may result in a controversy which can cause embarrassment in the future. Therefore, it would seem to me that if the Army bases are to be given up that the same policy should be put into effect with respect to the Navy, as any policy maintained by the United States that is liable to embroil us in a difficulty with a major nation, in my opinion, is unwise.

There are those who feel free to express an opinion that the time may come when Japan will feel that it is within her power to take the Philippine Islands and, should this happen, the United States would be severely embarrassed if we continue to maintain any kind of military activities within this possession. This being true, I have always felt that the interest of the 120,000,000 citizens of the United States was more important than those of a citizenship located some four or five thousand miles distant and that whatever policy was adopted by this Nation should first take into consideration the rights of our own people.

The main opposition to the so-called "Philippine independence" has always come from those who have large investments in this nation and who are more interested in commerce than in the rights of humanity. Under the present agreement, with respect to commerce, the Philippine industries are allowed to export sugar, copra, sisal, and other products in the United States without paying a duty. This is a differential that has enabled certain industries to make many million dollars and the beet-sugar people of our Nation have severely complained because of such regulations on the ground that their industry is being confronted with the kind of competition that makes the growing of beets unprofitable.

I am practically sure that it would not have been possible to pass this legislation without giving consideration to this subject, and the present bill allows 50,000 tons of sugar and 800,000 unrefined tons to come into the United States in the future for a period of 10 years without paying any duty. Also, opposition came from those who are interested in the production of coconut oil, and it was agreed that 200,000 tons of such oil should be admitted free during the 10-year period. Similar provisions were provided to take care of cord, rope, and other products, which, to say the least, is fair to those interested in such occupations.

During the past week the Honorable Manuel L. Quezon, the President of the Philippine Senate, has been in Washington with a commission for the purpose of ironing out existing differences and promoting this new legislation. It was my privilege to serve with this distinguished Filipino in the years gone by, and I think he is one of the best educated and probably the most forceful character ever produced by his race. Therefore when a message was presented to Congress from the Philippine Legislature, stating that the terms of the new bill would be acceptable to the Filipinos, the opposition folded up and the bill was passed practically unanimously.

According to the provisions of this legislation, direction is given to the form of a constitution that shall be adopted by the Philippine people, and it is further provided that within a period of 4 months the same shall be submitted to its citizens for ratification; then when action is taken, the Philippine Legislature will prescribe new legislation with respect to the calling of elections for the purpose of allowing their citizens to fill such offices as are necessary to maintain their government. In other words, this Nation provides that they shall have a period of trial, and during

the same the United States will appoint a High Commissioner as an observer with certain powers for the purpose of rendering service to the officials of this new proposed republic until the time arrives when they can have absolute freedom.

It is significant that their day of independence is to be on July 4, which is the day that we celebrate for the same reason; and when these 14,000,000 people become an independent nation, they will have the same rights as are accorded to other nations of the world with respect to commerce and to be represented at the capitals of the other nations.

In summing up the results of our wars in the past, a lesson is taught to our people when it is taken into consideration the number of those who gave up their lives and the terrible cost in dollars and cents, that never ceased until the participants and their dependents had passed on to the beyond. The Philippine Islands cost us in money, according to the Treaty of Paris, $20,000,000, which is a clear loss to the taxpayers of this Nation, which is in addition to the millions of dollars that this Government has expended in appropriations for the purpose of maintaining our Army and Navy and the various officials who look after the welfare of the Government. In addition, the privileges given to exporters of different commodities have had a disastrous effect upon articles produced in the United States; and when a comparison is made with Cuba, Puerto Rico, Haiti, and our insular possessions, one is bound to come to the conclusion that territory conquests are expensive follies and that in the end saddle upon the taxpayers a burden that carries on pretty nearly indefinitely. Therefore, it would seem to the person who is acquainted with all of these facts that our citizens should be taught the lesson that territory acquisition by force is the most expensive policy that can be put into effect, and nations that continue this kind of programs are always subjecting their citizens to baptism in blood. I am hoping that the time will never come when we as a Nation will allow ourselves to become embroiled in another foreign difficulty, and I feel that President Roosevelt and the members of his administration are to be congratulated for taking this forward step in order that our Nation may be free from the kind of entangling alliances that might engulf our people in the greatest war that could be fought on the globe.

---

VETERANS' LEGISLATION

(Apr. 10, 1934)

Fellow Oklahomans, again through the courtesy of Station KASA, at Elk City, I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all of those who may be listening.

I am sure that all of those who are listening will be pleased to obtain information concerning the bill which was enacted into a law over the President's veto, as there are some who do not know that President Roosevelt, in his message sent to Congress, first presented an argument stating why he could not approve the legislation, and then specifically used the following language, which showed that he was in sympathy with most of the provisions contained in the act:

[From President Roosevelt's message]

"A few weeks ago I gave approval to an amendment the purpose of which was, pending the determination of their appeals, to restore to the rolls at 75 percent of their compensation those veterans in whose cases the presumption of service connection was disallowed by the local boards. I intend now by regulation forthwith to direct an appeal by the Administrator of Veterans' Affairs in each and every one of these disallowed 29,000 cases, with the further direction that in the final determination of these cases every reasonable doubt be resolved in favor of the veteran, and every assistance be rendered in the preparation and presentation of these cases. While these cases are pending the veterans will be paid 75 percent of their compensation they received prior to the time they were removed from the rolls. If the appeal is allowed, they will receive back compensation. Only in cases disallowed by the Board of Appeals will the veteran thereafter be permanently removed from the rolls. This regulation will be put into effect at once."

In regard to Spanish-American War veterans, he stated as follows:

"I come now to the provisions of the bill relating to Spanish-American War veterans. To this group of ex-service men I have devoted much thought. Because of their age they command sympathy. Nevertheless, we must recognize also that many abuses have crept into the laws granting them benefits.

"I am today directing the restoration to the rolls of those Spanish-American War veterans who in 1920 were receiving pensions as a result of having sustained an injury or incurred a disease arising out of their war service.

"By regulation 12 a presumption of service origin was extended to Spanish-American War veterans on the rolls on March 19, 1933. In order to take the same action which I am taking in regard to World War veterans, I am directing the restoration to the rolls, as of this date, at 75 percent of the amount they were receiving on March 19, 1933, all Spanish-American War veterans pending a final determination of their cases before the Board of Appeals."

Continuing further, he said: "It goes without saying that I shall not hesitate to make further changes if the principle of justice demands."

I am sure that the American Legion's viewpoint on this subject will be very interesting, and National Chairman E. A. Hayes gave out the following statement prior to the passage of this bill, which is self-explanatory:

MY DEAR CONGRESSMAN: The morning newspapers state that President Roosevelt proposes to veto the independent offices appropriation bill, containing amendments to the veterans' disability laws which incorporate, in substance, three points of the Legion's four-point program.

"Inasmuch as the President plans to leave Washington today, it is likely that the House of Representatives will vote upon the veto prior to his departure. In this event we believe the Congress should understand the points at issue affecting World War disabled from the viewpoint of the American Legion. There being insufficient time to address a letter to each Member of the House, I would appreciate your securing permission to read this letter from the floor for the information of the Members.

"There were originally three points at issue affecting the disabled. The hospitalization point has already been substantially granted by Presidential regulations, so all that has remained on this has been to enact it into law. This has left two points, contained in the bill before you, which have not been granted by Presidential regulation, and concerning which differences of opinion have existed.

"The first point has had to do with restoration of the payments received by the entire service-connected World War disabled group. This cost has been estimated at $31,308,000 by the Veterans' Administration, although the Legion has believed that the cost would be substantially less than this sum.

"The second point concerns eligibility to service connection for World War disability, and affects some 29,000 so-called 'presumptives.' The first year's cost of this proposal has been estimated by the Veterans' Administration at $10,900,000.

"I will now discuss briefly the first point, that affecting restoration of the rates of pay received by the World War disabled group, concerning whom everyone admits there is no doubt that World War service disabled them. The types of afflictions which have disabled this group can be roughly subdivided into four groups, which are veterans suffering from tuberculosis, from neuropsychiatric disease, from general medical and surgical afflictions, and the amputation cases.

"I think you gentlemen will recall that during the debate of the Economy Act a year ago, it was repeatedly stated in the Congress that nobody planned and nobody desired that the veterans who had been admittedly disabled by their World War service should have one cent taken away from their disability compensation. Yet we find now that, notwithstanding the increases which have been made by Presidential regulations, that the substantial amounts have been taken away from the war disabled, which I have just set forth.

"The Legion does not now believe, nor have we ever believed, that it was the desire of the American people or the American Congress to so sharply reduce the Government's payments to the admittedly World War disabled.

"President Roosevelt in addressing our national convention at Chicago last October told the Legion the following in connection with this group: 'Furthermore, it is my hope that, insofar as justice concerns those whose disabilities are, as a matter of fact, of war-service origin, the Government will be able to extend even more generous care than is now provided under existing regulations. It is to these men that our obligation exists.'

"So much for the restoration of service-connected disability payments which the Legion has sought and provision for which is made in the independent offices bill now once more before you.

"This bill, however, contains certain exceptions to a blanket restoration of payments, exceptions which the Legion itself has advocated. So, as a matter of fact, although the bill would in theory restore the old payments, it would not do so in all cases.

"I now come to the second point at issue, which is the third point in the Legion's program—that of restoration of eligibility to service connection as it existed prior to the Economy Act.

"This concerns the 29,000 so-called 'presumptives', 90 percent of whom are World War veterans suffering from tuberculosis or neuropsychiatric disease, men whose disabilities had been connected with their service under laws in existence since 1921, subsequently twice amended insofar as the presumptive date was concerned.

"Senator BYRNES, of South Carolina, who was in charge of the bill in the Senate, offered to restore these men to the service-connected rolls at 75 percent of their former payments. This offer was made presumably on behalf of the administration. It proposed a temporary restoration only, with payments to be made until review of the cases on appeal could be had by the newly created Veterans' Appeal Board.

"The cost of this proposal was estimated at $10,900,000 a year, or the exact same yearly cost which would be incurred to restore this group to the rolls permanently. The point at issue between the administration's plan and the Legion's plan was this: Under the administration's plan the Appeals Board would pass upon the veterans' eligibility to service connection, under the very same rigid and restrictive rules and regulations of the Economy Act, through the operation of which they had their service connection broken a year ago.

"Service connection is difficult to establish 10 or 12 years after a disability has developed. Thousands of these men are insane and are confined in the Government hospitals. Other thousands now lie upon their backs upon beds for the tubercular. There is small opportunity for either class to now prove their direct service connection. It was this very difficulty which the Congress

had in mind when on its own initiative it enacted the presumptive legislation, for the Congress realized even then the difficulty of proving service connection in many thousands of cases."

It has been the policy of this Government ever since the Revolutionary War to take care of the disabled, the widows and orphans, and the dependents of those who performed service in the Army. This same policy has been in effect with respect to the Civil War veterans, Spanish-American War veterans, and, in part, to the World War veterans. It is known that every time there is a war certain financiers are enabled to manipulate their business affairs in such a way as to reap millions of dollars in profits. I remember very distinctly that Daniel Drew, who was the partner of Jay Gould during the Civil War, said that because he was able to bribe certain Army officers and other officials of the Government it was possible to obtain the result of the Battle of Antietam 3 or 4 days prior to the time the news went to the public, and because of this inside information he was able to manipulate stock markets in such a way as to make enough profits in dollars and cents to buy new uniforms for every soldier in the Civil War. Of course, he didn't buy any.

Everybody knows that prior to the World War every kind of propaganda possible was put out in this country for the purpose of molding influence and that the only ones who profited were the big munitions factories, shipbuilding corporations, steel companies, and others that took advantage of every situation to charge unheard-of profits for the various articles that had to be used by the Army and our citizens. The Government paid bonuses to its civilian employees throughout the Nation and, in addition, allowed one class of women known as "Yeomanettes" to have the same status as a soldier when it came to pensions, hospitalization, and other kind of considerations.

The poor private was forced to go to war. He was paid $1 per day for his service in the United States and a little more abroad. He made a genuine sacrifice, oftentimes giving up a lucrative position; and when it is taken into consideration the amount the disabled are now being paid, and compare that with the millions of dollars that were made by big business in this Nation, there is not anyone who can successfully say that he is not entitled to the consideration provided for in this legislation.

The World War will go down in history as the "foolish war." The United States was made the goat because we furnished the other countries a sufficient amount of money to enable them to buy munitions of war and the other necessities that had to be provided from some source. Today we are holding the sack while the foreign nations that owe us some $12,000,000,000 refuse to pay even the interest that is past due.

It has been my privilege, as many of you know, to visit the battlefronts in Europe from the Toul sector clear up to Mount Kemmell, and I say, without fear of contradiction, that anyone who has witnessed the various conditions that our lads had to go through cannot take any position other than to be willing to provide the comforts of life to those who were incapacitated to the extent that they are unable to provide a livelihood.

I know that there are some who feel that inasmuch as the acts performed under the economy bill had since been remedied or modified and that the President stated in his message that he was willing to restore, by Executive order, practically all that the measure called for—in fact, the difference in dollars and cents amounted to less than $90,000,000—that surely Members of Congress were justified in keeping their obligations to aid the disabled ex-service men wherever the opportunity presented itself.

