Claude S. Kirkpatrick
Edwin S. Lee, Jr.
Fred D. Pfotenhauer
William W. Keller
Ernest S. Bathke
Jacob T. Bullen, Jr.
John J. Hyland
Lewis C. Coxe
Lester R. Schulz
Cedric W. Stirling
William M. McCormick
Grafton B. Perkins, Jr.
Brown Taylor
Richard L. Mann
John W. Kearns
Royal R. Ingersoll, II
Paul Van Leunen, Jr.
Robert L. Townsend
Eugene C. Rider
Edgar S. Powell, Jr.
William C. G. Church
Charles M. Henderson
Albert L. Becker
Clyde J. Van Arsdall, Jr.
Rollin E. Westholm
James S. Shilson
Howard T. E. Anderson
Robert J. Ovrom
Hugh M. Maples
Arthur C. Smith
Willard J. Bain
Richard C. Latham
John M. Phelps
William I. Robbins
John P. Condon
Donald A. Scherer
William L. Guthrie
Charles R. Stephan
Otto C. Schatz, Jr.
Charles C. Mann
John M. McMahon
Charles B. Paine, Jr.
Ernest E. Christensen
Richard R. Boutelle
Orme C. Robbins
Charles Blenman, Jr.
Robert H. Close
Juan B. Pesante
James R. Compton
Walter T. Griffith
Edward F. Dissette
John W. Howard
David S. Edwards, Jr.
William E. Sweeney
John Metcalf
John R. Bromley
William S. Maddox
John C. Nichols
William C. Murphy
James D. Fulp, Jr.
Earl K. Solenberger
James S. Nutt
Frederic W. Hawes
Robert N. Robertson
Robert C. Houston
Charles W. Fell
Marvin I. Rosenberg
Melvin H. Dry
Reuben T. Whitaker
Arthur L. Newman
Howard E. Day, Jr.
Beverly R. Van Buskirk
George E. T. Parsons
Charles W. Brewer
John A. Horton, Jr.
Harry L. Thompson, Jr.
Keith E. Taylor
Alexander G. Hay
Alfred D. Kilmartin
Robert M. Brinker
Joseph B. Tibbets
Dennison C. Ambrose
John M. Hyde
William H. Lawrence
Carl W. Middleton, Jr.
Lewis Freedman
Robert J. Oliver
George W. Lautrup, Jr.
Duncan P. Dixon, Jr.
Donald G. Irvine
Robert J. Hardy
John B. Morland
Christy C. Butterworth
Thomas C. Edrington, 3d
George S. Bullen
Wilson M. Coleman
Joseph J. Staley, Jr.
Statton R. Ours, Jr.
Richard E. Nichols
Herman H. Kait
William A. Smyth
Arden Packard
Richard D. Shepard
Carl W. Rooney
Joseph E. Stulgis
Harold D. Fuller
Earl K. McLaren
Clarence E. Dickinson, Jr.
Albert L. Gebelin
Edward N. Blakely
Allan G. Schnable
Benjamin C. Fulghum
Ernest V. Bruchez
Eric L. Barr, Jr.
Samuel Bradbard
Paul L. Joachim
Terry L. Watkins
Walter H. Baumberger
Charles H. Clark
Arthur E. Krapf
James E. Smith
Raymond L. Abrahamson
Nels C. Johnson
Lyle E. Strickler
William C. Hembury
Sidney L. Erwin
John G. Roenigk
John Harllee
Wayne R. Merrill
Cecil K. Harper
Benedict J. Semmes, Jr.
Richard G. Kopff
Warren S. Macleod
Barton E. Day
Harry H. Greer, Jr.
Frederic G. Pegelow
Allyn Cole, Jr.
Francis O. Fletcher, Jr.
William J. Drumtra
Robert A. Paton
Edgar J. Hailey
Lowell S. Price
Robert Donaldson
Richard E. Bly
Ellis B. Rittenhouse
Robert E. Wheeler
Philip H. Torrey, Jr.
James M. Clute
William M. Collins, Jr.
Frank K. Upham
Stanley S. Daunis
Curtis H. Hutchings
William R. Peeler
Arthur C. House, Jr.
Marshall W. White
Thompson C. Guthrie, Jr.
Robert R. Williams, Jr.
Thomas B. Oakley, Jr.
Irving S. Presler
John F. McGillis
Richard H. O'Kane
Charles F. Fischer
George W. Welch
George M. Clifford
James W. Brock
John W. Florence
Charles Antoniak
Edward M. Fagan
Jackson D. Arnold
Arthur L. Benedict, Jr.
Louis Lefelar, Jr.
Bernard A. Clarey
Douglas M. Swift
Francis A. G. Kelly
Paul S. Savidge, Jr.
Kendall Casey
Arthur R. Manning
Henry C. Spicer, Jr.
Ronald Q. Rankin
Henry L. Miller
Willard E. Hastings
Walker Ethridge
Frank M. Whitaker
Francis W. Scanland, Jr.
Forrest M. Price
Francis D. Boyle
John T. Lowe, Jr.
James H. Newell
Martin H. Ray, Jr.

MARINE CORPS

The following-named midshipmen to be second lieutenants in the Marine Corps, revocable for 2 years, from the 31st day of May 1934:

Clyde R. Nelson
Joseph L. Dickey
Elmore W. Seeds
John P. Condon
John A. Butler
Ralph K. Rottet
George C. Ruffin, Jr.
Roger S. Ahlbrandt
Harold O. Deakin
Maurice T. Ireland
Henry W. Buse, Jr.
Samuel R. Shaw
Robert S. Fairweather
Robert E. Hommel
Joseph P. Fuchs
John W. Sapp, Jr.
Harry W. G. Vadnais
Frank C. Tharin
Bennet G. Powers
Samuel F. Zeiler
Lawrence B. Clark
Ernest L. E. Ritson
Colin J. Mackenzie
George B. Nicol
Joe McK. Alexander

SENATE

MONDAY, MAY 28, 1934

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

Gracious Lord and Heavenly Father, Author of Peace and Lover of Concord, breathe into our souls the love of beauty, truth, and goodness that, all confusion and discord being removed, we may abide under the holy influence of Thy calm. Help us this day to remember that we are Thy children, in whom should dwell no fear save that of being faithless to our trust. So shall our tasks be willed, in hours of insight, by deep and fervent effort to perform the common round of duty which unfailing love demands within the circle of Thy sovereign will. We ask it in the name of Him whose human life was the supreme expression of self-subjecting love, Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day, Saturday, May 26, when, on motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

ORDER FOR THE CONSIDERATION OF THE CALENDAR

Mr. ROBINSON of Arkansas. I ask unanimous consent that at the conclusion of morning business the Senate proceed to the consideration of unobjected bills on the calendar.

The VICE PRESIDENT. Is there objection?

Mr. LONG. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. We want to move to discharge the Finance Committee from the further consideration of House bill no. 1 this morning. Would agreeing to the request of the Senator from Arkansas disturb our position? This morning is the only opportunity we have had for some time to bring up that question.

The VICE PRESIDENT. The Chair will state to the Senator that agreeing to the request would disturb the sug-

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gested motion, if that motion were in order; but the call of the calendar is in order anyway.

Mr. ROBINSON of Arkansas. In reply to the inquiry of the Senator from Louisiana, let me say that under the rule of the Senate the Senate will proceed to the call of the calendar under rule VIII in any event, unless the request submitted by me shall be granted.

The VICE PRESIDENT. On any other day except Monday it would be in order to move to discharge the committee, but on Monday the Chair thinks it is not in order to move to discharge the committee. Rule VII provides that the calendar under rule VIII shall be called on Mondays, and this call shall begin at the conclusion of the morning business.

Mr. LONG. On Monday, as I understand, I cannot move to discharge the committee.

The VICE PRESIDENT. That is correct.

Mr. LONG. Might I inquire, would there be any objection on the part of the Senator from Arkansas if we did this morning take up the matter, without any debate, to discharge the Committee on Finance from the further consideration of House bill no. 1?

Mr. ROBINSON of Arkansas. Yes; I should object.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas that at the conclusion of the routine morning business the Senate proceed to the consideration of unobjected bills on the calendar? The Chair hears none, and it is so ordered.

INVITATION TO REVIEW OF THE FLEET

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Navy, which was read and ordered to lie on the table, as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, May 25, 1934.

MY DEAR MR. VICE PRESIDENT: Owing to the limited facilities on board the cruiser *Louisville* it has been impracticable to invite all the Members of the Senate to witness the review of the United States Fleet by the President on May 31.

It is my earnest desire that all Senators be given an opportunity to view any or all of the ships of the Fleet during their coming stay at New York from June 1 to June 17, and I am accordingly taking this opportunity to extend a most cordial invitation for them to do so.

In order that each Senator who may desire to visit the fleet will be accorded the proper facilities I have requested the Commander in Chief to issue courtesy cards to those who so desire. Should it be desired to visit any particular ship or ships the name or names should be given in the request.

Requests for courtesy cards should be addressed to the Commander in Chief United States Fleet, care Postmaster, New York City.

It will be greatly appreciated if the above information is promulgated to the Members of the Senate.

Sincerely yours,

CLAUDE A. SWANSON.

The VICE PRESIDENT,
United States Senate, Washington, D.C.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts:

On May 25, 1934:

S. 3114. An act to extend the times for commencing and completing the construction of certain bridges in the State of Oregon; and

S. 3436. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain proceedings against the Electro-Metallurgical Co., New-Kanawha Power Co., and the Union Carbide & Carbon Corporation.

On May 26, 1934:

S. 2042. An act to establish a department of physics at the United States Military Academy at West Point, N.Y.;

S. 2442. An act for the protection of the municipal water supply of the city of Salt Lake City, State of Utah;

S. 2794. An act to amend the Longshoremen's and Harbor Workers' Compensation Act with respect to rates of compensation, and for other purposes; 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.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a memorial from J. Neilson Barry, secretary of the Historical Research Council, Portland, Oreg., remonstrating against the passage of the so-called "Mott resolution", requesting the President to issue a proclamation to honor the Jason Lee's Establishment of the First Permanent Settlement in Oregon, which, with the accompanying paper, was referred to the Committee on the Library.

He also laid before the Senate a telegram in the nature of a petition from Albert E. Hayes, of Denver, Colo., praying an amendment to pending silver legislation providing for the remonetization of silver on a legal basis, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Council of the City of Dearborn, Mich., endorsing a resolution adopted by the Detroit section of the American Society of Civil Engineers, favoring the enactment of legislation to remove certain restrictions as set forth in section 304-A of the National Industrial Recovery Act, which was referred to the Committee on Finance.

DIVERSION OF WATERS FROM PYMATUNING RESERVOIR

Mr. DAVIS. I ask unanimous consent to have printed in the RECORD and appropriately referred resolutions of the Town Council of the borough of Sharpsville, Pa., together with my acknowledgment of the same, protesting the diversion of the waters of the Pymatuning Reservoir into the Mahoning Valley of the State of Ohio. The State of Pennsylvania has appropriated several million dollars for the acquisition of lands at the site of the Pymatuning Reservoir and for the erection of the Pymatuning Dam. I believe that the diversion of this water is unwarranted.

There being no objection, the resolutions were referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

Whereas the State of Pennsylvania has appropriated several millions of dollars for the acquisition of lands at the site of the Pymatuning Reservoir, and for the erection of the Pymatuning Dam, this for the primary purpose of supplying water to the industries of the lower Shenango Valley; and

Whereas a proposal has been made to divert the waters of the Pymatuning Reservoir into the Mahoning Valley in the State of Ohio for the purpose of feeding a proposal canal: Now, therefore, be it

Resolved, That the burgess and town council of the borough of Sharpsville object to and oppose the diversion of the waters of the aforesaid Pymatuning Reservoir and in behalf of the people of the borough protest against the proposed diversion of the aforesaid waters; be it further

Resolved, That copies of this resolution be forwarded to the Honorable Gifford Pinchot, Governor of the State of Pennsylvania; the Honorable David A. Reed, United States Senator; the Honorable James J. Davis, United States Senator; the Honorable T. C. Cochran, Representative in Congress from the Twentieth District of Pennsylvania; and to Alexander W. Davis, chairman of Pennsylvania Canal Board, Pittsburgh, Pa.

Ordained and enacted this 9th day of May 1934.

[SEAL] JOHN E. CLEARY,
President of Council.

Attest:

MAME K. ROBINS, *Secretary.*

Approved by me this 11th day of May 1934.

H. R. PARSONS, *Burgess.*

UNITED STATES SENATE,
COMMITTEE ON NAVAL AFFAIRS,
May 24, 1934.

Mr. JOHN E. CLEARY,
Sharpsville, Pa.

DEAR MR. CLEARY: Please pardon my delay in acknowledging the resolution adopted by the council of Sharpsville. Needless to say, my interest is in protecting the natural resources of Pennsylvania, and I have repeatedly informed advocates of canal routes which extend beyond the borders of Pennsylvania that I could not see my way clear to approve the diversion of Pennsylvania water for

the building and maintenance of a canal in another State if it would deprive Pennsylvania of her economic share of our national wealth.

Most cordially yours,

JAMES J. DAVIS.

PREVENTION OF LYNCHING

Mr. COSTIGAN. Mr. President, I have here a memorial, and before presenting it wish to make a brief statement about it.

It has been reliably reported that at the White House press conference last week the President of the United States expressed his desire that the antilynching bill (S. 1978), which, with amendments, has been favorably reported to the Senate by the Judiciary Committee and is now on the Senate calendar, be voted on by Congress before its adjournment. Under such circumstances, the extraordinary and deserved popularity and leadership of President Roosevelt in all parts of America justify the Senator from New York [Mr. WAGNER] and myself, who are cosponsors of this measure, in appealing alike to the able Democratic and Republican leadership of the Senate to assist us in our reasonable request for affirmative action in line with this deliberate expression of the President in favor of a vote by Congress at this session on a fundamental measure, in which are involved law, order, justice, and humanity for millions of underprivileged citizens of this country.

Congress can ill-afford to adjourn without such action. The measure before us has been petitioned for and endorsed during the last few months by authorized spokesmen of organizations having memberships in this country totaling approximately 40,000,000 American citizens. Indeed, never in our history have protests against the anarchy of lynching risen to any comparable high level of popular conviction. Support for the proposed legislation is today neither partisan nor sectional. To the honor of the South, let it be recorded that since the introduction of the bill editorials in behalf of its enactment have appeared as widely in leading newspapers of the South as of the North, and that no utterances in behalf of it have been more sober, well-considered, or impressive than those of southern leaders, and, even more moving, of noble, home-loving southern women, who are determined to do what they can to erase the age-old stain on our flag and civilization caused through the denial by irresponsible mobs and riotous assemblages of trial by jury, due process, and the equal protection of our laws. All law-abiding Americans should cooperate with and acknowledge the debt of gratitude we owe to such wise, patriotic, and humane southern leadership.