Everyone knows that whenever the Nation is in the red that some method must be found to balance the Budget; also that those who make profits sufficient to pay any income taxes are the ones who, in a large way, support the Government. This being true, I propose, as a member of the Ways and Means Committee, that is charged with the responsibility of providing revenue, to lift the income-tax rates sufficiently high to take this money away from those who made enormous profits during the World War, and, in addition, I want to see Congress pass an authorization which will allow the people to vote on a constitutional amendment in order that interest on tax-exempt securities shall be subject to an income tax.

There may be those who will complain because of legislation favorable to the soldiers, yet when the Nation is confronted with a serious situation no thought, as a rule, is given to what may happen in the hereafter. Every citizen should be interested in adopting the kind of a measure that will prevent our Nation from entering into another war. There should be some measure which would make it possible to conscript incomes and wealth just the same as there will be to take our boys away from their mothers; and regardless of how others may view this subject, I am always going to carry out my campaign pledges, as I have felt that it was my duty to do on this occasion. I want it distinctly understood that in doing what I thought was right, it was intended in no way to cast a reflection on the great President, as I will continue to stand by him in sponsoring every measure that relates to the rehabilitation of the Nation.

---

DR. WIRT AND THE REVOLUTION

(Apr. 17, 1934)

Fellow Oklahomans, again through the courtesy of Station KASA at Elk City I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all of those who may be listening.

I am sure that every person listening in has heard of the charges made by Dr. William A. Wirt, of Gary, Ind., who is employed in that city as superintendent of public schools, which related to a plan to overthrow the Government, which he claimed was being sponsored by members of the President's so-called "brain trust." This subject was first given wide publicity by one James H. Rand, Jr., when testifying before the House Interstate Commerce Committee on March 23 of this year. According to the developments made by the investigating committee, it was shown that Dr. Wirt caused to be sent to a number of leading newspapers and others copies of his statements in this connection. The House of Representatives passed a special resolution creating a committee of five to make an investigation of the alleged charges, and Speaker RAINEY appointed as members of this committee Congressmen BULWINKLE, O'CONNOR, ARNOLD, LEHLBACH, and MCGUGIN; the 3 first Members named are Democrats and the last 2 Republicans.

The first hearing was held in the new Ways and Means Committee room, which is located in the New House Office Building. According to the information given to me, this apparently is the first hearing that has ever been held by a legislative body in the United States for the purpose of investigating a movement that some thought was launched for the purpose of overthrowing the Government, and, of course, every news-gathering agency in the United States and many representing papers abroad were represented for the purpose of advising those whom they represented as to all of the facts brought out.

On this date the largest crowd of spectators that ever assembled in this spacious room were present. In fact, there were two or three times more visitors on the outside trying to gain admittance than were on the inside.

The Ways and Means Committee room has a large rostrum on an elevated platform at one end of the building capable of seating 25 individuals, which is sufficient to take care of those who constitute this committee, and behind these elevated seats is sufficient room to accommodate a row of chairs, which were occupied on this occasion by Members of Congress and every other person who could squeeze his way in.

The photographers who represent the different newspapers and other agencies were there by the hundreds, and, in addition, the sound-recording instruments that supply Pathé and other similar agencies occupied one entire corner of the room with their instruments, which in some respects had the appearance of a battery of machine guns. The two major broadcasting companies caused to be placed in positions of advantage a sufficient number of microphones so as to catch every word that was spoken by the witnesses and the members of the committee.

It was my privilege to have a seat on the rostrum immediately behind Chairman BULWINKLE, who headed the investigating committee, and seated on each side of me were as many of the Members of Congress as could obtain a place where they could see what was going on.

When 10 o'clock arrived, the hour scheduled for the fireworks to begin, every person there received a thrill when the silver-haired ex-Senator from Missouri, the Honorable James A. Reed, walked into the hall, then came up on the rostrum for the purpose of shaking hands with his old colleague whom he had served with so long in Congress; and when it became known that he was there to act as counsel for Dr. Wirt everyone came to the conclusion that it would be a real battle before the hearing was concluded.

Chairman BULWINKLE rapped for order and the proceedings started. Dr. Wirt's name was called, and from the audience arose the individual whom all present came to see. Taking his position at the place reserved for the witness, every cameraman made a wild leap for the purpose of gaining a position of advantage in order that he might focus him, and for about 10 minutes the snapping of bulbs and the buzz of the different kinds of machinery very nearly disrupted the entire procedure. Senator Reed arose and addressed the committee, stating that he appeared as Dr. Wirt's counsel, and requested that a full examination be made and that his client be given complete authority to make a full statement concerning all of the alleged facts which had been given out by him to the press. It was at this point that the members of the committee clashed over procedure.

The Democratic Members, realizing that there were always certain individuals who would make a mountain out of a molehill, and that any statement made would be misconstrued by many, were determined that only the facts should be brought out, and the motion of Congressman O'CONNOR limited the hearings to such statements as had been printed. This action brought a severe protest on the part of the Republican Members, who were charged with desiring to play politics; however, the matter was soon settled and Dr. Wirt was placed under oath.

Senator REED protested against the decision of the committee when he was advised that it was not necessary for his client to have counsel, as the hearings were not held for the purpose of bringing out any information other than that which related to Dr. Wirt's charges that certain members of the so-called "brain trust" were ready to start a revolution, and Senator REED was advised that should he care to bring to the attention of the committee any particular information, he would be given the opportunity of presenting the same in writing to the chairman of the committee.

The sound-recording instruments and the Klieg lights again pretty nearly disrupted the proceedings as the witness began his testimony. Senator Reed finally complained to the chairman, stating that his eyes were a little weak and that he could not face the chairman until this part of the proceeding was stopped. The operators of the machines were on their knees begging the chair-

man and members of the committee not to put them out of the building, and for about 30 minutes they were allowed to continue, during which time Senator Reed kept his hands up to his face for the purpose of shading his eyes. The operating of these machines increased the heat within the room, and in addition it seemed that nearly every man and woman was either smoking a cigarette or a cigar, and had it not been for the person in charge of refrigeration filling the room with blasts of cool air, I am certain that the hearing would have had to be postponed, as conditions became pretty nearly unbearable.

The chairman of the committee read into the record a portion of Dr. Wirt's statement, calling attention to his charges, and then asked him to give his authority and all facts pertaining to the reason why he had given out such a statement to the press. Then Dr. Wirt told of a dinner that was given across the Potomac in Virginia, at which was the representative of the Soviet Government and five or six Government employees, stating that at this meeting information was given to him, principally by a woman, an employee of the Department of Agriculture, relating to those who held key positions in the Government and who were willing to join in the kind of planning that would establish a new order in this Nation, which, of course, was construed by many to favor Communism.

At each point in his testimony he was asked who made the statements referred to, and his answer in practically every instance referred to a Miss Kneeland. In his testimony he referred to Speaker RAINEY as having made a statement that could be construed as giving doubt as to how long this Government could stand, and such statement was promptly denied by the Speaker of the House. The name of Mrs. Roosevelt, the wife of the President, was also mentioned in connection with a colonization plan for the purpose of allowing deserving people to buy a small tract of land in order that they might have the opportunity of providing for themselves a livelihood, and Dr. Wirt stated that such a movement was the beginning of a plan which would depopulate cities and cause owners of the property to suffer losses. Mrs. Roosevelt promptly gave out a statement to the press ridiculing his viewpoint and, in addition, stated that the cost in money of what she was sponsoring was only a drop in the bucket when compared to the amount that is being expended for other humanitarian purposes.

Dr. Wirt laid great stress on different articles that had been published in a book by Dr. Tugwell. In fact, as I viewed the entire controversy, Dr. Tugwell's theories and pronouncements were the ones that seemed to inspire Dr. Wirt to make the charges with respect to the so-called "brain trust", although Dr. Tugwell was not present at the meeting held in Virginia. To say the least, Dr. Wirt, when called on to give the names of the members of the so-called "brain trust" who were fomenting a movement which might bring about a revolution, completely fell down, as the only names mentioned were a few employees of the Government who were carry-overs from the old administration in part and who held more or less minor positions with the Government, and it is the consensus of opinion that his charge was not substantiated.

It is interesting to know that practically all of the persons named by Dr. Wirt as being interested in a movement which might be termed communistic immediately gave out statements denying the testimony that referred to them, and in addition stated that Dr. Wirt at this meeting did practically all of the talking, discussing an entirely different subject, the same being the money question, and one person who was there described the meeting as a wash-out.

At 12 o'clock the meeting adjourned for the day. Dr. Wirt was asked if he could remain over until the next morning, and replied that he could. He returned to his hotel, and according to the press refused to answer the telephone or to admit anyone for a conference. In fact, the committee was not able to communicate with him for the purpose of advising that it had been decided that he could go home, and a telegram was sent him to this effect, thus bringing to a conclusion his part in this great melodrama.

It is always unfortunate for anyone to give out a statement alleging a fact which in truth is based on a rumor, and it is to be regretted that this educator apparently did not use good judgment in alleging statements which could not be proved to be true; anyhow, he can console himself in the thought that there never was a person in the United States who received as much free publicity as was given to him, and while his station in life was more or less obscure, he is now known to all our citizens as a person "who strained at a gnat and swallowed a camel."

The special committee will probably call the persons named by Dr. Wirt, who were present at the dinner, in order that they may under oath refute the testimony which has, more or less, placed them in an uncomfortable position, and if they make the same statements as have been printed by the press, the committee will conclude the investigation and the country will be saved. So much for Dr. Wirt, the "brain trust", and all others who have been named, which has resulted in clearing up a mystery which apparently was nothing but a myth.

---

RELIEF AND SUBSISTENCE HOMESTEADS

(May 1, 1934)

Fellow Oklahomans: Again, through the courtesy of station KASA at Elk City, I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all of those who may be listening.

During the first session of Congress under the Roosevelt administration, the Ways and Means Committee, of which I am a member, favorably reported the National Recovery Act, which made available more than $3,000,000,000 to be used as a fund to assist in the rehabilitation of the Nation. At that time no one could have a proper conception of the needs of our citizens, yet it was known that such a depressed condition was in evidence everywhere that it was necessary to change the order of the day by putting into effect new ideas with the hope the result would be an entire change in our economic situation.

The Nation was confronted with an overproduction of foodstuffs and other commodities of many kinds, and at the same time there was not a sufficient amount of employment to take care of the needs of our citizens, which resulted in millions being out of employment, to the extent that the morale of our people was at its lowest ebb.

In order to balance production and consumption in view of our decreased foreign business, it was necessary as one of the steps of recovery to curtail overproduction of various agricultural products in order that the price paid to the producer might be increased, and to bring this about at the earliest moment possible a policy was put into effect which would cause our farmers to take out of production a percentage of their tillable land and to bring about other forms of curtailment. This program at first was viewed with suspicion by many, as it was a wide departure in the way of an experiment from anything that had ever been tried out by Government agencies in the past. This program caused our farmers in 1933 to receive over $200,000,000 from the Government, and it is estimated that before the end of 1934 the amount they will receive for reducing acreage and production will be over $1,000,000,000. It will be interesting to know that the producers of corn and hogs will receive over $367,000,000; wheat growers, $148,000,000; tobacco growers, $35,000,000; cotton growers, $173,000,000; dairy farmers, $150,000,000; loans on corn, $111,000,000; loans on cotton, $110,000,000; and in addition $150,000,000 will be paid to dairy farmers and the producers of livestock.

It will be of interest to many to know that notwithstanding cotton acreage was reduced approximately 30 percent in 1933, because of the increased market price the total amount received by the cotton grower exceeded that which would have been paid him if there had been no reduction made in acreage, and when it is taken into consideration that corn sold as low as 15 cents per bushel and wheat at 25 cents per bushel prior to the time that this policy was put into effect, I am sure that the reduction program has had a corresponding effect upon other agricultural commodities.

The taking out of production a certain percentage of acreage will naturally cause some of the smaller farmers to seek other kinds of employment, and in many instances there will be those who will move to the cities with the hope of securing employment in factories and other kinds of industrial work. President Roosevelt, being intensely interested in the problem of providing an adequate living for every class of humanity, came to the conclusion that providing subsistence homesteads to those who were working in the mines, factories, and other occupations in or near industrial centers would take care of many who have left the farm and moved to the city; therefore, on October 21, 1933, he issued an Executive order as follows:

"EXECUTIVE ORDER

"By virtue of the authority vested in me by the act of Congress, entitled 'An act to encourage national industrial recovery, to foster fair competition, and to provide for the construction of certain useful public works, and for other purposes', approved June 16, 1933 (Public, No. 67, 73d Cong.), in order to effectuate the intent and purpose of the Congress as expressed in section 208 under title II thereof, I hereby authorize the Secretary of the Interior to exercise all the powers vested in me, for the purpose of administering all the provisions of section 208 under title II of said act, including full authority to designate and appoint such agents, to set up such boards and agencies, and to make and promulgate such regulations as he may deem necessary or desirable.

"FRANKLIN D. ROOSEVELT."

In order to provide the necessary funds for the establishing of subsistence homesteads, the sum of $25,000,000 was made available to be loaned to local organizations set up for this purpose, and a unit in the Department of the Interior was created to have full jurisdiction. In addition, an advisory committee was created with Senator JOHN M. BANKHEAD, of Alabama, as its chairman for the purpose of establishing a policy that would be suitable and fair to every section of the Nation.

Up to and including April 24, 1934, subsistence homesteads have been authorized to be established in groups at Birmingham, Ala.; Los Angeles, Calif.; Wilmington, Del.; Jasper and Putnam Counties, Ga.; West Frankfort, Ill.; Decatur, Ind.; Jasper, Ala.; Granger, Iowa; Austin, Minn.; Duluth, Minn.; Hattiesburg and 5 other cities in Mississippi; Hightstown, N.J.; Rochester, N.Y.; Wilmington, N.C.; Dayton, Ohio; Greenburg, Pa.; Youngstown, Ohio; and 6 in Texas. Applications have been received from every State in the Union, and as fast as local organizations are created it is proposed to continue the establishment of such agencies with the hope that this form of assistance will result in taking up the slack, anyhow to a large degree, caused by the general reduction program put into effect relating to agricultural commodities.

In the creating of subsistence homesteads it must be taken into consideration that the chief aim on the part of the Government is to enable the head of the family to have the kind of land

that will produce sufficient fruit and vegetables to take care of his own needs. Also, he must have the kind of part-time employment which will enable the land to be worked and a portion of his pay to be used to retire the initial indebtedness. As an illustration, there are many miners and factory employees who now work only 30 hours per week, and by providing a subsistence homestead such persons will be able to cultivate 2 or 3 acres of land and to produce a sufficient amount of fruits and vegetables to take care of the needs of the family all the year around.

Director M. L. Wilson, in commenting on subsistence homesteads, made the following statement:

"My own conception of it is best typified by the Mormon village. When Brigham Young settled his land on the plateaus between Great Salt Lake and the mountains he was compelled to settle them in a village as a means of protection against the Indians. In general, the typical Mormon village was laid out in blocks, the blocks not being cut into lots, and each householder instead of living on a 50-foot lot, which went back to the alley, lived on a plot 2.2 acres. This type of life exists in many of the agricultural Mormon villages in Utah today. About 20 or 30 years ago sugar-beet factories and milk condenseries began to appear in some of the Mormon villages, thus producing a wage-earning class.

"In some of the Mormon villages of Utah you can see the evolution of the subsistence homestead pattern of life. People are living on the 2.2 acres and are working in the industries a hundred days or a hundred and fifty days, as the case may be, at prevailing wage rates. I defy anybody to show me any place in the United States a higher social or aesthetic standard of living in relation to the cash income than can be found in these villages."

I am sure that everyone will be interested in the plan that has been established that relates to finance, and it is as follows:

Federal funds advanced will be loans; grants will not be made. Except in special cases preference will be given to projects toward which reasonable equity contributions are made from sources other than the Federal Government. Loans will be made to the local corporations, not to individual homesteaders. All loans must be adequately secured, and will be, at an interest rate of 4 percent to the corporation, amortized over a period not to exceed 30 years, with privilege of repayment at any time. The interest rate to the homesteader will usually be somewhat higher in order to provide a reasonable differential for the necessary annual management costs of the corporation. Amortization schedules will be adjusted to the character of project, prospective earning power of the homesteaders, quality and character of construction, etc. Homesteaders' payments may be made weekly, monthly, quarterly, or semiannually, as may best fit the case; payments to the Government by the corporation, however, ordinarily will be on a semiannual basis. Deferment of initial payments may be permitted where necessary, but such deferment will not exceed 2 years.

Loans for purchase of production equipment, tools and machinery, including livestock, seeds, trees, and fertilizer, will be made where necessary and where unobtainable from other sources. All charges and financial schedules, leases, contracts, and other stipulations and agreements, especially as between the local corporation and the homesteaders, will be subject to approval of the division. Cash income adequate to meet interest and amortization charges during the life of the loan necessarily must be assured. The source of this ordinarily will be employment in nearby industries, sale of products of home industry, in some cases work in nearby forests, or other source of wage employment off the homestead.

All projects necessarily must be planned in both establishment and operation as low-cost enterprises for persons of limited income.

The six subsistence homesteads located in Texas are at Arlington, Beaumont, Houston, Marshall, Three Rivers, and Wichita Falls, and anyone interested in this subject will notice that each one is adjacent to some industrial center, thus enabling individuals who have part or full-time employment to qualify in a satisfactory way.

The establishment of subsistence homesteads under the direction of a local organization will enable deserving heads of families to provide the kind of comforts in life for their families and at the same time enable each person to eventually own his home. The forming of such communities will provide a higher standard of living and cause each such community to take an interest in providing for their families conveniences and necessities such as schools, playgrounds, recreation centers, civic clubs, and other kinds of organizations which will have for their purpose the bringing about of a higher form of living.

The committee in charge of this new plan of providing assistance to various groups has made a careful study for the purpose of finding out the average yield made by farmers living on small tracts of land adjacent to industrial centers and has come to the conclusion that the financing of such projects by the Government will not work a hardship on anyone selected by the local organization to receive such benefits, and in addition the plan agreed upon will cause such money set aside for this purpose to be eventually repaid to the Government.

I feel that the plan relating to this subject will take care of a long-felt want, as the nation that is the most successful is the one that has the greatest number of home owners. Any step or movement that is put into effect which will result in a happier citizenship will always make our citizens more loyal and more appreciative of its form of government.

President Roosevelt and his cooperators are determined to take every step possible to relieve conditions throughout the Nation at the earliest date possible, and I am happy in the thought that it is my privilege to vote for the kind of humanitarian laws that have been created thus far.

---

THE HONORABLE HENRY T. RAINEY, SPEAKER

(May 8, 1934)

Fellow Oklahomans: Again, through the courtesy of Station KASA at Elk City, I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all of those who may be listening.

I feel certain that those who are listening in today will be interested in knowing something about one of our most distinguished public servants, who at present occupies the high position of Speaker of the House of Representatives, the Honorable HENRY T. RAINEY, whose home is at Carleton, Ill. As far back as history records, the citizens of every nation have been more or less hero-worshipers to the extent they are swayed by the influence and public record of those who are credited with outstanding accomplishments. During the early period of the United States no one ever dreamed that the men who played such an important part in establishing what was then a little Republic would be honored and held in high esteem as we view them today. It is for this reason that no person can tell with any degree of accuracy how important a figure any individual may be until after a person's work on earth has been finished. A striking example of this fact is the history of President Andrew Johnson, the tailor, who never went to school a day in his life. He, possibly, was criticized more severely than any other person that ever occupied a high position in connection with our Government, and on one occasion, when impeachment charges were brought against him, it was by a margin of one vote that he was found not guilty. Yet, within the last few years, the decisions which brought about his unpopularity and public criticism have been passed on by the Supreme Court of the United States and upheld, thus causing certain individuals to again make a search of the records, which has resulted in a number of the present-day historians proclaiming him as one of the greatest Presidents that ever ruled over this Nation.

Who knows but that in the days to come the subject of this discussion, Hon. HENRY T. RAINEY, the silver-haired Speaker, will occupy in the minds of the historians as high a place as many of those who have already gained fame in this Nation.

I remember in the years gone by that ex-Senator Joe Bailey, of Texas, the late Champ Clark and, now Vice President, John N. Garner, and others used to engage in deep and earnest conversations in the cloakroom for the purpose of discussing the habits and traits of many of our prominent citizens who have played an important part in the making of history in this country, and on one occasion I heard Senator Joe Bailey say that, in his opinion, a number of those who were then performing service in the House and Senate were as well qualified, if not more enlightened, than the framers of the Constitution in continental days.

I remember very distinctly my first visit to the House of Representatives, where I saw for the first time the present Speaker. I was attracted to his fine physique, well-shaped head, and his bushy white locks of hair. The thought came to me that he represented the most typical type of a statesman that I had ever seen, and from that day to this I have watched him grow in power as his constitutents returned him each election year to the Halls of Congress until he now occupies the highest position that can be assigned to him by this branch of the Government.

One of the most impressive speeches that I have a distinct recollection of was delivered by Speaker RAINEY on the subject "The return of the pelican flag", which was captured by northern troops from a Louisiana company or regiment during the Civil War. The words that came from his lips on this occasion portrayed as fine a sentiment as I have ever heard expressed from the representative of the victors to the vanquished.

I do not know very much about the Speaker's home at Carleton, Ill., other than the distinguished writers have said that there is no more beloved citizen than he—always courteous and willing to render a service to his fellow man. By occupation he is a farmer, and he maintains a lovely home, well improved, a few miles from the city. I do not have any information concerning the kind of crops he produces; yet he is a grower of livestock, the same being a species of deer imported from Japan. On one occasion he sold a carload to one of Oklahoma's most successful producers of oil and shipped the same to him by express, which must have been an expensive item—anyhow, they reached their destination without the loss of a single animal. I have always noticed that if a person were interested in wild life, he must be a lover of nature and the great out-of-doors. It has been said that Mr. RAINEY was never sick in bed a day in his life, and when it is taken into consideration that he is now over 70 years of age, this is a record that exceeds any other person of my acquaintance.

I can remember in the days gone by when the Ways and Means Committee brought in the tariff bill that Mr. RAINEY could always be counted on to make one of the principal speeches; and regardless of how many times he was interrupted by the opposition, he was always able to carry on a running fire of debate and maintain his position in a way that was pleasing to his associates on the committee. What a team he, the Hon. Cordell Hull, now Secretary of State, and Hon. John N. Garner, Vice President of the United States, made when all were serving on this committee! When they were teamed up solidly backing a tariff measure, it somehow

reminded me of a pack of hounds in full cry—and they usually accomplished success to their hearts' desire.

I am sure that no one has ever served in Congress who has taken more pains than Speaker RAINEY in caring for his constituents. Likewise his grace and ease are always apparent when contacting the public. Those whom he has the honor to represent realized a long time ago that if he were retained in Congress the day would come when his rank would be sufficiently high to the Speaker of the House. They knew that the Ways and Means Committee was the most powerful, and that as a member of the same he was bound to climb to success.

The Honorable HENRY T. RAINEY is of Irish ancestry, and we are told that one of his relatives in Ireland reached the age of 129. Those who have recorded his history tell us that he never smoked until he reached the age of 40, thus showing that he had the kind of self-control that caused him to be matured in a very fine way before he decided to participate in the luxuries of tobacco. Since that date he has enjoyed his pipe and cigars immensely.

Some of you who are listening in will remember the Great Commoner, William Jennings Bryan, who was born in the State of Illinois. It was my privilege to be an invited guest to his last birthday party, given in the city of Washington. I have also visited the town where he was born, and remained as a guest one night in his old home. He and Mr. RAINEY were crusaders together, fighting the battles of democracy, promoting the great silver plan, which was probably the most discussed subject ever entered into a campaign. Mr. RAINEY has carried on all during the years, favoring liberal legislation which would cause silver to occupy an important position in our monetary system. He realized that until this Nation gave to silver the kind of valuation that will be comparable with the value placed on the same by countries like China, India, and others throughout the world, our citizens cannot hope to export our surplus products in a satisfactory manner. The enactment of recent legislation relative to this subject is in accordance with some of the views of the Great Commoner and the present Speaker of the House.

As I view Speaker RAINEY, he is one of the youngest Members of the 300 Democratic legislators in the House of Representatives. It matters not what form of entertainment is provided by those who hold high position with the Government, Mr. RAINEY is always equal to the occasion and plays his part well. I remember the feast of watermelons furnished by the present Secretary of the Department of Commerce, Hon. Daniel C. Roper, and no one enjoyed the same more than he. On another occasion the Texas Cow Band from Amarillo came to Washington and put on a big barbecue. I furnished several 10-gallon hats for this occasion, and no one seemed to get more pleasure from this outing than our present beloved Speaker. Recently I attended a reception given in honor of Frank Buck, "Bring 'em back alive", who, by the way, is a Texan, and as I walked into the spacious dining room the first person to be seen was our beloved Speaker, mingling with those who had come together for the purpose of having intimate contact with the most successful capturer of wild animals in the world. I think I am warranted in saying that when it comes to clean sports, Mr. RAINEY obtains as much enjoyment when it comes to playing the games as anyone I have ever known.

When the National Recovery Administration was first set up I was requested to submit a list of prominent citizens in the various States of the Union who would be willing to help put over this great program, and, of course, Mr. RAINEY was one of those named for Illinois. He took to this work like a duck to water, using an airplane to visit many sections of the United States. It was my pleasure to meet his plane at Oklahoma City, and when he stepped out of the same he appeared to be enjoying this kind of transportation as much as I did my first ride on a train. I accompanied him in the car when we paraded in Oklahoma City, and those who heard him that night at the fair grounds when he gave in chronological order an account of the legislation he had sponsored while a public servant, realized that here was a party worker more than threescore and ten years of age who was willing to brave all kinds of weather and conditions in order that he might do his part for his party and the Government he loved so well.

I have enjoyed my association with this great, distinguished American. I am proud of the honor he conferred upon me 2 years ago when he volunteered to send to the people of the district a letter for the purpose of giving to my constituents his opinion of my standing and service in Congress. We may have differed on some of the important issues, yet there is not a person anywhere who has a higher admiration for the fine service he has given to the Nation than I; and it is my opinion that at some time in the future our section of the State can be honored with a visit from him in order that you who are listening in may know who guides the destiny of the House of Representatives in its present deliberations.

---

CURRENCY REFORM

(May 22, 1934)

Fellow Oklahomans: Again, through the courtesy of Station KASA at Elk City, I bring you a message from Washington. At this same hour next week, I hope to discuss topics of general interest to all of those who may be listening.