About 75 years ago Abraham Lincoln denounced lynching as "dangerous in example and revolting to humanity." Sixteen years ago Woodrow Wilson appealed to "the Governors of all States, the law officers of every community, and, above all, the men and women in every community in the United States, all who revere America and wish to keep her name without stain or reproach, to cooperate, not passively but actively and watchfully to make an end of this disgraceful evil." Last December the present President of the United States, following California's shocking Governor-sanctioned tragedy, denounced lynching as "collective murder" and declared: "We do not excuse those in high places or in low who condone lynch law."

That declaration of President Roosevelt, followed by a message in which, in effect, he properly classified lynching with the merciless brutalities of kidnaping and other first-degree offenses against life, provided a wholesome stimulus to awaken public opinion, and during this session Congress has been deluged with expressions of sound popular judgment in favor of immediate and remedial Federal legislation.

It is not my intention at this hour to do more than stress the precedence which should be given to the President's immensely important suggestion. In support of it I hope to have read at the desk of the Senate certain significant resolutions adopted by the Woman's Missionary Council of the Methodist Episcopal Church South, at Birmingham, Ala., in March of this year. In a letter of Mrs. Fitzgerald Sale Parker, recording secretary of that council, she affirms its representation of approximately 225,000 American women. As their church affiliations indicate, these women are the inheritors of the South's proudest traditions. By way of further preface to the resolutions it should be said that they definitely urge the approval of pending Federal antilynching legislation by this Congress. They recognize, of course, that if this action shall be taken we will have adopted a reasonable Federal legislative enactment directly tending to emancipate millions of Americans from needless and long-unlifting shadows of fear and horror.

We are faced by a problem which at last has become everybody's business because too long it has been nobody's business. And, fortunately, the legislative proposal for dealing with it is so temperate, unimpassioned, and impartial, that if passed, it may well be termed an enactment not to compel but to assist by simple and common-sense safeguards sound and law-abiding local public opinion in its efforts to control irresponsible lawlessness.

Mr. McNARY. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Oregon?

Mr. McNARY. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McNARY. I thought we were proceeding under the order of what is known as "routine morning business."

The VICE PRESIDENT. The Senator is correct; and if there is any objection to the Senator from Colorado proceeding, he may not proceed.

Mr. COSTIGAN. Mr. President, I trust the Senator from Oregon will interpose no objections. I am sure that the Senator did not hear my opening declaration that I would limit myself to a brief statement. I have nearly concluded.

Mr. McNARY. If the Senator will conclude in a few moments, I shall not interpose an objection.

Mr. COSTIGAN. Mr. President, out of many petitions and memorials in my possession in support of the antilynching bill, I now request that the letter of transmittal and the historic resolutions of the Southern Methodists' Woman's Missionary Council, adopted in March of this year, be read to the Senate by the clerk.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

WOMAN'S MISSIONARY COUNCIL,
METHODIST EPISCOPAL CHURCH SOUTH,
Nashville, Tenn., April 2, 1934.

Hon. EDWARD P. COSTIGAN,
United States Senate, Washington, D.C.

DEAR MR. COSTIGAN: I am handing you herewith the action concerning the Costigan-Wagner bill taken at the meeting of the Woman's Missionary Council in Birmingham, March 7–12. This organization represents approximately 225,000 women in the Methodist Episcopal Church South.

Yours very truly,

(Mrs. F. S.) L. P. PARKER.

Whereas lynching records show that for a period of 44 years (1889–1933) 3,781 persons have met death at the hands of cruel lynchers, and more appalling still only 12 of those guilty of participation in these mobs have been convicted; and

Whereas the weakness of the local courts in dealing with mobs, as shown in the above figures, inheres in their purely local character, giving little hope for delivering us from the terrible situation of mob violence and outlawry in which we find ourselves: Therefore be it

Resolved—

1. That we, the members of the Woman's Missionary Council in annual session at Birmingham, Ala., March 7–12, 1934, do hereby give our endorsement to the Costigan-Wagner bill, which seeks to stimulate local State governments to perform their duty in protecting life and property and which gives to the Federal Government the responsibility of apprehending and convicting persons guilty of mob murder in cases where local government has failed to perform its duty.

2. That a copy of this resolution be sent to the following: Hon. FREDERICK VAN NUYS, chairman of the Senate committee conducting the hearings on the bill; Hon. EDWARD P. COSTIGAN and Hon. ROBERT F. WAGNER, who are sponsoring the bill in the Senate, and Hon. THOMAS F. FORD, who sponsors it in the House of Representatives.

3. That we urge missionary women throughout the church to communicate with their Senators and Representatives asking them to promote the passage of this bill.

Mrs. J. W. PERRY, *President.*
Mrs. FITZGERALD S. PARKER, *Secretary.*

Mr. KEAN. Mr. President, there have been few occasions in the history of our country when the serpent of mob rule has raised its ugly head and bared its cruel fangs more menacingly than during the past few months.

An unfortunate situation has developed during the past fortnight that must give solemn pause to every thoughtful, patriotic American and particularly to every man charged with the duty of safeguarding the life, liberty, and right to pursue happiness without unlawful molestation. I refer, of course, to the Congress of the United States, the supreme lawmaking tribunal of the country.

Is it not fitting and proper, Mr. President, in view of the appalling situation that has developed recently, that we should strike a blow at mob rule at this session while we may? With class and racial hatreds running rampant, I believe it is only fitting and proper that we should pass the bill referred to by the Senator from Colorado [Mr. COSTIGAN], which would go far toward wiping out the cruel, cowardly, un-Christian, and un-American crime of lynching which has for too long been a scourge to a great body of law-abiding and patriotic Americans. I refer to the members of the Negro race.

REPORTS OF COMMITTEES

Mr. DAVIS, from the Committee on Naval Affairs, to which was referred the joint resolution (S.J.Res. 117) authorizing the President of the United States to present the Distinguished Flying Cross to Emory B. Bronte, reported it without amendment and submitted a report (No. 1190) thereon.

Mr. ERICKSON, from the Committee on Mines and Mining, to which was referred the bill (H.R. 1503) to amend the act entitled "An act to create the California Debris Commission and regulate hydraulic mining in the State of California", approved March 1, 1893, as amended, reported it without amendment and submitted a report (No. 1191) thereon.

Mr. WHITE, from the Committee on Claims, to which was referred the bill (S. 621) conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad, reported it with an amendment and submitted a report (No. 1192) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 3641) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y., reported it without amendment and submitted a report (No. 1193) thereon.

Mr. McKELLAR, from the Committee on the Library, to which was referred the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes, reported it with an amendment and submitted a report (No. 1194) thereon.

Mr. HAYDEN, from the Committee on Appropriations, to which was referred the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, reported it with amendments and submitted a report (No. 1195) thereon.

Mr. HATCH, from the Committee on Public Lands and Surveys, to which was referred the bill (H.R. 5369) providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928, reported it with an amendment and submitted a report (No. 1196) thereon.

Mr. ADAMS, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 3116) to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana", reported it with an amendment and submitted a report (No. 1198) thereon.

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which were referred the following bills, reported them severally without amendment and submitted a report thereon, as indicated:

H.R. 7428. An act providing for the transfer of certain lands from the United States to the city of Wilmington, Del., and from the city of Wilmington, Del., to the United States;

S. 1221. An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes; and

S. 2724. An act to provide for a customs examination building at Tampa, Fla. (Rept. No. 1199).

AMENDMENT OF RAILWAY LABOR ACT—MINORITY VIEWS

Mr. McNARY (for Mr. HASTINGS), from the Committee on Interstate Commerce, submitted minority views to accompany the bill (S. 3266) to amend the Railway Labor Act, approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees, which was ordered to be printed as part 2 of Report No. 1065.

BILLS INTRODUCED

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

By Mr. JOHNSON:

A bill (S. 3687) to amend the National Defense Act of June 3, 1916, as amended;

A bill (S. 3688) to readjust the pay of certain warrant officers and retired enlisted men;

A bill (S. 3689) for the relief of Samuel I. Johnson; and

A bill (S. 3690) authorizing the appointment of John E. Gibson as a warrant officer, United States Army; to the Committee on Military Affairs.

By Mr. WALCOTT:

A bill (S. 3691) granting Stanley Harrison the privilege of filing application for benefits under the Emergency Officers' Retirement Act; to the Committee on Military Affairs.

By Mr. BLACK:

A bill (S. 3692) to amend sections 2 (c) and 4 (d) of the Home Owners' Loan Act of 1933, as amended; to the Committee on Banking and Currency.

By Mr. GIBSON:

A bill (S. 3693) granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton, Vt.; to the Committee on Commerce.

By Mr. HATCH (by request):

A bill (S. 3694) to permit relinquishments and reconveyances of privately owned and State school lands for the benefit of the Indians of the Acoma Pueblo, N.Mex.; to the Committee on Indian Affairs.

By Mr. McNARY:

A bill (S. 3695) authorizing and directing the Secretary of the Treasury to reimburse Carrol D. Ward for the losses sustained by him by reason of the negligence of an employee of the Civilian Conservation Corps; to the Committee on Agriculture and Forestry.

By Mr. GORE (by request):

A bill (S. 3696) authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes; to the Committee on Interoceanic Canals.

By Mr. NORBECK:

A bill (S. 3697) granting a pension to Mrs. Daniel Ojinca or Bobtail Bull (with accompanying papers); to the Committee on Pensions.

CHANGE OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the bill (S. 1850) to establish a national military park to commemorate the campaign and Battles of Saratoga, in the State of New York, and it was referred to the Committee on Public Lands and Surveys.

AMENDMENT TO PETROLEUM REGULATION BILL

Mr. ROBINSON of Arkansas submitted an amendment intended to be proposed by him to the bill (S. 3495) to

regulate commerce in petroleum, and for other purposes, which was referred to the Committee on Mines and Mining and ordered to be printed.

RECIPROCAL TARIFF AGREEMENTS—AMENDMENT

Mr. STEIWER submitted an amendment intended to be proposed by him to the bill (H.R. 8687) to amend the Tariff Act of 1930, which was ordered to lie on the table and to be printed.

FINANCING OF HOME CONSTRUCTION AND REPAIR—AMENDMENT

Mr. BLACK submitted an amendment intended to be proposed by him to the bill (S. 3603) to improve Nation-wide housing standards, provide employment and stimulate industry; to improve conditions with respect to home-mortgage financing, to prevent speculative excesses in new mortgage investment, and to eliminate the necessity for costly second-mortgage financing, by creating a system of mutual mortgage insurance and by making provision for the organization of additional institutions to handle home financing; to promote thrift and protect savings; to amend the Federal Home Loan Bank Act; to amend the Federal Reserve Act; and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

INVESTIGATION OF FEDERAL RADIO COMMISSION

Mr. DICKINSON submitted the following resolution (S.Res. 250), which was referred to the Committee on Interstate Commerce:

Resolved, That the Committee on the Judiciary is authorized and directed to investigate the Federal Radio Commission, the records, documents, and decisions thereof, and each of the personnel thereof, with particular reference to the conduct and deportment of the several members of the Commission while engaged in exercising judicial or quasi-judicial functions under the Radio Act of 1927, and with further reference to the fitness of said several members of the Commission to exercise judicial or quasi-judicial functions either as members of the Federal Radio Commission as now constituted or as members of any commission which may be hereafter established to take over its powers and duties.

The committee shall report to the Senate the results of its investigation, including such recommendations as it deems advisable.

For such purposes the committee, or any subcommittee thereof, is authorized to sit and act at such times and places in the District of Columbia and elsewhere, whether or not the Senate is in session, to hold such hearings, to employ such experts, and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary.

LUCY R. GEHMAN

Mr. TOWNSEND submitted the following resolution (S.Res. 251), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay out of the contingent fund of the Senate to Lucy R. Gehman, widow of William H. Gehman, late an employee in the folding room, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

RECIPROCAL TRADE AGREEMENT WITH COLOMBIA

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The resolution (S.Res. 247) submitted by Mr. HATFIELD on May 22, 1934, was read, as follows:

Resolved, That the Secretary of State is requested to transmit immediately to the Senate a copy of the reciprocal trade agreement between the Governments of the United States and Colombia, agreed upon and signed on December 15, 1933, relating to certain import duties, excise taxes, and prohibitions on importation affecting specified products of such countries.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the resolution go over.

The VICE PRESIDENT. The resolution will go over.

WITHDRAWAL OF PAPERS—DAVID HUFFMAN

On motion of Mr. PATTERSON, it was

Ordered, That the papers filed with the bill (S. 44) granting a pension to David Huffman (73d Cong., 1st sess.) be withdrawn from the files of the Senate, no adverse report having been made thereon.

MESSAGE FROM THE HOUSE

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

S. 195. An act respecting contracts of industrial life insurance in the District of Columbia;

S. 2508. An act authorizing the Secretary of the Interior, with the approval of the National Capital Park and Planning Commission and the Attorney General of the United States, to make equitable adjustments of conflicting claims between the United States and other claimants of lands along the shores of the Potomac River, Anacostia River, and Rock Creek in the District of Columbia; and

S. 3257. An act to change the designation of Four-and-a-half Street S.W. to Fourth Street.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant, to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. VINSON, Mr. DREWRY, and Mr. BRITTEN were appointed managers on the part of the House at the conference.

SALOON CONDITIONS IN CHICAGO

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Dr. F. Scott McBride, general superintendent Antisaloon League of America, on the subject Old Chicago Saloon Plus Women Equals New Chicago Tavern.

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

OLD CHICAGO SALOON PLUS WOMEN EQUALS NEW CHICAGO TAVERN

In Chicago the Republican National Convention, less than 2 years ago, witnessed a demonstration against the eighteenth amendment and declared for a "proposed amendment" which would "safeguard our citizens everywhere from the return of the saloon and its attendant abuses." In Chicago, less than 2 years ago, during the Democratic National Convention, galleries packed with wets howled down every speaker who ventured to support prohibition, and the delegates overwhelmingly adopted the following resolution:

"We advocate the repeal of the eighteenth amendment. * * * We urge the enactment of such measures by the several States as will actually promote temperance, effectively prevent the return of the saloon, and bring the liquor traffic into the open under complete supervision and control by the States."