Congress can be compared to a race horse making the last lap, or coming in on the home stretch, as the thought uppermost in the minds of all the leaders is to conclude the legislative program which has been approved by President Roosevelt, and then go home.

I think it worth while to compare conditions that exist today with those that were so well known to every person prior to the time that this administration came into power. It will be remembered that cotton was selling at 5 cents per pound, wheat at 25 to 30 cents per bushel, and corn from 15 to 25 cents per bushel, which meant that farm products were bringing a price far below the cost of production. This situation meant ruination to those who till the soil, as the revenue derived from such crops was not sufficient to enable a person to pay taxes, much less anything on farm loans or other kinds of obligations.

The banking situation was terrible; many such institutions had closed their doors, and others were about ready to gasp and give up. In many of the States wholesale foreclosures of farm lands were in evidence, and the people were so disheartened and discouraged that many felt that it would be a miracle if conditions could be changed in such a way as to enable them to retain possession of their homes.

For 2 years prior to the time that President Roosevelt took charge of the reins of this Government an unofficial organization in the House of Representatives composed of approximately 100 Members had been holding night sessions for the purpose of preparing the kind of bills that would bring about the kind of relief that was so badly needed. This was called the "legislative forum", and I felt highly honored when my colleagues asked me to act as its secretary. Committees were selected and assigned to make a study of the banking situation, cost of production of farm commodities, relief for distressed mortgagors, inflation, and other subjects relating to the needs of the Nation.

Acting for this organization after our program had been completed, I arranged with the new leaders of the administration a number of conferences and, together with the chairmen of the respective committees, such bills as had been prepared were presented and fully discussed. We were consoled by the results obtained, as many of the ideas presented are now a part of the so-called "new deal."

When it is taken into consideration that the source of practically all wealth comes from the ground, it is a fair statement to say that unless the producers of the necessities and comforts of life are able to make a fair profit or to receive just compensation for their labor, no other occupations can be maintained in a healthy or satisfactory manner, and this fact is proved by what took place in 1929, when stocks on the big exchanges crashed in such a manner as to cause millions of our citizens to lose most of the money that they had invested in certain kinds of securities.

I do not believe that any administration ever came to power and was confronted with such a bad economic condition as existed 2 years ago. It is to the credit of President Roosevelt that he said in substance, "Some of the ideas and legislation that the administration is sponsoring may not work; however, if the new laws are unworkable I will be the first one to admit such a fact, and we will try something else." He realized that a nation with 10,000,000 people out of employment could not be happy and that something had to be done to give them an opportunity to provide for themselves and families food and clothing. To do this it was necessary that Congress appropriate large sums of money and in addition provide the kind of machinery that would bring about a reorganization of industry and the kind of Federal control that would cause all occupations to deal honestly with their employees. One of the first bills relating to this subject was the National Recovery Act, which was sponsored by the powerful Ways and Means Committee, of which I am proud to be a member, that set aside over $3,000,000,000 to be used for this purpose, and with lightning rapidity men of high integrity were assigned to the duty of setting up the kind of organizations that would quickly provide the necessary machinery to start the wheels of progress moving once more. Thus came into effect the C.W.A., P.W.A., and many other bureaus that have been designated by alphabetical letters that are now known so well to all of our people.

Human nature is so constituted that regardless of the kind of program that is put into effect there will be miscarriages of justice to the extent that some will not be dealt fairly with, and this result always brings about criticism. However, when it is known that President Roosevelt asked Members of Congress to take no action that would be construed as political when it came to dealing with humanity, one can readily understand why Members of Congress have kept their hands off and allowed the various county administrators to proceed with a free hand. There are those who feel that much of this money has been wasted in high salaries and that the various organizations set up have been topheavy, with some who have received more pay than should have been allowed. Yet, regardless of such criticism, the fact remains that in every county in the United States many of our deserving people have been given food and employment which has enabled them to be tided over until a new crop could be produced.

At present cotton is bringing more than 10 cents per pound, which is 100-percent increase over that which it sold for 2 years ago; wheat and corn and other farm products likewise are bringing a much higher price, and there isn't anyone who would be willing to go back and experience the same conditions that were in evidence 2 years ago.

The money situation is not satisfactory to all concerned and never will be; yet the guaranteeing of deposits in Government supervised banks has brought about the kind of stabilization and protection in financial affairs that is beneficial to every person in

the Nation. Over $2,000,000,000, according to a statement made by Mr. Black, Chairman of the Federal Reserve Board, has come out of hiding, and when it is taken into consideration that as long as this law remains on our statute books, there can be no more bank crashes, this result should be pleasing to everyone. I am very proud that our district can take the credit for introducing the first bill of this nature ever presented to either branch of Congress, and in addition sponsoring the hearing which finally resulted in the enactment of the law.

The next step that will have to be made relates to inflation, as unless conditions can be brought about so that capital will seek an investment many industries will be hampered because of their inability to obtain loans necessary to enable them to carry on in a successful way. At present the Nation is confronted with an inward cancer that is eating the very vitals out of our Government, and this is the issuing of nontaxable securities amounting to billions of dollars, which cause investors to place their money in such a way as to remove the same from normal channels.

At present I am having the drafting committee prepare a bill which would cause greenbacks to be printed or issued equal to two and one half times the amount of free gold and silver that the Government has on hand; also to print money against the securities held or owned by the R.F.C., Federal land banks, Farm Credit Administration, and other organizations that have loaned money to industry and accepted securities for the same. Such a law would enable this Government to take up billions of dollars of value in outstanding bonds and other forms of securities, thus putting to an end the policy of issuing tax-exempt securities.

The presenting of such a bill will, of course, bring a howl from those who are termed "big business." They are satisfied with the present policies of the Government, which enables them to invest their money in such a way as to escape the responsibility of paying income taxes. In other words, they are not interested in the welfare of our people, neither do they care what happens to the Nation, so long as it is possible to obtain profits in this manner. They assume the same attitude as the big international bankers did with respect to the law guaranteeing deposits in national banks. They realize that the old adage is true—"There is always good fishing in troubled water"—and that when times are bad and money is scarce those who have cash are able to derive a better bargain and to reap rewards in the way of profits clear out of reason. It is this kind of a parasite that is fastened on our Government that must be destroyed, if normal conditions are to be restored; and, while it may take a few years to arouse a sufficient amount of public sentiment to bring about the desired results, I propose to continue working along this line until a new situation will be brought about, so that capital heretofore invested in Government securities will be forced to go elsewhere for an investment, thus bringing about a situation that will cause every person who can give ample security to have the means of obtaining sufficient money to enable them to carry on.

I am sure that one of the most important laws that has been enacted during the present session is the one sponsored by the Ways and Means Committee called the "revenue bill." This legislation represented some 6 months' study on the part of our Committee for the purpose of stopping up the leaks which had enabled many of the big bankers and others kinds of capitalists to escape from paying into the Treasury that amount which was really due and was necessary to defray the expenses of running this Government. It is unfortunate that certain citizens of our Nation have adopted the policy of using many kinds of subterfuges, such as dummy stockholders, fictitious corporations, and other kinds of set-ups for participating in wash sales and other kinds of transactions in order to defraud our Nation, and this bill is a step in the right direction, as it will enable our Treasury to have more funds in the future to support the policies that have been put forth in the so-called "new deal."

Everyone realizes that since the World War the party in power put into effect the kind of legislation that was disastrous to our citizens and our Nation. Such errors of policy practically destroyed our foreign commerce; caused much of our capital to be invested abroad, and in addition made many nations angry, to the extent that they went elsewhere to purchase products that were needed for human consumption. Everyone should realize that when a bad situation is brought about because of bad legislation enacted over a period of years, that it isn't possible overnight to bring about a sudden restoration of better times, and it is going to be necessary for any new administration to gradually work out of such a bad situation and it will take some time to do so.

Therefore, I am hoping that our people who have suffered because of conditions that existed in the past will be willing to be as patient as they can and have confidence in our great President, who is doing everything within his power to reorganize the Government, rehabilitate the Nation, and put into effect the kind of policies that will bring about a new order of the day sufficient to enable those who till the soil and others to have a proper livelihood in the future.

I feel deeply honored because of the confidence that has been reposed in me by the splendid citizenship of the Seventh Congressional District. All during my term of office it has been my constant aim to render the best service possible to everyone who has brought any matter to my attention and, while I may have made some errors, my conscience is clear with the thought that I have cooperated with the President in his great humanitarian program, hoping that the time would not be far distant when our people could smile and be happy once more.

SOME EXPERIENCES IN EARLY OKLAHOMA

(May 29, 1934)

Fellow Oklahomans, again, through the courtesy of station KASA at Elk City, I bring you a message from Washington. At this same hour next week I hope to discuss topics of general interest to all who may be listening.

To me old Indian Territory, Oklahoma Territory, and the State of Oklahoma have a peculiar fascination; probably more so because it is the section of the United States that was set apart for the purpose of colonizing many Indian tribes. I remember very distinctly when a boy in Texas that the news was flashed to all of the towns on the H. & T. C. Railroad that a special train of wild Indians were being brought over this line from Florida to Indian Territory. Nearly all of our citizens rushed to the depot, and especially the youngsters, to get their first glimpse of wild Indians. These were a portion of the Apaches who had been captured by General Miles and taken to Florida as prisoners of war. They were being taken to Oklahoma Territory to remain as prisoners of war at Fort Sill in the hope that Chief Geronimo would be willing to adopt the ways of a white man and stop committing depredations. The train slowed down and we could see stationed between each car a soldier fully equipped with firearms to prevent anyone escaping.

I think this impression caused to be lodged in my memory a desire to see more of the Indians, for when I reached the age of 16 I signed up to accompany a trainload of cattle to Checotah, Indian Territory, being willing to ride on a freight train and, by the use of a prod pole, keep the cattle from injuring each other. On arriving at our destination we were taken to the ranch headquarters and there given one of the most wonderful feeds, which consisted of beef, sour-dough biscuits, and other kinds of camp cooking, which to me was quite a treat. I saw the old Indian bucks and squaws with blankets around their shoulders as they sat and looked on while the cowboys unloaded the cattle and moved them to their destination. There was no land in cultivation, the forest was virgin, and to me the surroundings had the appearance of the kind of wild life that was inviting from many standpoints.

A few years later the press announced that a great land drawing would be held in what is now western Oklahoma, at El Reno, and that every person of a certain age would be given the privilege of drawing for a home, thus enabling each successful person to file on 160 acres of land of his choice. This fact so strongly appealed to me that I could not resist the temptation of trying my luck, and, in company with a young man by the name of Black, we purchased tickets and started on one of the most eventful trips of my life. We left Fort Worth, Tex., on the Rock Island Railroad, in a train loaded down with citizens of every type, who were seeking a new home, which presented a spectacle that can never be erased from my memory. When night came many were so tired that they laid down in the aisles until every inch of space was occupied by sleeping men, women, and children. As one went through the train it was necessary to step over their bodies. The thought was impressed upon my mind that homeless people will suffer practically any kind of hardship to better their own situation.

When we arrived at El Reno the crowd in evidence everywhere made one feel that this was an outpouring of humanity that had come from the four corners of the Nation in order to begin a new civilization. There was to be seen every kind of "fly-by-night" construction one could think of, such as eating stands, beer joints, gambling institutions, side shows, and hastily constructed wooden buildings occupied with small stocks of merchandise. Hotel accommodations were not sufficient to take care of the people and the young man who accompanied me and I took time about watching each other as we slept on an open lot that night.

The next day we qualified and saw our certificates placed in the building where the drawing was to take place at a later date. Then, being convinced that no good could be accomplished by remaining here, we went to the depot for the purpose of going home. I remember a train coming into the depot loaded down with home seekers. As fast as it unloaded persons desiring to leave filled the cars. Then a strange thing happened; immediately hundreds of people began to pile on top of the train, crossing over from a string of box cars. The officer, with a big club, started from the top of the train down to the engine to remove those who had perched themselves on top, and when he reached the engine and looked back there was just as many on top as there was when he started. This clearance was repeated several times, and finally the officials in charge gave up and the train pulled out with as many on top of the cars as there was on the inside.

To make a long story short, the land number drawn was so far down the line I did not think it worth while to go back and try to find a piece of unoccupied land; however, the impression gained on this trip was so fastened on me that it was not possible to resist the temptation to go to Oklahoma Territory and cast my lot with those who were willing to suffer the hardships of a new country in order to begin life anew. Therefore, I bought a ticket to the last station on the Frisco Railroad, which was Snyder, Okla., and for over 30 years I have been proud to call this my home.

It was not an easy matter for anyone to make a success in Oklahoma Territory, for the reason the soil was poisoned with weeds and other forms of vegetation to the extent that it took a number of years before it would produce in a satisfactory way. This was a section of the United States which was subjected to

droughts and all kinds of peculiar weather conditions, which oftentimes brought about complete crop failures. Such conditions caused many to use up the small amount of surplus cash, and at least 75 percent of the early pioneers were forced to leave their new homes and go back to the place whence they came. I do not feel that myself or any other person is entitled to credit for having stuck it out, as there was a peculiar fascination in trying to inaugurate new plans relating to industry, town improvement, and other matters that kept one's mind occupied. It is true that this section was the collecting place for many of the so-called "misfits" in life, and there was also a congregation of some who were outcasts of society from other States in the Union, thus presenting a moral problem that in many instances was difficult to solve.

I remember distinctly the first visit of Carrie Nation, when she came to our little city with her hatchet in her hand, "hell bent" on breaking every saloon mirror and preaching the doctrine of opposition against those who used the filthy weed termed "tobacco." I was standing on the steps leading up to the hall where she was scheduled to make an address, and as she passed me I saw her forefinger flip a cigarette out of the mouth of a bystander, which amused me very much and left him as hot as a firecracker.

From a small beginning, which consisted of the breaking of furrows to lay out streets in straight lines, I saw, first, a tent town, then wooden shacks, afterward brick buildings. Then came the telephones, and what a thrill it gave to our citizens. Later came the cyclone, killing over one-fifth of all of our people. The telephone company abandoned our community; however, we were possessed with the kind of determination that could not be defeated, and we bought equipment and built a new system, being determined that our people were entitled to have as many conveniences as could be obtained.

Then it was my privilege to serve as president of the commercial club, and we went out after every kind of an industry that could be tempted to locate in our midst, thus obtaining a compress, oil mill, and what was at one time the largest railroad station and eating house in the State of Oklahoma. We participated in town-site fights, county-seat elections, and at times it looked as though we had matched more trouble than could be taken care of in an ordinary lifetime; however, the spirit of conquest intoxicated all of us in such a way that we persevered, hoping that we had the kind of brains and energy that would finally give to our people a great emporium in the way of a city. Our expectations, however, in some respects fell short, yet we were contented in the thought that no finer set of people ever assembled themselves together than those who blazed the way for civilization in the little town that I am proud to claim as my home.

The attempt to create a new county which was named after the present Secretary of the Navy provided a vehicle that caused me to become a member of the Oklahoma Legislature; and notwithstanding the fact that they abolished the county during this service, it brought about the kind of acquaintances and knowledge that made it possible to seek higher positions, and I have always been proud that the good people of this section made it possible for me to be elected to the Oklahoma Senate without opposition.

Then came the time to redistrict the State into congressional districts, and for the reason the Seventh District had no representation in Congress, the opportunity presented itself to aspire for this high honor. This campaign was one never to be forgotten, as but few, if any, figured my supporters had a chance to meet with success; yet, by making an extensive campaign, using their old horse and buggy and other primitive methods, I covered every section of the 11 counties as closely as possible, and to the surprise of many, secured the nomination and was elected to the position I now hold.

My first trip to Washington was an eventful one. Being unexperienced in congressional matters, it was necessary to depend entirely on men like Scott Ferris and Charlie Carter, who were at that time oldtimers in legislative experience. I want to say that there never was or will be any finer types of true, loyal, patriotic, and kind Representatives from our State than these two great citizens. One of them has passed on to the beyond and the other remains a loyal friend and a splendid citizen of the State. It was through their help that I was given sufficient aid to make a proper beginning and to find out much concerning legislative procedure.

A few years thereafter the world was turned upside down by the war which engulfed many of our civilized nations. The experience in legislative matters and handling the people during this public struggle gave to a Representative in Congress a fine conception of the many matters that affect humanity. Every Member of Congress who served during this period was called on by thousands to look after the boys who had been torn away from their homes through the selective draft and carried to the battle fronts to perform the kind of service that would make possible the preservation of our Nation. All during this terrible struggle my office rendered the best assistance possible to everyone who presented any matter relating to the welfare of the soldiers. When the war was over, being anxious to help cut the red tape that was holding our lads in Europe, at my own expense I crossed the ocean, visited the various camps, inspected the battlefields, crossed into Germany, and before leaving conferred with the high officials of the Army for the purpose of helping solve some problems that were so delicate in nature as to prevent me from even now stating the same.

I met the Oklahoma troops at New York and Norfolk when they returned, and from that date until this I have taken the position that any lad who was forced to leave his home and bare his breast to the enemy's bullet should not only be provided for in the future but likewise his needy dependents should receive aid and assistance from the Government.

During this terrible struggle there was a class of citizens who remained at home and engaged in every kind of commercial activity one can think of for the purpose of enriching themselves. Corners were had on the staple commodities and necessities of life to the extent that many of our poor people were forced to pay exorbitant prices for the things they had to eat and wear. The Government was literally held up by those who were able to corner certain supplies that were needed to carry on the war. Unheard-of contracts were secured, millionaires were made overnight, in fact, it appeared that there was a class of people who had no more regard for the rights of humanity than they would have for the crushing of a fly. It is for this reason that I favor a measure that will bring about a conscription of wealth in case our Nation is ever forced into another war. Wars do not just happen; as a rule they are the result of distorted propaganda. It would not be possible to fight and win a war unless the morale of the people had been aroused to a certain extent. Therefore, those who have profited by the war and have caused this Nation to shoulder unheard-of obligations, should be forced to disgorge enough of their ill-gotten gains to keep the wheels of progress moving until our Nation can be put back to where it was prior to the beginning of this struggle.

When the World War was brought to a conclusion President Wilson wanted to put into effect the kind of machinery that would make it impossible for a few foolish nations to ever again start a movement that would engulf or endanger the citizens of the world. It was a noble effort; yet the same element in each country that profits from a war used every influence to thwart his efforts, and the result was an organization, called the "League of Nations", that did not—and probably never will—have the whole-hearted support of the many powers that exist in the various nations of the world. Money has always dominated over humanity, and when the two interests conflict money always comes out on top. Therefore the saving of democracy for the world, as was preached to the various citizenships involved, may result in an idle gesture unless there can be found some way to prevent human greed on the part of profiteers who seek troubled conditions in order to further their personal financial interests.

In our beloved land a great campaign was put on to uphold the principles of the golden rule, as was advocated by President Wilson, but again gold won and the influences of money indirectly took his life and brought the cause to defeat.

Then came into power the representatives of those who would destroy the principles of the Golden Rule, and because of their wonderful victory, some took it as permission to vandalize the resources of this Government for the purpose of enriching themselves in unethical and dishonest ways. There never was such an upheaval as was brought about by the revelation of the Teapot Dome scandal, the California oil reserve, the Veterans' Bureau, the Alien Property Custodian, and others who dealt the cards under the table; yet, because our country was prosperous the people turned a deaf ear to those who were trying to steer the Ship of State on a safe course and the old crowd who continued in power year after year, until the firebrands of revelation were about to start a conflagration that might have wiped from this Nation its present form of government, had it not been for the courageous utterances made by Governor Roosevelt, of New York, when he laid out a program of recovery which he proposed to put into effect if elected to the Presidency.

Two years prior to his election a small group of about 100 Members formed an organization called the "Legislative Forum." It was my privilege to be the Secretary of the same. We knew that our country was headed for the rocks and that something had to be done in order to give to our people the kind of safeguards which would enable them to preserve and protect their homes.

This organization divided itself up into committees, each being charged with the responsibility of working out legislation such as aid for the distressed mortgagor, cost of production for agricultural products, financial aid to the producer of various commodities, safer banking legislation, inflation of currency, and other measures sufficient to make out a rounded program. Bills relating to these subjects were introduced. However, the party in power did not or would not allow the same to receive consideration and our efforts were like seed sowed upon stony ground. Then came the new President, Mr. Roosevelt, and what a consolation it was to the officials of the Legislative Forum that his representatives were willing to receive suggestions which were given at conferences which lasted in some cases long into the night. We are happy that some of the ideas presented are not a part of the so-called "new deal."

Oftentimes, when a citizen is brought to the brink of despair, they forget that it was through their votes in the past that individuals were kept in power who wrongfully put into effect laws that took away their liberties. Oftentimes they forget that the former policies put into effect so incensed certain nations as to cause them to place a boycott on the surplus commodities produced in this country, thus clogging up the channels of commerce and preventing those things that we have to sell to flow into the markets of the world.

Oftentimes our citizens forget that when a period of distress is gradually brought upon a country, covering a period of several years, that it usually takes a corresponding amount of time to climb the hill or to regain that which has been lost. We are all prone to criticize when unfortunate situations come upon us, even though we may be partly responsible for such a result. Two

years ago cotton was selling at 5 cents per pound and there was a condition of despair existing throughout our section that made the strong-hearted tremble as he looked into the future and realized that taxes could not be paid, installments on his home could not be met, and that ruin was looking him in the face.

I participated in the last campaign in Kansas. I saw millions of bushels of corn piled up in the fields. I heard of corn that was burned for coal in the various schoolhouses, it being cheaper and produced more heat units than coal, and the same could be purchased at 15 cents a bushel. Farm lands in Illinois, Iowa, Missouri, and other States sank to the lowest ebb. Foreclosure was the order of the day and it appeared to us in office that the time had arrived when the home owner might be turned out into the section lines, where he and his loved ones would be forced to be wanderers on the face of the earth. Then came the new deal, and from that moment to the present time, with lightning rapidity our great President has opened up the Treasury and poured money into domestic channels for the purpose of reestablishing the law of supply and demand, realizing that unless the producers of the commodities of life could have a fair price for the same, all other occupations would suffer in a like proportion and there could be no such thing as a restoration of normalcy in this Nation. I want to say to my radio audience today that everyone should be proud that President Roosevelt is at the head of this Government, and if we will all stick by him I believe everything will come out all right in the future.

HITLERISM

Mr. THOMPSON of Illinois. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by including a radio address delivered by the gentleman from New York [Mr. SOMERS].

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. THOMPSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered over the radio by the gentleman from New York [Mr. SOMERS] on Thursday evening, May 17, 1934:

Ladies and gentlemen: During the 14 years preceding 1929, the American people literally poured vast fortunes into Europe. As everyone knows, these gestures of confidence have been met by repudiation. And, it now appears that the American investor in European securities can never hope to realize even a part of the interest on his loans. If this money, given so generously, had been used to rehabilitate our European neighbors, to feed their hungry, and to promote more tolerant governments, I think there would be no regret on the part of the American investor. But, when those in control of some of these governments not only repudiate their just debts but also employ what moneys they have to weaken our governmental structure by spreading among their nationals, within our doors, propaganda aimed at the destruction of our system, they are adding insult to injury and are pursuing a policy which is contrary to the best interests of the people of this Nation.

In the new government in Germany, for instance, we have a conspicuous example of irresponsibility which, in the final analysis, is malignantly antagonistic not only to our Government but also to the ideals of the worthy Germans who honor us by abiding with us. Hundreds of thousands of our citizens of German blood, when they felt their old country was in need, gave unstintingly and in full measure, large portions of the wealth they had accumulated here, in the hope that the fine traditions of old Germany might be preserved, and that she might quickly recover her rightful place among the leaders of advancement in every realm of human interest.

During the last year, however, it has become apparent to all that as long as the Hitler government is in control the dream of these old Germans can never be realized. For this new regime, instead of recognizing the sacrifice that the German people have made, has attempted to make them forget the debt the German Government owes to them by trying to instill in their hearts a contempt and an intolerance for the German Jew, whose only crime has been doing his part in war and in peace, at home and abroad, to carry aloft the high standard of German intellectuality of which he was so rightfully proud.

In order to foster this hatred against the Jew, the German ministry of propaganda of popular enlightenment during the last year has been authorized to appropriate in connection with its activities in foreign countries an amount varying from 30 million to 40 million reichsmarks, equivalent to about $16,000,000. Couple this sum with last year's increase in her military budget of 352,000,000 reichsmarks, or $140,000,000, and we get the total of $156,000,000, which is more than 15 times the annual interest requirements of the German Government's direct obligation to the American people, most of which, it so happens, is owed to Americans of German blood. And again, this sum represents more than 12 percent of all German obligations held by American investors who, in time of Germany's need, were friendly enough to lend. Thus are the American people placed in the position of paying for the very propaganda that is aimed at the overthrow of American institutions. If Germany were to put the money she is using to persecute the Jew into paying her debts to our citizens, she would have a better claim to our confidence.

Here, at this very hour, in Madison Square Garden, the Friends of New Germany, a Nazi organization, is making its first public test of strength in an effort to win sympathy for the Hitler regime in spreading a most insidious form of propaganda predicated entirely upon racial hatred.

As a Member of the House of Representatives, and as a citizen who cherishes a love for our institutions, I welcome this public meeting arranged by groups whose affiliations with nazidom cannot be doubted. I find it a curious and interesting paradox that the Friends of New Germany should, in seeking the right to hold its meeting, fall back upon the arguments of free speech and the arguments of free assembly to which our democratic society is dedicated while at the same time propose to set up officially and unofficially a regime which would abolish in practice and principle all the foundations of democracy. I welcome this meeting because it will bring into the open the Fascist and antidemocratic principles for which the Friends of New Germany stand. I welcome this meeting because it will present, I hope, an object lesson to all Americans who cherish and believe in the Constitution of our democracy and the liberal traditions which have been preserved through 150 years of progress. I welcome this meeting because I know it will make the real American people more firmly embrace the old sense of established order, the old confidence in constitutional Government, the old tolerance of our neighbor, and it shall make us determine that these things which we hold so dear shall not be swept away by prejudice's putrid presence.

For 8 years, the Nazi Party has made an effort to find a footing in the United States, but only in the last year, since the rise of Hitler to power, has it enjoyed any degree of success, for since that time, the Hitler Government has made a concerted effort to invade the United States by sending to our cities and towns thousands of secret-service agents and by dumping upon our people millions of dollars worth of literature with the immediate object to stir up racial discord similar to that which exists in Germany and with the ultimate object of creating sympathy in America and to make us forget the obligations that Germany still owes us.