In Chicago, less than 2 years ago, the nominee of the Democratic Party in his speech of acceptance delivered to the convention, declared, "We must rightly and morally prevent the return of the saloon."

Now Chicago, where the big drive for repeal started and where both major political parties pledged that the saloon must not come back, should present the Nation's most conspicuous example of a successful solution of the liquor problem. But what do we find? Despite all promises, the saloon is back in Chicago, worse, more vile, more degrading, more dangerous than ever before in the history of that city.

In Chicago may be viewed at one and the same time a century of progress in industry, the arts, and science, and a century of retrogression so far as the liquor problem is concerned. In Chicago, saloons are back not only in the Loop but throughout the residence districts of the city. In Chicago, saloons are once more the gathering places of drinking and drunken men, and with them now women, "good and bad", mingle at the bars and in the wine rooms. In Chicago saloons high-school girls and boys by the hundred every night, drinking and dancing, rush madly on the downward path. In Chicago saloons every day and night millions of dollars are spent for intoxicating liquors to enrich the brewers and distillers and impoverish the people.

The abhorrent conditions in the saloons of Chicago, the very city from which "no saloon" promises were broadcast throughout the Nation during the party conventions, were recently investigated by the Committee of Fifteen, one of the leading social-service organizations of the city, Charles E. Miner, executive director, accompanied by trained representatives of the Chicago Herald and Examiner and the Chicago American. Their reports, as published in the above newspapers (whose policies had been against prohibition), are so revolting that many of the details must be omitted. The following excerpts, however, indicate the failure of the wet forces to keep their promises that the saloon would not come back. They show not only that the saloon is back but that its evils under modern social conditions are infinitely worse than those against which the people rebelled when the eighteenth amendment was adopted. In the worst places during the worst

days of the old saloon in Chicago conditions were not as bad as they are now shown to be by the following headlines and verbatim excerpts from the day-by-day newspaper reports.

[From the Chicago Herald and Examiner, Mar. 6, 1934]

"SHOCKING SALOON REVELS OF SCHOOL CHILDREN REVEALED—SURVEY BARES LAWLESS BARS

"Shocking evidence of how Chicago's high-school girls and boys—children ranging between 13 and 18 years of age—are being lured into depravity by saloonkeepers, who flagrantly violate the law by plying child patrons with liquor, has been * * * discovered during a fortnight's survey of the city's unregulated saloons * * *, orgies which outrivaled the debauches of Paris' notorious Quartier Latin. * * * Drunkenness and laxity of morals are common in the dimly lit back rooms of these saloons, many of which carry on their vicious trade in the very shadows of the city's schools.

"Graphic evidence of the wide-spread and tragic adolescent delinquency nurtured by liquor was gathered by a special camera. The Herald and Examiner, however, will not use these photographs. Publication of these pictures would instantly wreck young careers already threatened with ruin by the outlaw saloon."

"Lured into depravity by saloonkeepers" is one of the first things observed about the children who frequent the saloon which has returned to Chicago. Thus does the saloon "promote temperance" in the lives of the coming generation. Ask the parents of these Chicago children whether they still believe in the promise that the saloon must not return.

Continuing with the story on the same day, the Herald and Examiner says:

"YOUTHS AND GIRLS 'NECKING' AND STAGGERING—FALL TO FLOOR

"Sprawled on the floor and asleep at the long tables were a dozen young boys and nearly as many girls. Some were obviously 14 and 15 years old. The older ones were 17 and 18. These children were students of Lake View High School. * * * A score or more of couples were locked in tight embrace. Others staggered about the dance floor. A beer stein crashed against the wall. Fights broke out * * * the beer was still flowing.

"Here was a party, made up almost entirely of children, a revolting drunken orgy—a spectacle which epitomizes the vicious growth of juvenile delinquency furthered by greedy and unscrupulous saloonkeepers operating under a city administration which ignores the law and popular sentiment calling for regulation of liquor sales. * * *

"A Lake View senior is taking tickets at the door. * * * To the reporters he says: '* * * The high-school kids make up 90 percent of our parties. They pay the freight.' * * * Underneath the orchestra stage three boy bartenders brawl with patrons. * * * Young drunkards fight and push to reach the bar. * * * A member of the committee points to 10 kegs of beer—all they have for a party of school children. * * * 'How', ventures one reporter, 'can these youngsters finish the 10 kegs of beer?' 'They always manage to get rid of them', chuckled the girl (barmaid). 'They certainly can drink. We rent out the hall to a crowd of them almost every Friday and Saturday night.'

"A blond child of about 16 is dancing for the crowd at the bar. Her skirts are to her hips. She is very drunk. * * * There are four little girls with 'crying jags.' * * * Lots of these children can't take it. Girls have 'passed out', their heads in their escorts' laps. Boys have fallen asleep on the shoulders of their 'dates.' * * * They're raffling off a pint of bonded whisky for a dime a chance. * * * A 16-year-old girl screams with pleasure when she wins it."

This is how "temperance" is being promoted in Chicago under repeal. The saloon keepers, brewers, and distillers are making the profits, but the children "pay the freight."

The Chicago Herald and Examiner of March 7, 1934, reports:

"DARKENED BOOTHS LURE PUPILS TO SOUTH SIDE DRINKING DENS; CHILDREN IN TIPSY EMBRACE

"Lured by darkened drinking booths, by dimly lit dance floors, and the sensuous syncopation of hot-cha orchestras, by liquor prices within the average schoolboy's allowance, pupils of South Side high schools frequent saloons where bartenders flagrantly violate the law forbidding the sale of intoxicants to children. * * * Some of them were plainly intoxicated and their conversation centered on how drunk they had been the night before. * * * The reporters encountered two boys and a girl, the latter about 15, drinking at the bar. The barkeep was serving them straight whisky. * * * Like the Parnell, this saloon has no permit. Both operate in dry territory through court injunctions obtained January 31. * * * There were no booths, but the room was so dimly lighted that shadows gave the corners privacy for boys and girls who drunkenly fondled one another."

Quite as in the days of the old-time saloon, "bartenders flagrantly violate the law forbidding the sale of intoxicants to children", in Chicago and elsewhere.

[From the Chicago Herald and Examiner, Mar. 8, 1934]

"WEST SIDE PUPILS PACK DENS; CHILDREN REVEL IN DARKNESS; BRAG OF LIQUOR AS THEY FALL

"The Club Ritz is * * * in Berwyn, but its dark booths and the sensual temptations they offer draw girls and boys from Austin and west suburban high schools. * * * Gin fizzes and beer steins littered the tables. * * * The reporters returned, guided by two Austin students, 16 and 15. * * * The interior of this saloon is so dark that the reporters at first could not find their way to tables. It was late afternoon, and there were no other students in the place. But the waiter recognized the two girls as steady patrons. He carelessly pushed their school books aside and served them with gin bucks. * * * Drinking at tables were eight unescorted young girls."

This is how Chicago is heeding the solemn injunction to "safeguard our citizens everywhere from the return of the saloon and attendant abuses."

[From the Chicago Herald and Examiner, Mar. 9, 1934]

"NORTH SIDE PUPILS HOLD DEBAUCH AT BEACHVIEW GARDENS

"Students encountered in other dives had told them (the reporters) of the Beachview Gardens * * * and had described it is 'a joint where you can get away with anything.' * * * A dozen high-school couples, children from 15 to 17 years old, swayed unsteadily over the dimly lighted dance floor. * * * The music became wilder as the orchestra encouraged them. * * * The reporters wondered where the bouncer was. But the Beachview Gardens, first selling liquor to children, makes no attempt to curb them later. This accounts in part for the saloon's popularity. * * * A slender little girl of 15 had passed out at another table. * * * It was 2:30 in the morning, and the reporters were getting tired. * * * There was a dozen intoxicated children staggering about the floor, and some had passed out, sprawled over the tables. * * * Downstairs, under the pretentious awning, the reporters waited for a cab. About them hovered the colored doorman. 'Big night, sir,' he said. 'Guess all the boys and girls up there are happy by this time.'"

The same number of the Chicago Herald and Examiner contains a statement by Rev. Alice Phillips Aldrich, welfare superintendent of the Illinois Vigilance Association. She charges:

"Chicago's present-day saloons are causing delinquency among young girls to an extent never equaled even in the old days of segregated vice. I began my work here with girls back in 1910, when the vice districts were in full blast. * * * But there was nothing to compare with what Chicago today is tolerating, when young people of opposite sexes, often strangers to each other, drink openly until they no longer are responsible for their actions."

Dr. Aldrich has seen the actual results in her study of more than 400 delinquent girls and she declared emphatically that the saloons, with their "back rooms" and upstairs facilities, constitute "an alarming cause of immorality and delinquent girls not known before in the history of Chicago."

"We must rightly and morally prevent the return of the saloon," said the Democratic candidate for President to the convention in Chicago which nominated him. And yet, in less than 2 years, social workers in that city find moral conditions more intolerable and delinquency greater under the repeal saloon-tavern than even in the old days of the saloon.

[From the Chicago Herald and Examiner, Mar. 10, 1934]

"SCHOOLGIRLS PLAY HOOKEY IN 'TAVERN'; BOYS SUPPLY LIQUOR

"Their unsteady feet dancing blindly down the path to moral disintegration, hundreds of Chicago's unguarded school children are exposed to ruin because of the uncurbed greed of saloon keepers who, flaunting the law, seek their profits from boyish pockets. * * * Victims of liquor which shattered their inhibitions and aroused them emotionally, two girl students of Senn High School shared in a conversation which laid open the degradation into which they, and scores of other pupils, have fallen. * * * Most of the conversation is unprintable.

"Only a few blocks from the high school the playground runs wide open. * * * As he poured drinks for the girls the bartender asked if they were 'ditching classes again.' * * * They urged her (girl reporter) to accompany them on their date that evening. * * * The girls * * * telephoned their mothers they would not be at home that evening because they were going to friends' homes to study. First 'spot' to be visited was the Hoosegow saloon * * * where the pupils crowded into darkened booths. At other tables drunken youths shouted suggestive remarks at a child entertainer—a toe dancer. * * * The party moved on to a restaurant * * * where students find the 5-cent beer * * * within their means. A barmaid served several rounds of beer. She watched the boys half empty their steins, then 'spike' the beer with whisky. The boys had several straight whiskies from their bottle, and then more beer. * * * Everyone was getting pretty tipsy."

In the new saloon in Chicago little girl entertainers are employed, a novel way to protect youth from "the saloon and attendant abuses."

[From the Chicago Herald and Examiner, Mar. 11, 1934]

"POLICE LOOK ON AS GIRL, 14, REVELS IN PUPILS' RUM DEN

"Under the indecent drawings and vulgar wall decorations of the smoky dive known as 'Jack's Nut House', * * * a shabby, drunken little girl of 14 * * * staggered about the bawdily decorated room. * * * She was wheedling drinks from older topers. * * * She had been intoxicated so long, they explained, she was becoming a nuisance. * * * Her newly discovered friend was opening an acquaintanceship. He was middle-aged, well dressed, and quite drunk. * * * The bartender made no move to protect the child. Two men, later identified through their conversation as detectives from the Wabash Avenue station, looked straight ahead as they drank. But several cus-

tomers voiced their protests in undertones. (The Nut House is not a place to complain too loudly.)"

This is how "complete supervision and control by the States" works in Chicago. As in the old days, the saloon controls politics and politicians, instead of being controlled by them.

The survey conducted for a month by the Chicago American and the Committee of Fifteen was purposely confined to residential areas—home and apartment neighborhoods such as Ravenswood, Englewood, South Shore, Edgewater, Hyde Park, Rogers Park, and Humboldt Park and their adjacent shopping centers. Night clubs, as such, the night-life sections of the city, and the Loop were deliberately neglected to study conditions in good home neighborhoods.

The Chicago American for March 5, 1934, says:

"YOUNG GIRLS, BOYS DISPORT AT ALL HOURS IN TAVERNS

"It is now a little after 1 a.m. Drinks of all kinds are being served over the bar. Almost all of the men at the bar are standing; the stools apparently are tacitly reserved for the women and girls present as a sort of new repeal-era etiquette. * * * A taxi deposits a red-headed girl in evening dress at the door. * * * A little later she is telling us: 'This is a real bright spot. The alderman's nephew runs it and the police are fixed. They can run the joint as they please.'"

The investigators define the new "tavern" as "a cross between and old-fashioned saloon and a speak-easy." The speak-easy atmosphere is apparent immediately after 1 a.m., 4 out of 5 of the more than 700 taverns visited evading or openly flouting the 1-o'clock closing law. Apparently the only ones that close at 1 a.m. are the places in which there are no customers at that hour.

[From the Chicago American, Mar. 6, 1934]

"OLD SALOON PLUS WOMEN EQUALS NEW TAVERN

"Ten saloons in one block—the Barbary coast in the '90s. Ten 'taverns' in one block—Chicago, 1934! And this is not down around Twenty-second Street, not down around the near North Side, noted for its 'hot spots' and night-life rendezvous, but in one of the supposedly nicer residential sections of the city—Rogers Park!

"According to Charles E. Miner, executive director of the Committee of Fifteen, 'There is only one change, and that not for the better.' * * * Women! The old saloon plus women equals the new 'tavern.' Women at the bars! Women in the barrooms at tables! * * * Good women and bad women, schoolgirls and prostitutes, all mingled together indiscriminately, rubbing shoulders in this amazing sequel to the old-time saloon—the 'tavern.' * * * Something like 8,000 'taverns' exist. They have spread into all districts, into areas that never before have known the immediate proximity of a saloon. * * * And they are, indeed, many of them, true red lights. * * *

HOW WOMEN ADD "RESPECTABILITY"

"At that table over there is a young girl—surely not more than 19 or 20—slopping all over the table, while her companions urge her not to 'pass out and spoil the party.' * * * One of the girls at the bar slips sideways on her stool and falls backward, flat on the floor. * * * The boy friend goes back for another drink, and another, and a couple more. With each drink he becomes louder, noisier, more obstreperous. Finally, the bartender orders him out. He refuses, and the bartender comes from behind the bar. Out goes the obstreperous one, wham, into the street. You've seen it done in the movies, but you hardly expect to find it being done in the respectable neighborhood of upper Edgewater.

"A block away * * * is the 'Silver Slipper.' Two hostesses 'double in brass' as waitresses, dancing with patrons and also waiting on table. * * * We find the front lights dimmed and the barstools piled up on the bar after the legal closing hour. But the orchestra still is going full blast, tables are full, and we have no difficulty in obtaining drinks. Liquor is served to us in white, translucent glasses instead of the 'regular' kind, and for a moment we are transported back to the old speak-easy times."