I do not believe that the Nazi will ever succeed in controlling the National Government, but I do believe that if the Nazi are permitted to have their way in this country, they may succeed in stirring up racial and religious animosities, in infesting local governments in our country to such an extent that the practice of democracy will be trampled on in a way which will seriously affect our economic recovery. And I protest against permitting any foreign government to attempt to do these things, and I charge that, although the Hitler Government still ostensibly retains its status of a friendly nation, it is guilty of a deliberate betrayal of that friendship, despite the denial from Berlin that the local Nazi Party is in any way affiliated with the German National Socialist Party. The Hitler Government and the Nazi Party have set up in the League of the Friends of New Germany an organization whose aims and purposes parallel those of the Nazi Party. The dues from the American organization are returned in part to the treasury of the Nazi Party in Germany, and the work of the organization here is directed by the Nazi Party in Germany and the leaders of the organization here are responsible to the Nazi Party in Germany. One of the first tasks undertaken by the League of the Friends of New Germany is to divide the loyalty of Germans living in America and to divert it to the Fatherland. On January 13, 1934, a proclamation was issued by the Nazi organization outside of Germany, which was reproduced in the Nazi papers of America, declares in part—and I quote—"our work in foreign countries must be focused at the creation of a front of Germans abroad, a front which is not directed against any state or country, but as a front for Germany. The Germans abroad will know for the first time in history that only their bodies are abroad, their souls being with the Germans in the Reich, and that all Germans, abroad and at home, are united in the eternal communion of fate of German men, created by Adolph Hitler."

This is the proclamation issued by the Nazi Party of Germany, and I call your attention to the fact that by the later decree of February 19, 1934, officers of the Nazi Party and of the Government were declared to be on a parity. What this pronouncement preaches is deliberate treachery to the United States. The record of Nazi Germany has shown in the last year that it stands for the abrogation via terrorism, legal and physical, of democratic government in all that it implies, of the rights to free speech, free assembly, free press, equality and free development, free religion, free culture, and honest differences of opinion.

In Nazi Germany there is complete regimentation of population and all institutions. Conformance to the Nazi preachment or the concentration camps is the rule and that rule they want to establish in the United States, and to bring it about, the Friends of New Germany which constitutes the direct link with the Hitler Government and the Nazi Party, was organized.

The evidence at hand suggests that through its accredited representatives in this country, the Hitler Government is seeking control of our public institutions and that it is conducting a wide-spread espionage system on the activities of the United States Government and a section of the population of this country.

The League of the Friends of New Germany today has more than 20 centers throughout the United States. It has set up storm troops wearing the uniform of the Nazi storm troops of Germany and carrying out the same function. Through methods of terrorization it has seized control of German communal, sports,

musical, merchants', and workers' organizations in this country and reorganized them as subsidiaries of nazidom.

As a recent trial in California proved conclusively, Nazi agents affiliated at one and the same time with Silver Shirts, the League of the Friends of New Germany and the Nazi Party, have been seeking to discover the military secrets of the United States Government. More recently Nazi agents have been seeking to set up units in the National Guard throughout the country for the ultimate purpose of seizing control of our national defense. An attempt is being made to reach the Reserve Officers' Training Corps.

Our lecture platforms, our universities and schools, have been deluged with exchange professors and exchange students, whose function it has been to voice the Nazi principles. Our press has been flooded with Nazi propaganda. Our libraries have become the haven for the surreptitious distribution of the most libelous literature published by the International Propaganda Bureau of the Nazis.

There is reason to believe that some of our best-known promotion and publicity agents in this country have succumbed to the lure of Nazi gold and have become the agents for dissemination of Nazi propaganda in the American press.

The repeated disappearance of large volumes of mail dispatched from and to important Jewish organizations lends weight to the suspicion existing in the minds of these organizations that even the United States post office is not free from the Nazi invasion.

The Nazi espionage system has extended to private homes and servant girls are pressed into service to spy on their employers for the purpose of securing reprisals against relatives in Germany for any hostility to Nazidom.

To support and to give form to the movement against the Jew in America, the Friends of New Germany have organized the D.A.W.A. The D.A.W.A. is the abbreviated name for the German Protective Alliance and is the exact duplicate of the organization set up by the Nazi in Germany a year ago for the purpose of boycotting her Jewish inhabitants. Its purpose, openly expressed in the Nazi publications in America, and in the secular press of the country, is to boycott the Jews and other boycotters of products made in Nazi Germany.

In German societies, among German groups, the D.A.W.A. has deliberately created a false impression that the boycott against the products made in Nazi Germany which is today being practiced by such American organizations as the American Federation of Labor, is being persecuted against German-Americans. This is in direct defiance of the truth, in preachment and in practice of all groups, whatever their religious denomination, who are responsible for the boycott movement in the United States. Boycott against products made in Nazi Germany is a spontaneous act, the inevitable expression of condemnation of a policy of oppression and terrorism practiced by the Hitler Government against its own nationals. Contrary to being illegal as claimed by the D.A.W.A., boycott is a weapon recognized by international law.

As a matter of fact, I personally, would have nothing but contempt for any Jew who would knowingly trade with a nation that used the profit of that trade to help destroy his people. The D.A.W.A. in America follows its parent organization in Germany even to the extent of issuing what is known as the "German blue eagle" to all stores who refuse to patronize those who have business traffic with the Jews or other boycotters. This is a deliberate attempt to interfere with recovery in America and it is, in my opinion, a deliberate betrayal of the National Recovery Administration.

The meeting which is being held tonight in Madson Square Garden under the auspices of the Friends of New Germany and its subsidiary, the D.A.W.A., is an attempt to spread the virus of anti-Semitism in this country, and it is my belief and my earnest hope that the meeting will be met with a condemnation and the repudiation of all thinking Americans who value the democratic institution.

I believe the time has come for the Christian forces in the United States to recognize the danger of this movement and to unite for the purpose of conducting an organized and responsible campaign to counter the invasion of Hitler in this country.

To date the entire burden of countering Nazi propaganda has been met by the representative bodies of the Jews, who are the immediate victims of Hitlerism. I refer to such an important organization as the American Jewish Congress, which has done such a valiant piece of work in arousing the world to protest against the victimization of Germans by the Hitler Government.

Hitlerism today has come to our own shores. It threatens not only an important section of the American people but the foundations of American society. Its threat is to all America, and the safeguarding of America should be the undertaking of all Americans.

### LABOR LEGISLATION NOW PENDING SHOULD BE ENACTED TO INSURE INDUSTRIAL PEACE

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, I receive complaints from all corners of my district concerning the hardships which follow increased prices for necessities when there is no corresponding increase in wages. I get complaints about the wide-spread and common disregard for the N.R.A. regulations. There are complaints, and justifiable ones, too, about the little fellows being squeezed by the big, "fat" boys.

It has been clearly recognized that men and women must be counted as persons, not as mere hands and that they must have some active part in the control of the industry to which their lives are given.

Trade unions, as I see it, were organized out of the necessities of a situation. A single employee was helpless in dealing with an employer. He was dependent ordinarily on his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was nevertheless unable to leave the employ and to resist arbitrary and unfair treatment. Unionization is essential to give employees opportunity to deal on an equal basis with their employers.

Governments must recognize the right of men collectively to bargain for human objects that have at their base the mutual protection and welfare of those engaged in all industries. Labor must no longer be treated as a commodity. It must be regarded as the activity of human beings, possessed of deep yearnings and desires. The business man gives his best thought to the repair and replenishment of his machinery, so that its usefulness will not be impaired and its power to produce may always be at its height and kept in full vigor and motion. No less regard ought to be paid to the human machine which, after all, propels the machinery of the world and is the great dynamic force that lies back of all industry and progress.

Mr. Speaker, I am proud to represent a State which has been brought from last to first place in the liberality of labor laws. Fifty-four, yes, fifty-four bills have been passed by the State legislature. Among them were the workmen's compensation act, wage and house laws for women and children, widows' pensions, and the law declaring that labor shall not be treated as a commodity or an article of commerce.

We in New York State are proud of the champions we have in the cause of labor. There is Al Smith, Franklin Roosevelt, Bob Wagner, Jimmy Walker, and last, but not least, my colleague, Jim Mead, who served in the State legislature with all four back in 1914 to 1918.

These men had nothing in common except a common cause—to make the old mossbacks of their party abandon their conservatism, to secure a new deal for labor and the man in the street.

They have been at it ever since 1910, and have done quite well. In their time they have been connected with the greatest labor reforms since the abolition of slavery. And the end is not yet.

I trust there will be no more struggles in futile opposition to the right of collective bargaining on the part of employees, and I recommend that destructive labor policies, encompassing the use of spies and deputy sheriffs as paid company guards and the contracting of individual agreements which are not free-will contracts, be abolished. The recognition of the right of representation and the prompt hearing of grievances provide the open door to reasonable and just settlements.

The employment of women and minors in trade and industry at wages unreasonably low and not fairly commensurate with the value of the services rendered is a matter of grave and vital public concern. Many women and minors employed for gain throughout the country are not as a class upon a level of equality in bargaining with their employers in regard to minimum fair wage standards, and freedom of contract as applied to their relations with their employers is illusory.

Since a very large percentage of such workers are obliged, from their weekly wages, to support themselves and others who are dependent upon them in whole or in part, they are, by reason of their circumstances, forced to accept whatever wages are offered them.

The constant lowering of wages by unscrupulous employers constitutes a serious form of unfair competition against

other employers, reduces the purchasing power of the workers, and threatens the stability of industry.

Social workers and officials of State labor departments are reporting from different parts of the country the reappearance and rapid growth of conditions in industry which it was thought had been definitely abolished by law and public opinion. Illegally long hours, low pay, violation of protective labor legislation, and direct cheating of employees are among the conditions reported as appearing in certain industries in which children and young workers are employed in large numbers. No locality has a monopoly of such conditions, but naturally they are most frequently reported from the industrial States. According to one authority, however, conditions have grown worse also in the beet fields of the West, an industry in which, it was noted some years ago, agriculture had taken on many of the aspects of factory work.

Concurrently with the general decrease in employment, there has been in certain industries an increase in the number of workers aged 16 and 17. Census figures show that while in general the number of youthful workers declined between 1920 and 1930, a few increases stand out strongly.

In several Southern States the percentage of textile workers of 16 and 17 years showed an increase since 1920; in the clothing industries in certain of the New England and Middle Atlantic States there has occurred a shift from older to younger employees. Thus in the clothing industry of Connecticut and Rhode Island the number of workers of 16 and 17 increased by 123 and 283 percent, respectively, whereas in New Jersey the increase was 81 percent; in Pennsylvania, 62 percent; and in Massachusetts, 52 percent.

Undoubtedly an increase in workers in this age group might exist together with the maintenance of good conditions and fair wage scales, but there is strong evidence that in many cases hours, wages, and working conditions are all far from satisfactory.

It is my hope that Congress will not adjourn until vital legislation, now pending, has been passed. If it does adjourn without considering such relief legislation as the 30-hour week bill, the Wagner disputes bill, the Crosser bill to provide a retirement system for railroad employees, the Wagner-Lewis unemployment insurance bill, the Crosser bill to establish a 6-hour day for employees engaged in interstate and foreign commerce, and the old-age pension bill, the workers may seek to obtain by strikes that which they hoped to receive by legislation.

Congress should realize the situation, with its attendant responsibilities, by passing this legislation or similar measures in order to prevent the riots, suffering, hunger, and misery that invariably follow in the wake of strikes.

Our efforts for recovery should include a program to secure and maintain industrial peace.

BANK-DEPOSIT INSURANCE

Mr. STEAGALL. 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. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit-insurance, and for other purposes.

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. 3025, with Mr. FULLER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. STEAGALL. Now, I want to discuss briefly another provision of the bill.

Mr. LUCE. Will the gentleman yield?

Mr. STEAGALL. I am glad to yield.

Mr. LUCE. May I suggest that the House and the public are greatly interested in the other part of the bill that the gentleman is about to discuss. We have been here over 6 hours, and I want to suggest that the gentleman resume his discussion tomorrow of that part of the bill relating to bank deposits.

Mr. STEAGALL. Mr. Chairman, in deference to the suggestion of my friend from Massachusetts, I move that the Committee do now rise.

The motion was agreed to.

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. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, and had come to no resolution thereon.

LEAVE OF ABSENCE

Mr. GAVAGAN, by unanimous consent, was given leave of absence for May 24, on account of important business.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, when I made my request this morning that when the House adjourns tomorrow it adjourn to meet on Monday next, I was under the impression that it would only take an hour or two to finish the bill then under consideration, and that we would be able to close general debate on this bill and begin its consideration. The gentleman from Alabama, Chairman of the Committee on Rules, and I have made a promise to take up the rule making in order the bill for a national park in the Everglades of Florida tomorrow. The time is limited, but the situation is such that we shall have to consider that in the morning.

Mr. LUCE. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. LUCE. I want to inform the gentleman that I have had no requests for time on this side. My own judgment is that the bill can be considered with expedition.

Mr. BYRNS. I am gratified to have the gentleman say that, and sometimes it is best to settle these things while in the humor to do it. Will the gentleman from Massachusetts agree to limit or cut down the debate? The suggestion was made that possibly the gentleman might be willing to cut off half an hour of his time, with the understanding that the gentleman from Alabama will do the same and save us an hour of general debate.

Mr. LUCE. I think I can do it, but I will reserve the decision until morning.

Mr. BYRNS. I hope the gentleman will work to that end. Mr. Speaker, I ask that the order made this morning at my request be vacated. If we get through with the pending bill tomorrow, I shall renew the request. Of course, it will be subject to objection, but I hope the House will agree to rescind that order, because it is necessary that no chances be taken on the passage of this bill this week, because next week will be crowded with business.

Mr. SNELL. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. SNELL. If the gentleman is going to throw the "snake park" in, that is a different proposition, and I am not anxious to cooperate.

Mr. BYRNS. If the gentleman will agree to it, it will expedite business tomorrow, because we might have to stay all night to finish the bill rather than to adjourn over with this important bill pending.

Mr. SNELL. I want to cooperate, but there is no business of more importance than the bill that we are now considering.

Mr. BYRNS. That was the understanding that we had. It was expected to call it up several days ago, and the gentleman's insistence prevented it.

Mr. SNELL. I know, but we had made an agreement on a certain program for that day.

Mr. BYRNS. That is true. I must say in all fairness that the author of that bill is unavoidably away at the present time. He is going to be here tomorrow under the promise that it will be taken up. Of course, we are not in a position to disappoint him.

Mr. SNELL. The gentleman would not sidetrack an important measure like this for that, would he?

Mr. BYRNS. Having made this promise, not understanding that this condition would arise, we are bound by the promise. That is not going to take very long.

Mr. SNELL. Oh, it will take some time.

Mr. BANKHEAD. Mr. Speaker, if the gentleman will permit, le me refresh his recollection in this way: When we had this controversy up we had some private conference about it, and it was agreed that the rule for the consideration of the Florida bill should be deferred until tomorrow, and that that should be taken up and I have the right-of-way. That was the understanding, and I think the gentleman will recall it.

Mr. SNELL. I told the gentleman at that time that that was a privileged matter, and he could bring it up any time he wanted to.

Mr. STEAGALL. Mr. Speaker, I do not understand how there can be any obligation to set aside a bill which the committee is urged to take up and finish, in order that some bill that is scheduled and expected to be taken up following that may be reached.

Mr. BYRNS. Mr. Speaker, last week the gentleman from Alabama, Mr. BANKHEAD, and I gave our solemn promise to the gentleman from Florida, Mr. WILCOX, who is going to fly back here and be here tomorrow, to take that bill up.

Mr. STEAGALL. I am not going to object—I would not think of objecting—but I am suggesting to the gentleman that the bill we have is of sufficient importance that when we start upon it, it does seem to me that we should be permitted to finish it. I hope that will be allowed.

Mr. BLANTON. Mr. Speaker, I reserve the right to object. I think that when the Majority Leader Mr. BYRNS got the unanimous consent of this House today that this House should adjourn over tomorrow night until Monday he saved a hundred million dollars at least of the people's money in the Treasury.

There are some applications for rules in the Committee on Rules right now which are being favorably considered by some members of the committee, one to appropriate $12,000,000, when there is not a cent due, and on which the House has already, after debate decided against by a vote of nearly 3 to 1. We must kill that measure. The Rules Committee is now considering the advisability of bringing in a rule to make that bill in order. Delay will stop it. There is another bill that this morning by a close vote of 5 to 6 in the Rules Committee——

Mr. O'CONNOR. How would the gentleman know that?

Mr. BLANTON. One of my colleagues who knows told me.

Mr. O'CONNOR. Then he violated the rules.

Mr. BLANTON. Oh, that is done here every day. If the newspapers can find out things that happen in executive sessions, surely Members of Congress have the right to find out something about what is going on in Congress. By a close vote they are going to bring in a rule here to establish a bad precedent which Congress has not followed since 1878. It has not been in vogue since 1878. It is going to cost this Government in the ultimate many millions of dollars. The gentleman from Tennessee [Mr. BYRNS] performed such a great service to the country this morning in getting that unanimous-consent agreement to adjourn over until Monday that if he did not do anything else during all his valuable service here, for it he deserves to stay here for the rest of his life.

Mr. BYRNS. I take it the gentleman is excusing himself for making an objection.

Mr. BLANTON. I am going to object, and thus help our leader save a hundred million dollars.

Mr. BYRNS. Is the gentleman willing to stay here tomorrow night to complete this bill?

Mr. BLANTON. I am willing to come here in the morning at 9 o'clock and stay here continuously, if necessary, until half past 3 o'clock the next morning to finish this bill, and that is exactly what we ought to do. Let us stay here tomorrow and finish the Steagall bill. I think the gentleman will have enough of our Democrats to back him up to hold the House in session every minute until we pass the Steagall bill.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock tomorrow morning.

Mr. BOILEAU. Mr. Speaker, I object.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object to inquire whether if we meet at 11 o'clock, will we go along and finish this bill first?

Mr. BYRNS. We will not, because I am under a sacred promise, and so is the gentleman from Alabama, and I am sure the gentleman does not want us to violate the solemn promise that we have made.

If the House wants to vote the bill down, all right and proper, but it will come up tomorrow, whether it is taken up first or last.

Mr. BLANTON. It will save staying here tomorrow night into the wee small hours of the morning.

Mr. SNELL. I consider the majority leader is responsible for the program.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BOILEAU. Mr. Speaker, I object.

Mr. BYRNS. Very well. I serve notice upon the House now, and upon the gentleman from Wisconsin particularly, and I hope he will stay here, that we will endeavor to stay here tomorrow night until we get through.

Mr. BLANTON. And we will back up the gentleman and stay here tomorrow night until we do finish this bill.

Mr. BOILEAU. I will be here.

MEETING OF INTERSTATE AND FOREIGN COMMERCE COMMITTEE

Mr. BYRNS. Mr. Speaker, I ask unanimous consent, and I do so at the request of the chairman of the committee and the ranking minority member, that the Committee on Interstate and Foreign Commerce may have the permission of the House to sit tomorrow during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee.

There was no objection.

BRIDGE ACROSS RIO GRANDE RIVER AT LAREDO, TEX.

Mr. WEST of Texas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, H.R. 9185, authorizing the International Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Laredo, Tex.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. WEST]?

Mr. BLANTON. Reserving the right to object, Mr. Speaker, I have a telegram from Mr. J. K. Beretta of San Antonio, Tex., who claims that this bill would be ruinous to his interests. He wants this bill held up awhile until he can write to the gentleman about it.

Mr. WEST of Texas. He has been before the committee already.

Mr. BLANTON. He asks that it be held up until he can communicate with the gentleman. The gentleman knows that he is one of the leading citizens of Texas. I hope the gentleman will not call up the bill until he can hear from Mr. Beretta.

Mr. WEST of Texas. I have had a half dozen telegrams and letters from him already.

Mr. BLANTON. Has the gentleman heard from him today?

Mr. WEST of Texas. No.

Mr. BLANTON. Mr. Beretta is such a good friend of mine that I am forced to object for the present until the gentleman from Texas [Mr. WEST] can hear from him.

MEMORIAL DAY CEREMONIES, GETTYSBURG NATIONAL PARK

Mr. HAINES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. HAINES]?

There was no objection.

Mr. HAINES. Mr. Speaker, I have requested these few minutes of the time of the House today to extend a most cordial invitation from the people of my district to the Membership of both Houses of Congress to attend the Memorial Day ceremonies at our national park at Gettysburg, Pa., which district I have the honor to represent.

On May 30, at 4 o'clock p.m., the President, Mr. Roosevelt, will arrive in Gettysburg, and at 4:30 p.m. he will deliver an address in the national cemetery, where most of our Presidents since the great war between the States have gone at least one time during their administration and spoken to the people of the Nation, giving them a message that all of us should want to learn from the experiences of the past. This message will be delivered within a very few steps of the exact spot where the immortal Lincoln delivered his great classic that shall live in the hearts of the men of this Nation forever.

It would be most fitting indeed, Mr. Speaker, if the Membership of this House, my colleagues, would spend the day set apart to pay tribute to the memory of those who made the supreme sacrifice for a cause they believed to be just, upon this hallowed soil. Gettysburg is a beautiful small city of about 6,000 souls, and the national cemetery is a credit to this Nation and perhaps the greatest of our national shrines, for almost a million people each year visit this sacred spot. Here you will find a fine citizenship, proud of their historic community, anxious to extend the hand of welcome to all who come within their gates. It is no more than a 2 hours' drive from Washington to Gettysburg, and in that drive you will pass through some of the finest agricultural country in Maryland, passing through historic Frederick, over good roads, and with scenic beauty unsurpassed.

I should like to recommend that you leave here early in the morning and either motor in your own cars, taking your families with you for a day of recreation and solemn hour of sacrament and consecration, or you can go by bus that will likely arrange for your comfort and safe journey at a reasonable cost. I am most anxious, Mr. Speaker, to have you come with me to Gettysburg as my guest on this day, and trust that you will be able to do so. I should feel greatly honored, Mr. Speaker, if the entire Membership of this House would allow me to arrange for their comfort and have special courtesies extended to them in Gettysburg upon the occasion of the President's visit.

I should like to give each Member a special courtesy card and an "official sticker" for your car when you get into Gettysburg, and which will enable you to have special consideration given to you, for the people of my district, especially the citizens of Gettysburg, are anxious to have you as their guests on this occasion.

When you get to Gettysburg, you will find about 100 specially trained guides, who know the history of this field and who, for a very small sum, will guide you over the battlefield. You will find about 35 miles of improved highway on the battlefield and the field covering an area of about 40 square miles, with approximately 16,000 acres of land that is well kept. There are two C.C.C. camps that are doing a wonderful piece of work, making this place more beautiful and conserving for our posterity this historic spot.

Here you will find almost 850 monuments erected by the States and the National Government, monuments of stone, bronze, and marble, to perpetuate the memory of these heroic dead, erected by a grateful people both from the North and from the South. Last fall I spent a day with our brethren from Alabama at Gettysburg, where the wonderful women of that State have erected a most beautiful monument to the memory of the valiant men from that great State, and I was deeply impressed with the fine sentiment expressed by those who spoke upon that occasion.

Those of you from Alabama who have not seen this wonderful monument erected by the Daughters of the Confederacy in your State should by all means go to Gettysburg and see what honor and recognition are given to the men of 1861–65 who were willing to die in a cause that they believed to be right.

In addition to these monuments there have been erected five steel observation towers, 3 of them being 65 feet in height and 2 of them 75 feet high; also 464 bronze tablets, 37 bridges and culverts, 5 bronze equestrian statues, 30 bronze statues on pedestals, 417 cannons on carriages, 15 sets of farm buildings, 5 southern monuments, erected by the States of Maryland, Virginia, North Carolina, Texas, and Alabama. The Government owns more than 2,500 acres of the land and each year is making the necessary improvements and giving the care that I am sure a grateful people expect. I said to you that a million people each year visit this sacred shrine. These people come from every country in the world, and include every distinguished individual who visits our shores. These come to learn the story of that great conflict that gave to this Nation a rebirth, that gave to our people a realization of its unity and a vision of its united destiny. These valiant men of 1861–65 are rapidly being called to their last resting place, and we cannot perpetuate the memory of those who died unless we be interested in seeing that the unity then realized, the vision then seen, might be exemplified in us and the things that we do.

Come to Gettysburg on May 30. Get in touch with me as soon as possible so that I can arrange to have a seat reserved for you to listen to the address of our President. This invitation is to all of you, my colleagues, and I trust that I may have the pleasure of seeing you in Gettysburg upon this occasion.

It is believed that this will be the greatest event in the history of the national parks; more people are expected than upon any other occasion; and for this reason I am most anxious to arrange for your comfort.

Should any of you desire that I arrange for a guide for you, I shall be pleased to do so, making arrangements for that guide to meet you at a designated place and at a certain hour.

I should like all of you who can to take this beautiful drive to Gettysburg, by way of old Frederick, then from Gettysburg go to the beautiful small city of Hanover, where the first blood was shed above Mason and Dixon's line in the Civil War, and you will find a city bustling with industry and great in its civic pride and accomplishments. Then drive down to historic old York, on your way back to Washington. York you will find a city alive with industry, a city that ranks third in diversified industry in the great manufacturing State of Pennsylvania, a city that is noted for having been the seat of the Continental Congress during the darkest days of the American Revolution.

From York you will then drive down the historic old Susquehanna Trail to Baltimore, which will afford you a day of enjoyment because of the wonderful scenic beauty, good roads, beautiful fertile hills and valleys, inhabited by a fine American citizenry.

I stand ready to assist any Member of this body in arranging for his Memorial Day program at Gettysburg, and I hope that I may have the pleasure of seeing all of you at Gettysburg on Memorial Day, May 30.

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 tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. CONNERY. Reserving the right to object, in spite of the fact that we are adjourning from Thursday to Monday, which slows us up a little in our effort to get names on the 30-hour-week petition, nevertheless, I feel confident we will have those names by the first of the week, and I certainly will not object.

Mr. BYRNS. May I say in all sincerity that I had no idea in my mind of adjourning over Friday and Saturday on account of any petition upon the desk.

Mr. CONNERY. And I will certainly take the word of my distinguished leader.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, notwithstanding the fact that the gentleman from

Texas [Mr. BLANTON] will not permit us to be in session on Friday and Saturday when we have no other business to take up, I shall not object to this request.

Mr. BLANTON. I want to help the gentleman from Tennessee [Mr. BYRNS] save a hundred million dollars to the country, which will be saved by adjourning this House over to Monday, as such action will stop many bad measures from being passed.