Mayor Kelly, of Chicago, was reported in the Chicago Tribune of December 19, 1933, as saying:

"In my opinion, the presence of women will add respectability to the premises handling liquor."

Experience of only a few weeks with the new saloon in Chicago evidently partially opened the mayor's eyes. He still does not oppose women in saloons, but believes that if they will sit at tables the situation will be improved. The Chicago Tribune of December 30, 1933, quotes him as saying:

"After a few weeks of noting the general effect of women drinking at counters, I am convinced that people generally regard it as an obnoxious practice. * * * Women at counters just don't seem to mix. * * * If women want to drink, they can do it just as well * * * sitting down at a table as standing up or sitting on a high chair at a counter, the latter seeming to promote less feminine reserve and more roughness and loose talk—to the disgrace of women in general. I do not know anything that will stir up public opinion against personal liberty as far as liquor is concerned more than the regular sight of women drinking and carousing at tavern counters."

It is interesting to note that it is the standing or sitting position of the drinker which agitates the saloon apologist; never the thing that makes the saloon the menace it was and is—liquor. Whether there are screens and bars, or tables, seems to them the important thing, not that an intoxicating, narcotic, habit-forming poison is there dispensed.

[From the Chicago American, Mar. 7, 1934]

"GIRL MAKES WINDOW OF TAVERN STAGE FOR SEDUCTIVE DANCE

"A woman dancing in a 'tavern' window * * *. A dimly lighted dance floor at the rear of a 'tavern' where silent couples twist and writhe in drunken rhythm * * *. Young men and women, some of them mere boys and girls, dropping in for casual drinks and even more casual 'necking' in 'taverns' in their home neighborhoods.

"Investigators' reports disclose that in virtually all of the neighborhood business centers of the city the new, low-licensed 'taverns' are regarded by neighborhood business men as actively menacing the welfare of established and well-regarded amusement places.

"Many a young girl, the Committee of Fifteen's investigator tells us, starts out for a perfectly respectable evening at a reputable place * * * and winds up at a 'tavern' where everything is free and easy. * * * Reputable places, we are told, do everything in their power to discourage 'pick-ups' and the presence of undesirables, but where 'pick-ups' occur on the street even before the girl reaches her originally intended destination the managements are helpless.

"TAVERNS REPLACE OLD 'SPEAK-EASIES'

"Throughout the West Side we find open 'taverns' where formerly there were known speak-easies. * * * The only difference is that now they are running wide open, where formerly there was necessity of camouflage. Throughout the place men and women are mingling freely. We find no introductions necessary, nor any need to take the initiative."

The saloon has, indeed, been brought "into the open" and it is found to be as competent as ever in evading and ignoring the laws made to control it and to be even more disreputable than the speak-easy it was to displace but has succeeded only in supplementing.

[From the Chicago American, Mar. 9, 1934]

"PHONE CALLS BRING IN GIRLS FOR VISITORS IN HOME AREAS

"Upstairs rooms, hidden peepholes, concealed basement bars, and above all the ever-ready telephone—women for sale! This is what the unsupervised, irresponsible 'tavern' has brought into the home neighborhoods of Chicago!

"The telephone, we have discovered in the course of our survey, is one of the most important pieces of equipment in these hot-spot 'taverns.' They form the direct connecting link between the 'tavern' and the homes of the neighborhoods in which these 'taverns' are located. Many a young woman who tells her parents or other relatives with whom she is living that she is going out to meet a girl friend is in reality going to keep a 'date' made for her via one of these 'tavern's' telephone messages."

HIDDEN BARS

"We are led through a barroom with the usual bar and booths lining the wall, back through the kitchen, and down into the basement. Here is a basement bar, concealed from prying eyes, in which a half dozen couples locked in close embrace dance to the music of two Hawaiian guitars. We count all of 15 'drunks' in this place—7 men and 8 women and girls. Two of the girls appear to be no more than 17 or 18. * * * Upstairs, as we came in from the street, we passed a police sergeant in uniform. * * * With him was a man in civilian clothes, whom the Committee of Fifteen's investigator recognized as a detective. It is after the 1 o'clock legal closing time, but the sergeant and the plainclothesman apparently have no watches. They are laughing and talking, and apparently enjoying themselves hugely. At 2:45 a.m. we leave. The sergeant and the plainclothesman have departed, and a doortender lets us out the kitchen door after first making sure that all is clear through a concealed peephole."

Following the exposé of conditions in Chicago, William F. Ogburn, professor of sociology and director of the social trends committee at the University of Chicago, said (Chicago American, Mar. 9, 1934):

SALOON IN "MODERN GUISE"

"Control over our younger people has been weakening ever since the advent of the 'jazz age', and now, finally this laxity has found its outlet in the new, unsupervised 'tavern.' Whereas the youngest customer the old-time saloon ever encountered was the youth at least in his early twenties, we find irresponsible 'taverns' of today patronized by young people, boys and girls alike, in their teens. * * *

"In my opinion, the close alliance of politics with these new 'taverns' is inevitable. The 'tavern' will become the meeting place of politicians, the trading place for votes around election time. This in itself is a sufficient evil, but drinking by women and young people at 'tavern' bars and tables is a blight upon our Nation."

Anton J. Carlson, widely known head of the University of Chicago's department of physiology, declared (Chicago American, Mar. 9, 1934):

"Today's 'taverns' rapidly are becoming worse than the old-time saloon. The saloon, at least, with all its abuses, did not encourage the presence of women and young people."

In Chicago, where the repeal movement gained its greatest momentum in the national party conventions and where the most solemn promises of "no saloon" were made, we have in less than 2 years' time the tragic demonstration of the complete failure of so-called "true temperance" and "liquor control." Is more proof needed to indicate what will happen wherever the wet forces cap-

ture control of the Government? Has not enough of the wet plan already been revealed to warrant the people in States which still have prohibition laws to devote their utmost efforts and diligence to a defense of these laws? Will they meekly surrender to the ruthless greed of the liquor traffic, which will not rest until the modern saloon prevails everywhere, in residence districts as well as business sections, and catering to children and women as well as to men?

Certainly now is the time for the Anti-Saloon League, the Woman's Christian Temperance Union, and all other antiliquor agencies to fight the new saloon as vigorously and relentlessly as they did the old saloon.

Certainly the good men and women of America will not stand idly by while the modern saloon, which they were promised should not come back, destroys the bodies and souls of thousands of boys and girls in every city which has liquor control—control by liquor. Will the people in the States still dry rely on political promises that will not be kept, or will they rely on the ballot cast for prohibition, the only protection against the saloon?

POLICIES OF THE ADMINISTRATION—ADDRESS BY ARTHUR M. HYDE

Mr. PATTERSON. Mr. President, I ask unanimous consent to have printed in the RECORD a very able address delivered by Hon. Arthur M. Hyde, former Secretary of Agriculture, on the subject of the policies of the present administration. The address was delivered before the Missouri Republican Club of Kansas City on the evening of May 25, 1934.

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

This is not a new era. It is only another depression. The fundamentals of human relationships still remain true. The laws of economics and of morality have not been repealed. The institutions of political and economic liberty have not been outmoded.

The hard-learned lessons of 10,000 years of human experience are as valid as ever. What we suffer today had its origin in what we did yesterday. We shall reap in satisfactions or in sorrow a logical crop from the seed we sow today. Men have tried to beat every depression in history by artifice, by legerdemain, by great schemes of statecraft. They have always failed. They always will fail. We cannot get something for nothing.

Nobody quarrels with practical experiment. America, for 150 years, has experimented. But sane experimentation does not mean trying all the old mistakes over again; it does not mean defying known laws of economics; it does not mean revolution and the destruction of social institutions. It does mean trying to meet problems by experiments which are in harmony with the facts of experience, the laws of economics, and demonstrated principles.

Do you think that America, which has enjoyed the widest diffusion of wealth that the world has ever known, should experiment with the Russian plan, which produces the lowest standard of living in the civilized world?

Does anyone believe that the structure of recovery can be built upon such foundations as an unbalanced budget, rubber dollars, staggering expenditures, and a chaotic public policy?

Neither men nor governments can squander themselves into prosperity or borrow themselves out of debt. The other side of waste is want. There is nothing experimental about that. The inevitable result of reckless spending is more debt and burdensome taxes. This year government in the United States has spent an amount equal to 42 percent of the national income. If the Government takes in taxes one-fourth of the national income next year in taxes, that means that the people must work one-fourth of their time for the Government. Neither men nor governments can eat next year's seed corn without foreclosing the hope of next year's crop.

Somebody must pay. Somebody must pay the processing taxes levied upon bread and meat and clothing. They will amount, we are told, to $1,800,000,000 for the first 2 years. Somebody must pay the mounting deficit. Somebody must pay for the $10,000,000,000 program. Somebody must pay for manicuring the nails of the inmates of southern hospitals, for cleaning up rural fence rows, for hiring artists to paint murals, for catching rats in Brooklyn, for the army of bureaucrats scattered through every county in America drawing money which was appropriated for the relief of the needy.

Somebody must pay these huge sums, these mounting deficits. The Government has no funds except those it collects from its citizens by taxation. Who pays? The consumer pays. Sometimes he pays directly in taxes; sometimes he pays indirectly in the price of what he buys. But always the consumer pays, because the consumer is all of us.

Debasing the currency has been frequently attempted. The ancient form of the new deal was coin clipping. One of the crimes of ancient kings consisted in calling in the coinage and clipping pieces of metal off for their own profit. The difference between devaluing the dollar under the new deal and the pilfering of kings is that the new deal locks up all the metal and no king ever dared to take 41 percent of the value. Such is the ancient lineage of the currency-debasement part of the new deal, and such is the source of the $2,800,000,000 profit of which the new deal boasts.

You cannot make more milk by reducing the size of a quart cup. Neither can you make more money by reducing the contents of a dollar. Money is merely a measuring device, a medium of exchange. If it is to function as a medium of exchange, it must have value. People will not always exchange 100 cents' worth of work for 50 cents worth of money. They are doing it now only because no man now living can remember a time prior to a year ago when a dollar was not worth 100 cents. Decades of honest money have given people confidence. The full effect of devaluation is yet to come.

But, say the inflationists, suppose the Government does debase the dollar; suppose it does try printing-press money; nobody is hurt except the rich. Let us see about that. Debasement of the dollar means that the dollar will not buy as much as formerly. Debasement reduces the value and the purchasing power, not only of coins and currency but equally it reduces the value of every obligation payable in dollars. That means that the purchasing power of wages, of salaries, of every insurance policy, every bank account, every building-and-loan certificate, every Liberty bond is reduced. That means they will not buy as much food and clothing. Already the dollar will not buy what it did. Wages will not buy as much. Since April 1933 the average weekly income in the United States has risen 7½ percent, food costs have increased 17 percent, clothing 27½ percent.

Who owns the mortgages and Liberty bonds? Banks, insurance companies, savings institutions. They bought the mortgages and bonds with the money of their depositors, their policyholders. If the Government pays the bonds in a debased dollar, the banks and insurance companies must pay in debased dollars, and the hundreds of thousands of savings depositors must take their pay in debased dollars. Who owns the savings accounts, the insurance policies? Widows, orphans, white-collar workers, school teachers, the frugal and the thrifty of all classes who have sought to protect their old age or to give their children an education by putting their scanty savings into that security which until March 4, 1933, was the safest investment on earth. If the Government pays its bonds in debased currency, and if borrowers pay their mortgages in debased currency, then insurance companies must pay widows and orphans in debased currency. Any program which takes half of the value of the widow's insurance policy, of the worker's wage, of the small investments of the thrifty, is a dishonest program. That goes even if it does soak the rich. There are only a few millionaires. There are millions of holders of insurance policies and savings accounts.

If we inflate, who suffers? Everybody suffers, rich as well as poor, poor as well as rich; but mostly the poor suffer, because they are least able to protect themselves. The history of inflation in France, in Germany, in Russia, everywhere, has been the ultimate bankruptcy of the great middle class. Only the speculator profits.

The subject of rubber dollars and printing-press money is vastly cluttered and confused, but mark this down: Neither men nor governments can print value on pieces of paper. If they could, mankind would have been living for centuries without any work except running printing presses. We cannot get something for nothing. Such a program will hurt the rich; it will ruin the poor. Where it soaks one rich man, it will destroy a thousand small savers. It is morally indefensible. Nor is there justification for it in the fact that a few great financiers were crooked. That fact would not justify the great Government of the United States in following their example. The Government reaches thousands of small savers who never wander into Wall Street. No matter how great the economic emergency the moral guilt is the same. The laws of morality, like the laws of gravitation, operate all the time regardless of economic emergencies.

A little more than 150 years ago our forefathers declared that "all men * * * are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness"; that "to secure these rights governments are instituted among men." In these words lie the distinctive characteristic of the American system of government. The Bill of Rights contains specific definition of the rights of the individual; the Constitution sets up a form of government to defend those rights. The Government so set up was to possess only such powers as the people ceded to it; the individual possesses God-given inalienable rights which not even the Government can infringe or abrogate.

This ideal was a denial of all former ideas of the State. It was a denial of the divine right of kings to control the property, to regiment the lives, or to dictate the means and methods by which the individual should earn his living or pursue his happiness. It was a denial of dictatorships in any form. It still stands as a denial of dictatorships, whether nazi-ism, fascism, socialism, or communism. The new deal, in common with all these forms of dictatorship, is based on the idea that the state, in order to compel economic good, has the right, if not the duty, to regiment the lives, to control the industries, and to restrict the liberties of its citizens. All such isms regard the state as absolute; the individual has only such rights and liberties as the state concedes to him. Americanism, alone among isms, endows the individual with the right to pursue his life, liberty, and happiness in his own way, with rights which not even the state may infringe.

Between these two conceptions lies a gulf as wide as the poles. For thousands of years the world experimented with kings, tyrants, and dictators, with the absolute state. In America liberty was enshrined, kings were rejected, the individual was exalted.

Two thousand years ago there came the Man, who said: "The truth shall make you free." Free—not rich—that was the promise.

The centuries have waxed and waned, economic tides have come and gone, kings have risen and fallen, but the stream of life has never ceased its unending quest to be free. Kings and emperors

have enslaved large sections of the stream of humanity, dictators have regimented it, tyrants have divided it into stagnant pools, but they have never completely stopped its upward surge. In the American system of constitutional government, guaranteeing the citizen his unalienable rights, mankind has found the answer to that 2,000-year-old promise—freedom. In the 150 years since that happy event, this old world, released from tyranny, watered by individual liberty, revivified by the initiative of millions of freemen working in their own way for themselves and their children, has produced more of human happiness and has made greater progress in art, science, education, and economic prosperity than in all the previous centuries of experimentation with state control and regimentation put together.

Fifteen months ago there was a change of administrations at Washington. The old administration had kept the American faith.

The Constitution had been upheld as the unchallenged basic law of the land. American courts had been kept free, independent, and untrammeled. The rights of the States were unimpaired by any act of the Federal Government. The legislative branch of the Government was in full possession of its independent powers. The dollar of the United States was the one unimpeachable standard of value throughout the world. The bonds of the United States were the honorable obligations of a nation which had never up to that time repudiated a just debt or dishonored a national promise. The Government still adhered to the faith that all men "are endowed by their Creator with certain unalienable rights, among which are life, liberty, and the pursuit of happiness." Freedom of speech, of the press, of religion were held to be inviolable. The Government had not attempted to infringe upon them or abrogate them. The outgoing administration handed over to the new, unsullied, the ideal of a free people—a government of laws, not of men.

Today not one of those ideals and institutions which were committed to Mr. Roosevelt is unqualifiedly secure, inviolate.

Far-reaching changes have been made in our social, economic, and political institutions. Under the whip of Executive urging, Congress has granted to the President revolutionary and dictatorial powers. These grants have not been made in carefully limited and clearly defined acts but are grants in bulk of powers heretofore reserved by the Constitution for the representative of the people in Congress. Authority has been granted for the debasement of our currency, the repudiation of national obligations, and for a Government-controlled and Government-directed system of economics and finance which is alien to American ideals, traditions, and institutions. Power to levy taxes has been vested in an appointive official. Power to legislate rules and regulations of far-reaching character has been granted to appointive boards and bureaus. For months those high in the administration have been telling us that this program constitutes a great but bloodless revolution.

Through it all Republicans have withheld merely captious criticism. We were told at the beginning that relief from economic distress, not reform, was the objective. There is no reform worthy of the American people which cannot be made within the limits of the American system. Republicans have stifled their fears in the hope that somehow the new deal might, as an emergency program, and without overturning American institutions, prove beneficial to the country. Now, however, Mr. Roosevelt himself tells us that the purpose of the new deal is no longer relief, but reorganization, that its objective "was not only to bring back prosperity. It was far deeper than that. The reorganization must be made permanent for all the 'rest of our lives.'"

For good or for evil there is a vast gulf between emergency relief and permanent revolutionary reorganization. It has probably been the part of patriotism to acquiesce in any temporary measure for relief. It is the imperative duty of patriotism to challenge such programs of reorganization as propose permanent revolutionary changes in our social, political, or industrial institutions. Changes of which, to quote again Mr. Roosevelt's own words, "only one thing is certain. We are not going back to the old conditions or to the old methods."

Thus, in 1 short year, sweeping powers which were obtained as emergency measures, which were based upon the economic emergency which were constitutional, if constitutional at all, solely because of the emergency, and which were to expire with the emergency are now demanded as permanent.

Today, for the first time, American institutions and American liberties are in need of defense against a national administration. This is the challenge of the hour. This is the call to arms to the Republican Party.

What were the old conditions and the old system at which the administration sneers? What was the old system, the American system, which had been slowly built up over 150 years of unparalleled progress? Its inspiration was the Declaration of Independence. The legal and political base of that old system was the Constitution, not merely as a legalistic document but as a covenant among freemen to respect and to maintain their mutual rights. The spiritual and moral base of that system was the Bill of Rights with its guaranty of freedom of speech and freedom of religion; the right of private property and the inviolability of the home; individual liberty of action, not as a license to do wrong but as a stimulus to individual initiative for personal achievement and national progress.

Under that system the struggle never has ceased and, so long as men are free, never will cease to eradicate the evils and to curb the abuses, whether financial, economic, or criminal, which human selfishness always imports into any system. Under that system we cannot say that we had attained perfect justice in all our social, political, or industrial institutions, but we can confidently say that no nation in history had ever attained for its people a broader liberty or a more equal opportunity. We cannot say that under that system we had achieved a utopia in which all men dwelt together in peace, plenty, and happiness; but we can say that in no nation upon which the sun ever shone had the average man enjoyed a higher standard of living, a broader distribution of the good things of life, been better fed, better clothed or better housed, had the way opened for him to climb as high and advance as far as his industry and his abilities could achieve. Call the roll of the Nation's great, of business and industrial leaders, of clergymen and professional men; they are not the product of an aristocratic wealthy class; they are sprung from the people.

Mr. Roosevelt describes the old conditions as "ruthless self-seeking, reckless greed and economic anarchy." Sneers at the America of yesterday and of her institutions are sown thick in the speeches not only of Mr. Roosevelt but of the professorial secretariat upon which he relies. Mr. Wallace demands to know if we want to go back to the "vomit of capitalism." Dr. Tugwell refers to "the unreasoning, almost hysterical, attachment of certain Americans to the Constitution." Dr. Moley sneeringly brands as hypocritical "any expression of devotion to our traditional liberties." Mr. Roosevelt says that "for a number of years in our country the machinery of democracy had failed to function." He describes his program as a "struggle against ruthless self-seeking, reckless greed and economic anarchy."

Dr. Tugwell recently addressed the students at Oberlin College. He called upon them to help liberate "the American people from the deadweight of outworn ideas and obsolete institutions." This description of America is a typical "brain trust" brainstorm, indulged by all and sundry from Mr. Roosevelt up or down.

Whence came the great college of Oberlin? Obviously from the life of America, burdened as it is with "outworn ideas and obsolete institutions." More specifically from men who wanted to establish a broader opportunity and a wider liberty for their children? Still more concretely, Oberlin was and is one of the products of capitalism. Whence came the audience which Dr. Tugwell addressed? They are the sons and daughters of men who used their own rugged individualism (hated words) to create for themselves better conditions, to send their children to school, to create for others better conditions of living, and so forth, ad infinitum.

Under the "deadweight of outworn ideas and obsolete institutions" there are more such audiences sprung from capitalistic daddies in colleges in America than in any other nation on earth. Dr. Tugwell never though of that. That is characteristic. The mind of the "brain trust" is of that myopic, microscopic type that it can see a speck on an apple at 100 yards, but it will never see the apple.

The Bible furnishes an excellent example of an early attempt at communism. Filled with zeal and brotherhood, the early church at Jerusalem decided to go Communist. To quote: "And the multitude of them that believed were of one heart * * * they had all things common" (Acts 4 : 32). "For as many as were possessors of land or houses sold them and brought the prices * * * and laid them down at the apostles' feet, and distribution was made unto every man according as he had need" (Acts 4 : 34–35).

A noted character known as "Ananias" "sold a possession" but "kept back part of the price" (Acts 5 : 1–2).

Thus the Bible recounts the first new deal, and thus Ananias became the first chiseler.

Little more is said of this early experiment in communism. The Bible quaintly dismisses the subject with the remark that the church at Antioch, viewing from a safe distance the communistic experiment of the church at Jerusalem "every man according to his ability determined to send relief unto the brethren which dwelt in Judea, which also they did * * * by the hands of Barnabas and Saul" (Acts 11 : 29–30).

Thus the first N.R.A. wound up on the relief rolls. Thereupon the Bible drops the subject—so do I, except to remark that the church at Antioch, which was still a going concern, was no commune, but devoted rather to rugged individualism, because they sent relief "every man according to his ability."

No one of the "brain trust", however, has faced the facts more frankly or stated the issue more candidly than Donald Richberg, general counsel of the N.R.A.

"There are only two alternatives which can be presented by those who cry 'Scrap the N.R.A.' The first is to scrap all effort at a planned economic recovery * * * to return to the law of the jungle and to let the most ruthless and selfish of our breed survive. * * * The second alternative is to establish a new government endowed with power to own and operate all essential enterprises, free from any obligation to preserve individual liberty of action or individual rights of property."

Boiled down, if N.R.A. fails, there are only two paths left to travel. One is to do what Mr. Roosevelt says is the only thing we will never do, and that is to return to old conditions and old methods which he describes in words curiously paralleled to Mr. Richberg's as "ruthless self-seeking, reckless greed, and economic anarchy." The only alternative again quoting Mr. Richberg is "scrap the Constitution and set up a new government endowed with power to own and operate industry and free from any obligation to preserve individual liberty."

Here is frank recognition of the fact that private ownership of industry and individual liberty are obstacles in the way of N.R.A. If the present program of regimentation of N.R.A. should break upon the rocks of individual liberty and of private ownership, then liberty and individualism must be removed to clear the way for N.R.A. Here is frank avowal that at the end of the road down which the administration has set its feet lie Government ownership and operation of industry, the abrogation of the bill of rights, the destruction of individual liberty.

When 125,000,000 people are dazed by disaster, beset with doubts, and eager to grasp any project which seems to hold out hope, is not a proper time for statesmen to set their feet upon a road which might in any extremity lead to a government "free from any obligation to preserve individual liberty of action."

Lately there has come a slight halt in expressions of contempt for American institutions. Professor Tugwell has taken occasion to avow his conservation and his devotion to the processes of democracy. Administration spokesmen, heretofore fond of rolling the word "revolution" from their tongues, have dropped the "r" and adopted, pianissimo, the word "evolution." More discreet, the President describes the revolution as reorganization, and the N.R.A., as "representative government in industry." All this sounds fine, but the demands for more and more power continue insatiably. The communications bill, with its potentialities for the control of the press; the stock exchange bill, with its extension of power over credit to industry; the A.A.A. bill, with its broader power to license and regiment food producers; the threat to force a code upon telegraph companies; these and other measures upon which the administration is insisting, even while they soft-pedal their public utterances, are not reassuring. Can anyone doubt that the "r" will be added to evolution if the present supine Congress is continued?

But someone will say, "You are shadow-boxing; American liberty is not endangered."

Is liberty safe when hundreds of millions of dollars are appropriated in bulk to be expended at the discretion of the Executive? The jealous control by the people of taxation and of Government expenditures has, throughout many centuries, been the first line of offense and the last line of defense for freemen in their struggle against tyranny. Burdensome and unjust taxation, grinding down the people, and encumbering their means of livelihood have been the prolific cause of revolts and revolutions.

Is liberty safe when Congress, at the behest of the Executive, hands over to an appointive officer, not only the power to lay heavy taxes upon the necessaries of life but power also to designate the beneficiary class which shall receive proceeds of such taxation?

Is liberty secure when Government, without even a hearing, can abrogate contracts in the fulfillment of which individuals have invested their personal resources and upon which thousands of people depend for their daily bread?

Is liberty safe when Government not only countenances but advises boycotts? When it is a crime to possess gold coins? When a tailor can be sent to jail for cutting a nickel off the code price? Except in degree, what is the line of distinction between sending that tailor to jail and the Soviet method of shooting railway engineers for bringing trains in late?

Is liberty safe when government boards or bureaus of officials can legislate rules and regulations which interfere with every phase of private business, which regiment and control whole industries, which discriminate or fail to discriminate between localities and local conditions, and which not only can but have closed coal mines, textile industries, and many industries, not merely in Kentucky but right here in Missouri?

Make no mistake about it. "You cannot extend the mastery of government over the daily lives of the people without somewhere making it the master of men's souls and thoughts. * * * Free speech does not live many hours after free industry and free commerce die." No man can be politically free whose associates are regimented, whose prices, wages, and volume of production are fixed by law, whose business is licensed. Economic liberty is an inseparable part of individual liberty.

Is liberty safe when government piles bureau upon bureau, beneficiary class upon beneficiary class? When the number of those who are employed by the Government, plus the number of those who are beneficiaries of class taxation, plus the voting dependents of these classes, equal half of the voting population, what then has become of free government?

Is liberty safe when the Government is ceaselessly extending its control into fields hitherto reserved for States, cities, and individuals? The inevitable mistakes of government in these fields will be followed by new, more drastic, and more radical measures to cloak the first mistake and cover retreat from it. Government propaganda is the logical camp follower of such a program. The next step is the choking of free speech, free press, to suppress information at the source.

Is liberty safe when $3,000,000,000 deftly extracted from the savings of the people—from insurance policies, savings accounts, building-and-loan certificates, and Liberty bonds—is set up in the hands of an appointed official to be used, without accounting until after the next Presidential election, to speculate in the markets for bonds and foreign exchange?

Is liberty secure, when government is continually reaching out for new methods and more power to consolidate and concentrate the control of currency and credit in politically controlled Federal agencies and to dictate the flow of private credit, the lifeblood of business, to private industries?

Is liberty safe when all the old institutions under which America has grown great are sneered at; when individualism and human liberty are scorned; when the administration and its advisors, the Moleys, Tugwells, Richbergs, Frankfurters, and others, recognize no restraints upon the new-deal program, although their program consists principally of restraint for others?

Is liberty safe when a program put forward as a temporary measure of economic recovery becomes first a measure for reform and later is demanded as a permanent revolutionary change in the structure of government? In one short year unrestrained power has advanced from relief to revolution; from temporary regulation to permanent reorganization. Contemplating merely this one phase of the new deal, we can better understand what our forefathers meant when they counseled jealous and watchful guard over our liberties.

Is liberty safe when the wisest and far-seeing of our fellow citizens are warning that we have already traveled more than half the distance away from the American system of ordered liberty and toward the theory of dictatorship?

I quote again from the prophetic warning of Herbert Hoover:

"Not regimented mechanism * * * but freemen is our goal. Herein is the fundamental issue: A representative democracy, progressive and unafraid to meet its problems, but meeting them upon foundations of experience, and not upon the wave of emotion or the insensate demands of a radicalism which grasps at every opportunity to exploit the sufferings of a people."

We are told by some that the Republican Party is dead. If that is true, the cause of individual liberty is indeed friendless. Others tell us that the party must be reorganized and turn sharply to the left; conservative in part, but red enough to weaken the opposition. That is the counsel of opportunism.

Before we run up the white flag of despair or trim the sails of passing madness, let us remember that 16,000,000 men and women in 1932 loyally stood by the colors refusing, even under the stress and strain of depression, to abandon the Republican faith. In what respect does patriotism, not political opportunism, demand a change in their faith?

Republicans believe that society can and ought to provide relief for all who, though able and willing to work, are, through no fault of their own, unemployed. Undernourishment, sickness, technological unemployment will be with us long after the depression has passed. These, too, are social problems which must be met. The name of relief should not be used as a cloak to promote expensive, nonproductive projects, to employ men to do vain and useless tasks, to foster indigence, or to recklessly dissipate the resources of those people who are still able to care for themselves. The administration of relief is always a local problem. The Red Cross and local agencies of community service should be used. They should not be scrapped to build upon the sympathies and the distress of the people a political machine.

Republicans earnestly desire economic recovery. They have submerged considerations of party advantage and have supported all proper measures for recovery. They will continue to support all measures which hold reasonable hope for recovery and are in harmony with American institutions.

Our people were not informed that the administration purposed revolution. They were not told that permanent reorganization of our social, political, and economic systems was intended. Any such purpose was on the contrary concealed. No such program has ever received even a casual approval of the American people. Such a program is fraught with such grave perils to the liberties and the welfare of our people that a decent regard for their safety demands that it should not be attempted unless and until the people, after full opportunity for information and debate, shall sanction it.

Republicans will utterly oppose the managed economy of political dictators; whether Fascist or Communist. We deny the statement that representative government has failed. We do not believe that any man or any set of men, any board, bureau, or commission, or any combination of governmental agencies can control the means of earning a living, or plan the daily lives of 125,000,000 as wisely as the people themselves. We do not believe that prosperity will return through the forced regimentation of industry, or the planning of dictatorial alphabetical agencies. We do believe it will speedily return through the release and free exercise of the energies, the initiative, and the liberties of the people—uncontrolled and unregimented save only to prevent abuses and to preserve equal opportunity to all.

A Republican is one who believes that the fundamental duty of government is to create and preserve conditions of peace, order, and security under which every citizen has an equal opportunity to compete on equal terms with every other in the race of life. That does not mean that government shall penalize or handicap the winners, nor that government shall so regulate the race that all competitors shall have the same reward. It does mean that every man shall have the right to work and to earn in accordance with his own desires, and to enjoy, free from unwarranted intrusions either by individuals or the Government itself, the fruits which his abilities, his industry, and his initiative have earned.

In this connection we quote with full approval the words of Lincoln: "Property is the fruit of labor; property is desirable; is a positive good in the world. Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus assuring, by example, that his own shall be safe from violence when he builds it."

Republicans believe in sound, stable, unmanaged honest money. The experience of centuries has demonstrated that gold is the most satisfactory basis for such a currency.

A Republican is one who believes in the inviolability of a public obligation. Never under Republican administration has the good faith and rigid integrity of government obligations been violated. The willful, needless abrogation of the gold clause in public obligations and its concomitant abrogation in private contracts was and is an act of moral and intellectual dishonesty, which is alike disastrous and unnecessary.

Republicans believe with Lincoln that "a majority held in constraint by constitutional checks and limitations is the only true sovereign of a free people." They believe in the constitutional division of power into the three independent departments—executive, legislative, and judicial. They believe in a strong central government possessing the powers ceded in the Constitution, but they also believe in local government in local and State matters.

They condemn the practical consolidation of the legislative and executive departments under the "new deal"; the intrusion of the Federal Government into State concerns; the attempt to control business enterprises which do not reach beyond State lines.

Republicans believe that individual liberty is the most precious possession of the American people. If they possess liberty, economic ills can be endured, economic losses can be recovered. If they have liberty, they will wrest prosperity from a wilderness of woe. If liberty is lost, all is lost.

To guarantee liberty, our forefathers set up the Constitution with its bill of rights. They enumerated freedom of religion; freedom of speech; freedom of the press; the inviolability of the home; the security of life, liberty, and property under due process of law; and the right of trial by jury as rights which are possessed by every citizen, high or low. These rights they held to be God-given, unalienable—rights so sacred that not even the Government could infringe upon them or abrogate them.

On this Thomas Jefferson, who penned the Declaration of Independence, strikes hands with Abraham Lincoln, who said he had "never held a political principle not embodied in the Declaration of Independence."

The founders of America held that the Government has no rights or powers except those which the people, through the Constitution, have ceded to it; the new deal proceeds upon the assumption that the people have no rights except such as the Government concedes to them.

Republicans utterly deny and condemn this principle of the new deal. It is the principle which under the guise of "divine right of kings" held the world stagnant for a thousand years. It is the foundation stone of dictatorship. We point to its failure as a stimulus of progress throughout all history. We point to its present practice in Russia, Italy, and Germany, where it has ripened logically into complete dictatorships. We are alarmed and concerned by the spread of this principle on our own soil, as evidenced by the attempted regimentation of industry and agriculture by the willful violation of personal and property rights without a hearing, by the suppression of information, the attempts to consolidate and control our communications system, by the abdication of its duties by Congress, and by the many instances of Executive usurpation.

Republicans have traditionally upheld the Constitution and the bill of rights as the bulwark of American liberty. They reaffirm their allegiance to it. They deny that it may be emasculated or suspended because of emergency. Liberty is not seasonal. The guaranties of the Constitution do not ebb and flow with the economic tides. When discouragement is greatest, when initiative is lowest, when difficulties pile highest, that is the time to cling closest to the guaranties of liberty defined in the American Constitution.

These, I believe, are the cardinal tenets of the Republican faith. They are lamely stated. They cannot be adequately stated in a few paragraphs. They are as conservative as the sober lessons of experience. They are as liberal as the attainable longings of the human heart. Under their operation this Nation has developed a civilization unequaled in history. Under them wealth has been more broadly diffused, the good things of life more widely enjoyed, the common man more highly exalted than under any other system ever devised. Within the limits of their application there is abundant room for all useful efforts to reform, all practical measures for the advancement of justice, equality of opportunity, and promoting human happiness. Within them there are no impediments; there is only incentive and stimulus for the development of a fairer, higher, and holier civilization than this one.

On the basis of these principles we invite the cooperation and the support of all Americans in the perpetuation of the American liberty under the ordered rule of equal laws, in the maintenance of a government not of men but of laws, and in the defense of the rights, the opportunities, and the liberties of a free people.

THE NEW DEAL—ADDRESS BY FORMER REPRESENTATIVE J. N. TINCHER

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by former Representative J. N. Tincher, of Kansas, at a Reno County (Kans.) bar banquet on the subject of the New Deal.

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

THE NEW DEAL

(At a Reno County (Kans.) bar banquet, held in honor of the justices of our circuit court of appeals, the committee on program assigned to J. N. Tincher the duty of speaking affirmatively for the new deal. He said:)

Surely it is disloyal, if not treason, to criticize the new deal.

On the subject of farm relief our leader said in Topeka during the campaign:

"When the futility of maintaining prices of wheat and cotton through so-called 'stabilization' became apparent, the President's Farm Board invented the cruel joke of advising farmers to allow 20 percent of their wheat lands to lie idle, to plow up every third row of cotton, and to shoot every tenth dairy cow. Surely they knew that his advice would not, indeed, could not, be taken. It was probably offered as the foundation of an alibi. They wanted to be able to say to the farmers, 'You did not do as we told you to do. Blame yourselves.'"

We want to call your attention to how unfair the opposition to our new leader is. They claim now that under the new deal they have the matured cotton of the 1933 crop plowed under; they claim that under the new deal they are having wheat production reduced 20 percent and corn production reduced 20 percent. They even go so far as to claim that they are buying up dairy cows for slaughter; they print the statement that in the fall of 1933 millions of pigs were slaughtered and their carcasses cast into the river, and they claim that since that time the process tax is about the same as the farmer receives for hogs.

We deny these false charges against our leader; deny that these things are being done in conflict with the principle enunciated in the Topeka speech.

In this same Topeka speech our leader said:

"The plan must not be coercive; it must be voluntary; and the individual producer at all times shall have the opportunity of nonparticipation if he so desires."

The enemies of the new deal claim that our leader and those working under his direction have not kept faith in this regard, and they claim that a bill has been passed in Congress called the "Bankhead bill." This bill was signed by our President, and they claim that it provides for a confiscatory tax to be collected on every bale of cotton produced by the American cotton producer in excess of the amount he has been granted leave to produce. They claim this law not only confers upon the Secretary of Agriculture the power but obligates the Secretary to not permit a farmer to produce more than 60 percent of what he had previously produced.

The enemies of the new deal claim that the "brain trusters" working under the direction of the President are in favor of extending the provisions of this law to other agricultural products so that before any farmer could run his own business he would have to get a permit. We who live here in Kansas know that these statements are false. We can still hear our great leader's voice ringing out when he said:

"The plan must not be coercive; it must be voluntary; and the individual producer at all times have the opportunity of nonparticipation if he so desires."

We brand as false the statement that the Bankhead bill was ever passed or was ever signed by the President. It is my privilege to know the Bankheads. They have always been a family of statesmen, standing strong for personal liberties, State rights, and would never surrender the right of the individual farmer to raise as much crop as he wanted to, and they would never advocate a bill that would submit a farmer to the indignities of having to obtain licenses from the Federal Government before he could plow his field.

Such propaganda against the new deal is unfair, and I personally object to my friend BANKHEAD, in particular, being charged with being connected with "the first compulsory farm control", and I insist that we are still standing on the principle enunciated at Topeka: "The plan must not be coercive; it must be voluntary."

I will now discuss some other matters.

Take for instance the attitude of Orville Wright, Charles A. Lindbergh, Clarence Chamberlin, Eddie Rickenbacker, and that class and type of men offering their judgment on aviation as against the impulse or guess of "new dealers" like James A. Farley or Hugo L. Black.

It may take some little time to educate some of the public on the new deal. Now, it may be that some of you judges and justices may now know the new deal on fraud. It is presumed, and, like insanity in a criminal case, its suggestion stops everything. When suggested, fraud cancels everything nationally. Of course, if your previous conduct has been satisfactory, especially in the even-numbered years, like 1932, it is different. Let me state the new rule accurately for the benefit of our guests.

The naked charge of fraud not proven vitiates everything domestic and within our boundaries, but this rule does not apply "Pan American"; and if any part of the contract vitiated is "Pan American", or otherwise foreign, that portion of the contracts remain in force until otherwise ordered by the "brain trust."

Speaking of contracts, our beloved President made one with the American people in 1932. It was in the form of a platform in writing, which document he construed and explained so there could be no misunderstanding of its meaning.

It would take me a long time to properly defend against what must be the false charges of abandonment of that contract, so I must confine myself to a few specific instances.

SOUND MONEY

Remember Hoover told at Des Moines how close an escape our country had a few months before from being forced off the gold standard.

REMEMBER

Our leader of the new deal at Seattle, at Butte, and at Brooklyn said:

"The Democratic platform specifically declares, 'We advocate a sound currency to be preserved at all hazards.'"

He said:

"That is plain English. It is stated without qualifications in the platform, and I have announced my unqualified acceptance of that platform."

He said that the statement of Hoover was "a libel on the credit of the United States."

He quoted CARTER GLASS to prove by what our leader termed the "magnificent philippic of Senator GLASS" that the Republicans were seeing visions of rubber dollars and called those charges a campaign of fear, and he said, "Sound currency must be maintained at all hazards."

Surely the claim that our leader has violated these statements, agreements, and promises is unfounded. Take this news item of March 6, 1933—

"The gold standard is suspended internally under trading with the enemy act."

This news item, we, the defenders of the new deal, brand as false.

April 20, 1933: "Yes; we are off the gold standard.—William H. Woodin."

Whoever Woodin is, or was, we deny that statement.

News item, January 31, 1934: "The President today signed the gold reserve bill fixing the value of the dollar at 59.06 cents in gold."

We pronounce this item false and the agencies that circulate it as disloyal. If such things are to be continued by the press, we will censure it.

Henry Morgenthau, Jr.: "This country is on a gold-bullion standard with its dollar marked down to 59 cents. It might be termed the 1934 model of gold standard, with knee action, air flow, and stream-lined."

For shame, Mr. Morgenthau, Jr., you old neighbor; you who was the forgotten man until our leader remembered you.

Pardon me for taking so much time defending the new deal on the currency, but I was talking with a fellow a few days ago who recently saw some currency, and he assures me it is still sound even though CARTER GLASS, the author of the "magnificent philippic", has slipped and "don't" seem to fully comprehend the new deal. Funny how men like GLASS can change between campaigns, but our great leader remains firm.

There are a lot of things I should like to close with. Take for instance, we have been just as consistent in our foreign policies, contracts, and pledges as in our domestic dealings, and much could be said on that subject, but there is one thing I simply must not pass up. October 20, 1932, our leader said at Indianapolis—

"The Hoover administration is committed to the idea of central control in Washington"—

Our leader said:

"Now, ever since the time of Thomas Jefferson, that has been the exact reverse of the Democratic concept."

Our leader in that same speech said that Hoover's conduct in that respect had increased the cost of government $1,000,000,000 in 4 years by such conduct. He said:

"I regard reduction in Federal spending as the most important issue in this campaign."

He said:

"The reduction of Federal spending will be the most direct and effective contribution that Government can make to business."

At St. Louis, October 21, he said:

"The Hoover administration has been responsible for deficit after deficit."

He said:

"It is my pledge and my promise that this dangerous kind of financing shall be stopped and that rigid governmental economy shall be forced by a stern and unremitting administrative policy of living within our income."

I am sure our leader of the new deal meant every word uttered, so I brand as false propaganda the claim that he has set up new agencies in Washington, such as A.A.A., C.A.B., C.C.C., C.W.A., C.W.S., E.H.C., E.H.F.A., F.A.C.A., F.C.A., F.C.T., F.D.I.C., F.D.L.B., F.E.R.A., F.S.R.C., H.L.B., H.O.L.C., N.L.B., N.R.A., P.W.A., R.F.C., T.V.A.

We, for the sake of consistency, deny that the new deal has created a single new bureau or new office.

We especially deny that our leader of the new deal in his message of January 4, 1934, said that the excess of expenditures over receipts for the fiscal year had been $7,000,000,000.

We most strenuously deny any desire for power or the stronger Central Government, and we promise to balance the Budget sometime.

We defy all doubters in the new deal, and we pronounce all critics, such as Lindbergh, etc., publicity seekers or money changers or some other brand of disloyal crooks or traitors.

And now, at final close, I quote CARTER GLASS of April 10 as saying:

"The new deal, taken all in all, is not only a mistake, it is a disgrace to the Nation, and the time is not far distant when we shall be ashamed of having wandered so far from the dictates of common sense and common honesty."

This statement or quotation was published in the Washington Post and published in our western papers April 10. I would not designate this statement as a "magnificent philippic." In fact, I never designated any of Senator GLASS' statements as magnificent philippics; however, as the author of the law on which our whole financial structure is based, the Federal Reserve Act, as an author and coworker in the formation of the farm-land loan banks and so many other so-called "reforms" of our old system, Mr. GLASS is deserving of some notice. We cannot have a campaign based on the success of the new deal and ignore his charges against it. So far as I am concerned in defending the new deal, I must be content to say in the true Democratic way that his charges are false; that his statements are without foundation; that he was probably jailed during the World War for disloyalty, and that if he does not quit talking that way in the American Congress, BULWINKLE, or some other kind of a "winkle" will expose his past. I guess that is the way we will handle the situation.

So far as my opponent, Mr. Huxman, is concerned, I have tried to respect his processes of reasoning in delivering this address. I have heard him reason for about 20 years now, and I know I am reasoning absolutely in accord with his line of thought. While he was yet a Democrat and before he joined the opposition he used to advance just about such denials and affirmative statements as I have made tonight.

(Mr. Huxman, an active Democrat, was assigned the negative. His speech was not preserved.)

THE CALENDAR

The VICE PRESIDENT. Morning business is closed. The clerk will proceed to call the calendar for unobjected bills under the unanimous-consent agreement previously entered into.

BILLS PASSED OVER

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

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

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

Mr. WHITE. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

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

Mr. VANDENBERG. Over.

The VICE PRESIDENT. The bill will be passed over.

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

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2359) to provide for the disposition of unclaimed deposits in national banks was announced as next in order.

Mr. McNARY and Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

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

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

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

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

WILSON G. BINGHAM—RECOMMITTAL

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

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

Mr. SHEPPARD subsequently said: Mr. President, I ask permission to recur to Calendar 448, the bill (H.R. 2632) for the relief of Wilson G. Bingham, for the purpose of moving to recommit the bill. It has been objected to three or four times, and I think the committee, in the light of the objections, should reframe the bill.

Mr. McNARY. Mr. President, to what bill does the Senator refer?

Mr. SHEPPARD. It is Order of Business 448, being the bill (H.R. 2632) for the relief of Wilson G. Bingham.

Mr. McNARY. I have no objection.

Mr. SHEPPARD. I wish to move to recommit the bill.

The VICE PRESIDENT. Is there objection to recurring to Order of Business 448 for the purpose indicated? The Chair hears none.

Mr. SHEPPARD. I move that the bill be recommitted to the Committee on Military Affairs in order that the committee may reframe the bill.

The motion was agreed to.

BILLS AND JOINT RESOLUTION PASSED OVER

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

Mr. KEAN. Over.

The VICE PRESIDENT. The bill will be passed over.

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

Mr. KING. Over.

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

The bill (S. 2788) to amend section 5219 of the Revised Statutes as amended (relating to State taxation of national banking associations) was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2800) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

MISSOURI RIVER BRIDGES NEAR ATCHISON, KANS.

The bill (S. 2334) authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans., was announced as next in order, being the same as calendar 703.

Mr. BULKLEY. Mr. President, I want it made clear that I am not unalterably opposed to this bill. The Senator from Kansas [Mr. CAPPER] who is in charge of the bill is familiar with negotiations which are going on and which will undoubtedly result in the removal of the objection which I have to the bill. For the present I ask that it may go over.

Mr. CAPPER. Mr. President, I am glad to hear the statement of the Senator from Ohio. A great many people in Kansas are deeply interested in the measure. There is every reason why it should be passed at once. The present facilities for bridge purposes across the Missouri River at Atchison are entirely inadequate. This meritorious measure has the approval of the State highway departments of both Kansas and Missouri. I hope very much we may have definite action on the measure before the adjournment of the present session of Congress.

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

The bill (H.R. 6898) authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans., was announced as next in order.

Mr. BULKLEY. Let the bill go over for the same reason just stated as to Order of Business 617.

The VICE PRESIDENT. The bill will be passed over.

BILLS AND JOINT RESOLUTION PASSED OVER

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

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

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

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The bill will be passed over.

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

Mr. ROBINSON of Arkansas. Let the joint resolution go over.

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

OLD-AGE PENSIONS

The Senate resumed consideration of the bill (S. 493) to protect labor in its old age, the amendments to which up to page 5 had heretofore been agreed to.

The next amendment of the Committee on Pensions was, on page 5, line 6, in section 10, after the word "State", to insert the words "or Territory"; in line 8, after the words "State-wide", to insert "or Territory-wide"; in line 9, after the word "State", to insert "or Territory"; in line 13, after the word "State", to insert "or Territory"; in line 14, after the word "State", to insert "or Territory"; in line 16, after the word "old", to strike out "or over" and insert in lieu thereof "except up to January 1, 1939, plans may be approved in which the age requirement is above 65 but no more than 70 years"; in line 23, after the word "State", to insert "or Territory"; and on page 6, line 10, after the word "State", to insert "or Territory", so as to make the section read:

CONTENTS OF PLAN

SEC. 10. The bureau shall not approve any plan submitted by the State or Territory authority which does not provide that—

(1) The plan shall be State-wide or Territory-wide, and if administered by subdivisions of the State or Territory shall be mandatory on such subdivisions.

(2) An old person entitled to relief under it:

(a) Is a citizen of the United States and a resident of the State or Territory for a period of years determined by the State or Territory law providing old-age assistance;

(b) Is 65 years old, except up to January 1, 1939, plans may be approved in which the age requirement is above 65 but no more than 70 years;

(c) Does not possess real and/or personal property of a value in excess of $5,000; and

(d) Has no child or other person responsible under the law of the State or Territory for his support and able to support him.

(3) There shall not be charged against the allotment made under this act more than one-third of the total sum paid to aged persons under the plan, except that payments made in excess of $1 a day to any such person and payments made to persons who are not citizens of the United States shall not be taken into account.

(4) So much of any sum paid as assistance, which shall be equivalent to the share paid from the allotment under this act, shall be a lien on the estate of the assisted person, and upon his death shall be collected by the State or Territory and reported to the bureau provided in this act.

The amendment was agreed to.

The next amendment of the Committee on Pensions was, in section 11, on page 6, line 13, after the word "State", to insert "or Territory", so as to make the section read:

SEC. 11. The State or Territory authority may at any time submit proposed changes in the plan to the bureau, which may approve such changes if they are in accord with the provisions of this act.

The amendment was agreed to.

The next amendment was, in section 12, on page 6, line 17, in the subtitle after the word "State", to insert the words "or Territory"; in line 18, after the word "State", to insert the words "or Territory"; in line 23, after the word "State", to insert the words "or Territory"; on page 7, line 2, after the word "State" to insert "or Territory"; and in line 6, after the word "State", to insert "or Territory", so as to make the section read:

REPORTS BY STATE OR TERRITORY AUTHORITY

SEC. 12. (1) The State or Territory authority shall annually, on or before the 1st day of May of each year, or as soon thereafter as possible, submit to the bureau a statement—

(a) Of the amount of the appropriation made by the State or Territory for the period of the ensuing fiscal year for the purpose of assistance without including any part of the expenses of administration;

(b) An estimate of the sum which must be contributed by any political subdivision of the State or Territory during such year for the purpose of assistance without including any part of the expenses of administration;

(c) A statement of the amount collected, if any, from the estate of any assisted person for which the State or Territory is accountable to the United States under section 10, subsection (4); and

(d) An estimate of the amount unexpended of any allotment made from appropriation under this act for the current year.

The amendment was agreed to.

The next amendment was, on page 7, line 13, after the word "State", to strike out "at one-half" and insert "or Territory at one-third"; and in line 15, after the word "such", to strike out "one-half" and insert "one-third", so as to make the paragraph read:

(2) (a) The bureau shall compute annually the amount of allotment to be given such State or Territory at one-third of the sum of (a) and (b) of subsection (1) of this section, after deducting from such one-third the sum of (d) and (c) of such subsection.

Mr. ROBINSON of Arkansas. Mr. President, this is a very important measure. I am in sympathy with the purposes of the proposed legislation. I think, however, that its provisions ought to be discussed, and I request the Senator from Washington [Mr. DILL] to explain the bill.

Mr. DILL. Mr. President, the bill was reported unanimously to the Senate at the last session of Congress, but we never had a chance to take it up for consideration. At this session the committee had further hearings, and the bill was further considered and again reported unanimously.

I invite attention to the fact that the President is authorized, for the purpose of carrying out the provisions of the measure, to take funds from the relief instead of the Treasury. There are 28 States which now have old-age pension laws, and this bill is for the purpose of assisting those States and others which may later adopt old-age pension laws.

Mr. ROBINSON of Arkansas. What is the arrangement for cooperation between the Federal Government and the States?

Mr. DILL. The Government will provide one-third of the money in those States which have old-age pension laws. As originally proposed, the bill provided for the Federal Government to contribute one-half, but the Secretary of Labor suggested it be made one-third, and the committee was glad to agree to the suggestion.

Mr. McKELLAR. Mr. President, what about those States which have no old-age pension laws?

Mr. DILL. They would not come under the provisions of the bill.

Mr. McKELLAR. Does it provide for them to come under the provisions of the bill in any way?

Mr. DILL. Yes; if they enact old-age pension laws in conformity with the provisions of the bill.

Mr. ROBINSON of Arkansas. What would be the total cost to the Government?

Mr. DILL. Not to exceed $10,000,000. If every State in the Union were to come under the terms of the bill, it is estimated it would cost not to exceed $35,000,000 or $40,000,000, which could be used if all the States should enact old-age pension laws. That will be some years in the future, of course.

Mr. ROBINSON of Arkansas. The total amount would be three times the amount contributed by the Federal Government?

Mr. DILL. Yes.

Mr. COSTIGAN. Mr. President, may I ask the Senator if the bill follows the precedent of State-aid acts?

Mr. DILL. It is designed to permit certain States to modify their acts within a certain period of time if they do not now conform to the terms of the bill.

Mr. COSTIGAN. Is it a bill proposing to extend aid to the States in granting old-age pensions rather than to have the Federal Government provide such pensions direct to individuals?

Mr. DILL. That is its purpose.

Mr. ROBINSON of Arkansas. Has the Senator information as to the States which have already enacted old-age pension laws?

Mr. DILL. We have only the information which was given in the hearings. In every State where such a law has been enacted it has been found so successful that the example has spread to adjoining States. After many years the cost of taking care of the aged poor is found to be about one-third less under this system than by the poorhouse system, and it is because of that fact that it has become so popular among the States.

Mr. BLACK. Mr. President, may I ask the Senator if it is not true that a number of States have enacted measures of this type recently and have voted overwhelmingly for them?

Mr. DILL. Oh, yes; overwhelmingly. The popular support of this kind of relief is amazing.

Mr. ROBINSON of Arkansas. Mr. President, I think legislation of this character is inevitable, and I shall make no objection to its consideration at this time.

Mr. DILL. I thank the Senator.

Mr. METCALF. Mr. President, I think the bill ought to go over. It is a very important bill, and we have not had time to study it.

The VICE PRESIDENT. Objection being made, the bill will be passed over.

BILL INDEFINITELY POSTPONED

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

Mr. BULKLEY. Mr. President, the entire text of this bill was adopted by the Senate as an amendment to another bill which has since become law. This bill, therefore, should be indefinitely postponed.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, the bill will be indefinitely postponed.

BILL PASSED OVER

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

Mr. McNARY. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

SALE OF REAL ESTATE UNDER COURT ORDER

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

Mr. McKELLAR. Let that go over.

Mr. STEPHENS. Mr. President, will the Senator from Tennessee withhold the objection for the present?

Mr. McKELLAR. Yes; I will withhold it.

Mr. STEPHENS. When this bill was last called, I was asked whether or not the Attorney General had given his approval to it. I wrote him about the matter, and have a letter from him. After discussing it he says:

In my opinion, this is a desirable amendment.

Referring to the bill which we have before us. He suggests, however, that there should be an amendment, on page

2, line 6, after the words "*Provided further*, That", to insert "in the event of a private sale."

I stated the other day that the former Attorney General had approved the bill, and the present Attorney General has approved it, and I understand that this is now the law in many States. I hope the Senator will not object.

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

Mr. McKELLAR. I will say to the Senator that I have not examined the bill. The private sale of property in the hands of a chancery court or a court of equity is so foreign to what we have been accustomed to in our State that I think we ought to give the bill a little more consideration; and I ask that it go over for the day.

Mr. STEPHENS. Very well.

Mr. ROBINSON of Arkansas. Mr. President, on a former occasion when this bill was called on the calendar I objected to its consideration. I have made some study of it, and find that a sale shall not be confirmed if it shall have been made for less than two-thirds of the apprized value. The apprized value is to be ascertained by three disinterested persons appointed by the court. The court has entire control of the matter.

There probably are instances in which more would be realized from the sale of property under the arrangement contemplated in this bill than under the ordinary public sale. Personally, I have no objection to the consideration of the bill.

The PRESIDING OFFICER. The Senator from Tennessee asks that the bill go over. The clerk will state the next bill on the calendar.

SNARE & TRIEST CO.

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

Mr. KING. Let that go over.

Mr. COPELAND. Mr. President, will the Senator withhold his objection to this bill?

Mr. KING. Yes.

Mr. COPELAND. I have a letter relative to this bill under date of the 24th of May from the Secretary of the Navy. I read one sentence from it:

> While it is clear from the decision of the court, as set forth in detail in the Navy Department's report of December 8, 1933, on said bill, which report is printed in Senate Report No. 836, the United States is not legally liable for the losses suffered by the contractor, the Navy Department believes that from the viewpoint of equity the granting of relief is justified by the circumstances existing in this case and it, therefore, recommends the enactment of the bill, S. 1760, as amended by the Committee on Claims.

Mr. KING. Mr. President, with one observation I shall withdraw the objection.

I think that where litigation follows the contention that the Government is indebted to the plaintiff, and the plaintiff, through inadvertence or negligence or otherwise, fails to present his case in full, and a period of time goes by, and the statute of limitations has run, it is a very bad precedent to open up such cases and permit reconsideration or a direct payment. I should not object so much to letting the matter go to the Court of Claims.

Mr. McKELLAR. I think it ought to go to the Court of Claims. Why should it not go there?

Mr. WHITE. Mr. President, if the Senator will yield, the facts in this case are somewhat complicated, but the issue which I think is presented to the Senate is very simple.

This case did go to the Court of Claims. The amount carried in the bill was the amount found by the Court of Claims to be occasioned by the delay complained of; but the Court of Claims held that it could not enter judgment against the United States, because the acts complained of arose out of the sovereign acts of the Government rather than out of its acts as a contractor. The simple question is, I think, whether an entirely innocent contractor shall suffer this loss or whether the Government shall pay the amount of damages which its court had found to be due because of its failure to provide the necessary funds as and when they were contemplated.

That is all there is in the case. The amount has been found by the Court of Claims, and it has been found to be due to 420 days of delay in fulfilling the contract, due entirely to the Government's own default.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

> That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Snare & Triest Co., now Frederick Snare Corporation, the sum of $83,978.05, in full settlement of all claims against the Government of the United States, for damages for delay in carrying out its contract with the Navy Department, no. 3762, and agreements supplemental thereto for waterfront improvements, piers, and breakwater, at the submarine base, Key West, Fla., as reported January 13, 1925, by a board of which Rear Admiral H. H. Rousseau, Civil Engineer Corps, United States Navy, was senior member.

The amendment was agreed to.

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

Mr. COPELAND. Mr. President, I ask that the letter from the Secretary of the Navy, to which I have referred, be printed in connection with the bill.

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

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, May 24, 1934.

MY DEAR SENATOR COPELAND: Further reference is made to your letter of May 14, 1934, submitting a copy of the amended bill, S. 1760 (for the relief of the Snare & Triest Co., now Frederick Snare Corporation), together with a copy of Senate Report No. 836, Seventy-third Congress, second session, and requesting that you be advised "if the Department can see its way clear to concur in the view taken by the Committee on Claims that the bill should be passed, as amended, for the reasons stated in the report of the committee."

The bill as originally introduced, conferred jurisdiction on the Court of Claims to hear and adjudicate the claim of the corporation for damages alleged to have been sustained as the result of delays due to the Government or from other causes arising out of contract no. 3762, dated November 13, 1919, for the development and completion of a submarine base at Key West, Fla., for which the United States may be justly liable.

The amended bill accompanying your letter authorizes the direct payment to the claimant of $83,978.05 for the aforesaid delays "as reported January 13, 1925, by a board of which Rear Admiral H. H. Rousseau, Civil Engineer Corps, United States Navy, was senior member."

The amount proposed is the additional expense that was found by the aforesaid board and by the Court of Claims to have been incurred by the contractors by reason of 420 days' delay, in completing the work under contract no. 3762. This delay, the court found, was due to three causes: (1) Storms, bad weather, and break-downs of the dredging equipment, (2) changes made by the Government from time to time in the work, and (3) the delay of the Congress in making supplemental appropriations for the work; and while unable to determine just what part of the total delay was chargeable to the contractor and to the Government, respectively, the court stated that cause (1) "contributed in a substantial way to the slowing down of the progress of the work", and that "a greater portion" of the delay arose out of cause (2), but that "principally" the delay arose out of cause (3). The court expressed disapproval of the view taken by the board with respect to cause (1) that:

"The board does not understand that these delays, which, after all, are of comparatively minor character and are incidental to the execution of almost any public-work contract, and which ran concurrently with the delays caused by the Government, would modify or reduce the responsibility of the Government in case the Government is actually liable for damages arising out of the two major delays."

While it is clear from the decision of the court as set forth in detail in the Navy Department's report of December 8, 1933, on said bill, which report is printed in Senate Report No. 836, the United States is not legally liable for the losses suffered by the contractor, the Navy Department believes that from the viewpoint of equity the granting of relief is justified by the circumstances existing in this case, and it, therefore, recommends the enactment of the bill S. 1760 as amended by the Committee on Claims.

Sincerely yours,

CLAUDE A. SWANSON.

HON. ROYAL S. COPELAND,
United States Senate.

Mr. McKELLAR. Mr. President, does the letter recommend payment?

Mr. COPELAND. Yes; the Secretary recommends this amendment.

Mr. KING. I regret that there is nothing to indicate why the Navy was negligent in carrying out the contract, or, if it was in default, the reason for such default. It seems to me the Navy ought to be censured for its delay if it is at fault, as a result of which the Government is now compelled to pay $83,000.

BILL PASSED OVER

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

Mr. McNARY. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

LOANS TO CORPORATIONS ENGAGED IN FARMING AND FRUIT GROWING

The Senate proceeded to consider the bill (S. 1744) enabling certain farmers and fruit growers to receive the benefits of the Federal Farm Loan Act and amendments thereto, and the Emergency Farm Mortgage Act of 1933, which had been reported from the Committee on Banking and Currency with an amendment, on page 1, line 7, after the word "individuals", at the end of the bill, to insert a proviso, so as to make the bill read:

Be it enacted, etc., That corporations engaged solely in farming or in fruit growing shall be eligible for loans or for refinancing under the Federal Farm Loan Act and amendments thereto and under the Emergency Farm Mortgage Act of 1933 in the same manner and to the same extent as individuals: *Provided*, That no such loan shall be made unless the notes or evidences of indebtedness of the corporation are endorsed by the principal executive officers and the majority of the directors of such corporation.

The amendment was agreed to.

Mr. KING. Mr. President, I should like an explanation of this bill. I should like to know in what respect it modifies existing law or extends the provisions of any of the laws relating to loans to agriculture or industry.

Mr. McNARY. Mr. President, I suggest to the Senator that the Senator from Florida [Mr. FLETCHER] is in the rear of the Chamber.

Mr. KING. I should like to ask the Senator from Florida for a brief explanation of Senate bill 1744, enabling certain farmers and fruit growers to receive the benefits of the Federal Farm Loan Act and amendments thereto, and the Emergency Farm Mortgage Act of 1933.

Mr. FLETCHER. Mr. President, in some States corporations have been formed which actually operate farms—fruit groves and that sort of thing. The idea of this bill is to give such corporations the same benefit under the law that an individual farmer has. In Wyoming, for instance, I understand that most of the stock raising is done by corporations which at present are not eligible for loans. In the State of Florida there are a great many large groves, comprising thousands of acres, owned and operated by corporations. They are not eligible for loans under the Farm Loan Act.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

Mr. FLETCHER. Yes.

Mr. ROBINSON of Arkansas. When the Federal farm loan bill was under consideration it was, I believe, before a committee of which the Senator from Florida was a member, if he was not chairman of it. I am not certain as to that.

Mr. FLETCHER. Yes.

Mr. ROBINSON of Arkansas. I ask the Senator from Florida if this subject was not fully considered and discussed, and if it was not concluded by his committee and by the Senate at that time that the benefits of the bill should be made available only for individuals or natural persons who engage in farming. I ask him if it was not thought then that it was questionable policy to invite and encourage and assist corporations to engage in farming in competition with natural persons.

Mr. FLETCHER. I think that is quite true, and for that reason I think the committee recommended the amendment to this bill which obliges the officers of the corporation to assume the obligation.

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

Mr. FLETCHER. I yield.

Mr. VANDENBERG. In line with what the Senator has said, there are many orchardists in the State of Michigan who are incorporated. They are in effect individual farmers, but legally they are operating incorporated entities. The necessity for farm-loan credit is precisely as great in their instance as in any others; and I cordially agree with the Senator from Florida that equality of treatment requires some action of this character.

Mr. FLETCHER. I am inclined to think so. I do not see why people forming a corporation and actually engaging in agriculture and horticulture should not be eligible for loans under the farm-loan system.

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

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

EXTENSION OF TEMPORARY PLAN FOR DEPOSIT INSURANCE

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to 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.

Mr. FLETCHER. I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. FLETCHER, Mr. GLASS, Mr. BULKLEY, Mr. WALCOTT, and Mr. TOWNSEND conferees on the part of the Senate.

Mr. FLETCHER. I also move that the bill be printed showing the amendment of the House.

The motion was agreed to.

ADJUSTED COMPENSATION OF WORLD WAR VETERANS

Mr. SHIPSTEAD. Mr. President, I move that the Committee on Finance be discharged from the further consideration of the bill (H.R. 1) to provide for controlled expansion of the currency and the immediate payment to veterans of the face value of their adjusted-service certificates.

Mr. ROBINSON of Arkansas. I make the point of order that the motion is not in order.

The PRESIDING OFFICER. The Senator from Arkansas is correct. The Chair sustains the point of order.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 2980) to modify the effect of certain Chippewa Indian treaties on areas in Minnesota was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

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

Mr. McKELLAR. Let that go over.

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

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

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

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

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

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

The PRESIDING OFFICER. This bill is the unfinished business, and will be passed over.

LOSSES OF COOPERATIVE MARKETING ASSOCIATIONS

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

Mr. KING. Let that go over.

Mr. McKELLAR. Mr. President, I was about to ask that this measure go over, but the Senator from Utah has objected.

Mr. FRAZIER. Mr. President, I wish the Senator from Utah would withhold his objection for a moment.

Mr. KING. I withhold the objection.

Mr. FRAZIER. This joint resolution simply provides that there may be an investigation and an adjustment in behalf of both cotton and grain cooperative organizations which made contracts and cooperated with the Farm Board and the Stabilization Corporation in carrying out the provisions of the Farm Board Act. They held their grain and cotton off the market at the request of the Farm Board, they paid storage on it, they paid insurance, and when the market finally broke they lost money. I believe they are entitled to some consideration, and they cannot get it from the present set-up.

Mr. McKELLAR. Mr. President, how much would be involved in the settlement of these claims?

Mr. FRAZIER. Not a great amount. I think, perhaps, it would be some three or four hundred thousand dollars. It involves many cooperative organizations, both cotton and grain.

Mr. KING. Mr. President, will the Senator permit an inquiry?

Mr. FRAZIER. Certainly.

Mr. KING. My understanding is that some of the cooperatives of the South, organizations alleged to be cooperatives, which are scarcely entitled to that appellation, are making claims amounting to millions, notwithstanding the fact that a very large sum, tens of millions of dollars, was expended in their behalf, under the direction of and by some of the officials now controlling some of the activities of the Department of Agriculture.

Mr. FRAZIER. So far as I know, there is no claim that runs into any excessive amount at all. Of course, it would be up to the present set-up to conduct the investigation and make a report.

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

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 1, line 8, after the word "grain", to insert the words "and/or cotton"; on page 2, line 6, after the word "grain", to insert the words "and/or cotton"; and on line 7, after the word "grain", to insert the words "and/or cotton", so as to make the joint resolution read:

Resolved, etc., That for the purpose of adjustment and settlement of losses sustained by the cooperative marketing associations dealing in grain during the stabilization operations of the Federal Farm Board in the years 1929 and 1930, when such cooperative marketing associations were induced and requested by the Federal Farm Board to withhold grain and/or cotton from the market and to make advances to their members in order to stabilize prices, the Federal Farm Credit Administration is hereby authorized and directed to make such adjustments and settlements in accordance with the understanding that such cooperative marketing associations had with the Federal Farm Board, and on the basis of a price or a sum equal to the amount directly loaned or advanced to such associations plus carrying charges and operation costs in connection with such grain and/or cotton from the date of the loans or advances to the date that such grain and/or cotton was finally taken over by the Federal Farm Board or delivered pursuant to its instructions.

The amendments were agreed to.

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

APPOINTMENT OF ASSISTANT UNITED STATES ATTORNEYS

The bill (S. 2082) to amend the first sentence of section 8 of the act of May 28, 1896, chapter 252, relative to the appointment of assistant United States attorneys was announced as next in order.

Mr. KING. Mr. President, let the bill be read.

The PRESIDING OFFICER. The clerk will read.

The bill was read, as follows:

Be it enacted, etc., That the first sentence of section 8 of the act making appropriations for the legislative, executive, and judicial expenses of the Government, approved May 28, 1896 (29 Stat. 181), as amended (U.S.C., title 28, sec. 483), be, and the same is hereby, amended to read as follows:

"That whenever, in the opinion of the district attorney of any district, evidenced by writing, the public interest requires it, one or more assistant district attorneys may be appointed by the Attorney General; but such opinion shall state to the Attorney General the facts as distinguished from conclusions, showing the necessity therefor."

Mr. KING. I should like to have an explanation of the bill from the Chairman of the Committee on the Judiciary. It seems to me we have made prior provisions for the appointment of assistant attorneys and district attorneys which have been very generous.

Mr. ASHURST. Mr. President, this bill was drafted by the Department of Justice. Under the present law, in certain cases, in order to appoint an assistant district attorney, an opinion of the district judge and of the district attorney is required. This bill simply eliminates the necessity for requiring the opinion of the judge. The Attorney General may, under this measure, not upon the opinion but upon a statement of the facts by the district attorney alone, appoint such assistant district attorney.

The district judges throughout the country take various views about the necessity for such appointments. Sometimes a district judge declines to make recommendations; others make recommendations. That has produced confusion, which has led to the belief that if the Attorney General were authorized to make such an appointment upon a statement of the facts by the district attorney alone the public interest would be served.

Mr. ROBINSON of Arkansas. Mr. President, the district attorney would be required to state in writing the facts making necessary the appointment of the assistant.

Mr. ASHURST. That is true. The bill expressly provides that he must state the facts.

Mr. McNARY. Mr. President, I am not familiar with the bill, other than from the statement of the able Chairman of the Committee on the Judiciary; but, from that statement, I believe the existing law is preferable to this measure. I wish to look into the matter, and for that reason I ask that the bill go over.

Mr. ASHURST. Certainly.

The PRESIDING OFFICER. The bill will be passed over.

LOANS TO INDUSTRY

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

Mr. BULKLEY. Mr. President, this bill was adopted as an amendment to the bill providing for loans by the Federal Reserve banks and should be indefinitely postponed.

The PRESIDING OFFICER. Without objection, Senate bill 3520 will be indefinitely postponed.

ADDITIONAL JUSTICE OF THE COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

The bill (S. 1777) providing for an additional justice of the Court of Appeals of the District of Columbia was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I ask for a statement of the reasons for this additional justice.

Mr. KING. Mr. President, I shall very gladly furnish a statement of such facts as are within my knowledge.

One of the present justices of the court of appeals, because of very long and protracted service and because of his ill health, it is felt should be relieved of the very heavy duties and responsibilities of the position. In order that

that may be accomplished the appointment of another justice is necessary. This proposed legislation is in line with similar legislation which has been passed with respect to districts where the judges have been infirm or incompetent to discharge their duties, and other judges have been named. Upon the death or incapacity or retirement of the one who is to be relieved, the new justice continues to serve, thus ultimately not increasing the number of justices.

Mr. ROBINSON of Arkansas. The Senator is satisfied that the appointment of this additional justice is essential to the proper administration of the law?

Mr. KING. I think so, Mr. President. I want to say to the Senator from Arkansas that the able Chairman of the Committee on the Judiciary