Mr. MARTIN of Colorado. Reserving the right to object, I am curious to know how the gentleman from Tennessee is saving the country a hundred million dollars. That is a lot of money.

Mr. BLANTON. By adjourning the House from Thursday night until Monday will keep numerous bad bills involving large sums from being passed this session, and I firmly believe that it will save at least $100,000,000. The House has its work practically finished, and it behooves us to adjourn sine die as soon as possible.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. BYRNS].

There was no objection.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3673. An act to amend the law relative to citizenship and naturalization, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2442. An act for the protection of the municipal water supply in the city of Salt Lake City, State of Utah;

S. 3114. An act to extend the times for commencing and completing the construction of certain bridges in the State of Oregon; 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.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 29 minutes p.m.), the House, pursuant to its order heretofore entered, adjourned until tomorrow, Thursday, May 24, 1934, at 11 o'clock a.m.

## COMMITTEE HEARING

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Thursday, May 24, 10 a.m.)

Continuation of the hearings on H.R. 9689, amendments to the Railway Labor Act.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

481. A letter from the Secretary of the Navy, transmitting a proposed draft of bill to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects destroyed in a fire at the naval radio station, Libugon, Guam, on April 15, 1932; to the Committee on Claims.

482. A letter from the Chairman of the United States Tariff Commission, transmitting copy of a report sent to the President by the Tariff Commission in an investigation, for the purposes of section 3 (e) of the Industrial Recovery Act with respect to matches; to the Committee on Ways and Means.

483. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Legislative Establishment, House of Representatives, fiscal year 1934, in the sum of $7,776.07 (H.Doc. No. 380); to the Committee on Appropriations and ordered to be printed.

484. A communication from the President of the United States, transmitting deficiency estimates of appropriations for the Navy Department for the fiscal year 1933 and prior years, in the sum of $824.52, and supplemental estimates of appropriations for the fiscal year 1934 in the sum of $917.04, amounting in all to $1,741.56, together with a draft of a proposed provision affecting an existing appropriation for the fiscal year 1933 (H.Doc. No. 382); to the Committee on Appropriations and ordered to be printed.

485. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the fiscal year 1933 in the sum of $139, and supplemental estimates of appropriations for the fiscal year 1934 in the sum of $87,500 and for the fiscal year 1935 in the sum of $45,656; amounting, in all, to $133,295, for the Department of State (H.Doc. No. 383); to the Committee on Appropriations and ordered to be printed.

486. A communication from the President of the United States, transmitting drafts of proposed provisions pertaining to the appropriation for collecting the revenue from customs, 1935, Bureau of Customs, Treasury Department (H.Doc. No. 384); 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. SUMNERS of Texas: Committee on the Judiciary. H.R. 9437. A bill 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"; without amendment (Rept. No. 1748). Referred to the House Calendar.

Mr. SUMNERS of Texas: Committee on the Judiciary. S. 1884. An act 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; without amendment (Rept. No. 1749). Referred to the House Calendar.

Mr. SUMNERS of Texas. Committee on the Judiciary. S. 3041. An act to effectuate the purpose of certain statutes concerning rates of pay for labor, by making it unlawful to prevent anyone from receiving the compensation contracted for thereunder, and for other purposes; without amendment (Rept. No. 1750). Referred to the House Calendar.

Mr. McCORMACK: Committee on Ways and Means. House Joint Resolution 322. Joint resolution to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes; with amendment (Rept. No. 1751). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on Indian Affairs. H.R. 5365. A bill providing for the recognition and enrollment as Cheraw Indians of certain Indians in the State of North Carolina; with amendment (Rept. No. 1752). Referred to the House Calendar.

Mr. KENNEDY of Maryland: Committee on the Disposition of Useless Executive Papers. House Report 1753. A report on the disposition of useless papers in the Department of the Interior. Ordered to be printed.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'BRIEN: Committee on the District of Columbia. S. 2580. An act to exempt from taxation certain property of the National Society United States Daughters of 1812 in the District of Columbia; without amendment (Rept. No. 1755). Referred to the Committee of the Whole House.

Mr. O'BRIEN: Committee on the District of Columbia. H.R. 6037. A bill to exempt from taxation certain property

of the National Society of the Sons of the American Revolution; without amendment (Rept. No. 1756). 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. HOWARD: A bill (H.R. 9740) to authorize the city of South Sioux City, in the State of Nebraska, to construct a bridge across the Missouri River between the States of Nebraska and Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. DOUGHTON: A bill (H.R. 9741) to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof; to the Committee on Ways and Means.

By Mr. CARY: A bill (H.R. 9742) to authorize the transfer of certain lands in Hopkins County, Ky., to the city of Dawson Springs, Ky.; to the Committee on Public Buildings and Grounds.

By Mr. McCORMACK: A bill (H.R. 9743) to establish boards in the Army, Navy, and Marine Corps for hearing and passing upon petitions for correction of records of persons discharged under other than honorable conditions; to the Committee on Military Affairs.

By Mr. RANDOLPH: A bill (H.R. 9744) to provide a preliminary examination of the Monongahela River and its tributaries in the State of West Virginia, with a view to the control of its floods; to the Committee on Flood Control.

By Mr. DIES: A bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes; to the Committee on Ways and Means.

By Mr. SUMNERS of Texas: A bill (H.R. 9746) to amend section 938 of the Revised Statutes to vest the courts with discretion to refuse to order the return of vessels seized for violation of any law of the United States; and to amend subsection (b) of section 7 of the Air Commerce Act of 1926, as amended, to provide for the forfeiture of aircraft used in violation of the customs laws; to the Committee on the Judiciary.

By Mr. McSWAIN: Joint resolution (H.J.Res. 353) to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital; to the Committee on Military Affairs.

By Mr. COCHRAN of Pennsylvania: Joint resolution (H.J.Res. 354) to provide for the return to the United States and the interment in Arlington National Cemetery of the remains of Gen. George Pomutz; to the Committee on Military Affairs.

By Mr. HENNEY: Joint resolution (H.J.Res. 355) requesting the President to proclaim October 9 as Leif Erickson Day; to the Committee on the Judiciary.

By Mr. BLOOM: Concurrent resolution (H.Con.Res. 39) to print, with illustrations, the proceedings at the joint session of Congress in the House of Representatives on May 20, 1934, held in commemoration of the centennial anniversary of the death of Gilbert du Motier Marquis de La Fayette; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. GOSS: A bill (H.R. 9747) for the relief of Bertha E. Kowalski; to the Committee on Claims.

By Mr. GRAY: A bill (H.R. 9748) granting a pension to Everett P. Collins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 9749) granting a pension to Florence A. Champ; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H.R. 9750) for the relief of Thaddeus C. Knight; to the Committee on Military Affairs.

By Mr. KENNEDY of New York: A bill (H.R. 9751) conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim of the executors of the estate of George F. Morgan against the United States; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H.R. 9752) granting a pension to Spurgeon C. Portwood; to the Committee on Pensions.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (S. 2585) authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge; Committee on the Public Lands discharged, and referred to the Committee on Indian Affairs.

A bill (H.R. 7466) granting a pension to Maria B. Thompson; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

4748. By Mr. BAKEWELL: Resolution of Star Council, No. 42, Sons and Daughters of Liberty, Old Greenwich, Conn., opposing the amending of the immigration laws so that present quotas may be enlarged; to the Committee on Immigration and Naturalization.

4749. By Mr. GOODWIN: Petition of the Parent-Teacher Association of the Greenville Central School, Greenville, Greene County, N.Y., expressing approval and urging support of the Patman bill (H.R. 8686); to the Committee on Interstate and Foreign Commerce.

4750. By Mr. HOEPPEL: Petition of the Board of Supervisors of the City and County of San Francisco, Calif., urging the enactment of legislation providing for immediate payment of veterans' adjusted compensation; to the Committee on World War Veterans' Legislation.

4751. By Mr. LINDSAY: Petition of the Oil Producers Sales Agency of California, Los Angeles, Calif., concerning Federal oil-control legislation; to the Committee on Interstate and Foreign Commerce.

4752. Also, petition of the East Texas Chamber of Commerce, Longview, Tex., concerning Federal control of the oil industry; to the Committee on Interstate and Foreign Commerce.

4753. Also, telegram from C. R. Palmer, president Cluett Peabody & Co., Inc., Troy, N.Y., opposing further limitation of hours for industry; to the Committee on Labor.

4754. By Mr. RUDD: Petition of the Oil Products Sales Agency of California opposing the passage of Senate bill 3495; to the Committee on Interstate and Foreign Commerce.

4755. Also, petition of C. R. Palmer, president Cluett Peabody & Co., Inc., Troy, N.Y., opposing shorter work hours; to the Committee on Labor.

4756. By Mr. SMITH of Washington: Petition containing approximately 425 names of residents of southwest Washington, supporting the Townsend old-age revolving pension plan; to the Committee on Labor.

4757. By the SPEAKER: Petition of Frank B. Althouse, of Clinton, Iowa, and numerous others, supporting Senate bill 3231 and House bill 9596, as sponsored by the Railroad Employees' National Pension Association, Inc.; to the Committee on Interstate and Foreign Commerce.

4758. Also, petition of the Catholic Daughters of America Study Club, Appleton, Wis., supporting the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for non-profit-making associations seeking licenses for radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

4759. Also, petition of the Catholic Action Guild of All Saints Parish, Buffalo, N.Y., advocating the amendment of section 301 of Senate bill 2910, requiring a minimum allot-

ment of time to non-profit-making associations for radio broadcast; to the Committee on Merchant Marine, Radio, and Fisheries.

4760. Also, petition of the Council of the City of Portland, Oreg., recommending the earnest consideration by Congress of House bill 7598; to the Committee on Labor.

4761. Also, petition of St. Ignatius Holy Name Society, Los Angeles, Calif., supporting the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for non-profit-making associations seeking licenses for radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

4762. Also, petition of the Illinois Manufacturers' Association, Chicago, opposing Senate bill 3285; to the Committee on Interstate and Foreign Commerce.

4763. Also, petition of several hundred residents of Pitcairn, Pa., favoring the McLeod bill to make available deposits of depositors in closed national banks; to the Committee on Banking and Currency.

---

# SENATE

## THURSDAY, MAY 24, 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, Wednesday, May 23, was dispensed with, and the Journal was approved.

### CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from California [Mr. MCADOO] is absent because of illness, and that the Senator from Florida [Mr. TRAMMELL] and the Senator from North Carolina [Mr. REYNOLDS] are necessarily detained from the Senate. I ask that this announcement may stand for the day.

Mr. DIETERICH. I wish to announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is absent from the Senate on important public business.

Mr. FESS. I announce that the Senator from Rhode Island [Mr. HEBERT] is absent on account of illness, and that the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Pennsylvania [Mr. REED] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-nine 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 bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a joint resolution (H.J.Res. 347) to prohibit the sale of arms or munitions of war in the United States under certain conditions, in which it requested the concurrence of the Senate.

### ANNOUNCEMENT OF THE DEATH OF HON. BRAND WHITLOCK

Mr. FESS. Mr. President, a message has just reached me announcing the death of Brand Whitlock, a very warm personal boyhood friend of mine, who achieved a great career as United States Ambassador to Belgium during the World War. Only last week he was pronounced by a high authority in Belgium the greatest Ambassador our country had ever sent to that country.

Mr. Whitlock was an independent thinker in religion and politics, the talented author of a great many books which were widely read by all classes of people, and with it all he was one of the most lovable characters I have ever known.

Mr. President, it is with a sense of profound sadness that I announce the receipt of this message from France, where Mr. Whitlock had lived for the past few years.

### MARKETING OF GOVERNMENT SECURITIES (S.DOC. NO. 183)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury reporting, in further response to Senate Resolution No. 209, in relation to Government securities offered to the public during the present fiscal year, which, with the accompanying exhibits, was ordered to lie on the table.

Mr. COUZENS subsequently said: Mr. President, on March 15, 1934, the Senate adopted a resolution—No. 209—calling upon the Secretary of the Treasury for information concerning the issuance, the purchase, the sale, and the price of Government securities. A report addressed to the President of the Senate has now been furnished. I ask unanimous consent to have the report printed as a Senate document.

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

### HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J.Res. 347) to prohibit the sale of arms or munitions of war in the United States under certain conditions was read twice by its title and referred to the Committee on Foreign Relations.

### REPORTS OF COMMITTEES

Mr. STEPHENS, from the Committee on the Judiciary, to which was referred the bill (S. 3075) to permit the appointment of special agents of the Division of Investigation as State officers, reported it without amendment and submitted a report (No. 1123) thereon.

He also, from the Committee on Commerce, to which were referred the following bills and joint resolution, reported them severally without amendment and submitted reports thereon:

H.R. 5312. An act to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes (Rept. No. 1139);

H.R. 5665. An act authorizing the control of floods in the Salmon River, Alaska (Rept. No. 1140); and

H.J.Res. 340. Joint resolution to harmonize the treaties and statutes of the United States with reference to American Samoa (Rept. No. 1141).

Mr. STEPHENS also, from the Committee on Commerce, to which was referred the bill (S. 3526) to amend the Air Commerce Act of 1926 and to increase the efficiency of the Aeronautics Branch of the Department of Commerce with respect to the development and regulation of civil aeronautics, reported it with an amendment and submitted a report (No. 1142) thereon.

He also, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon: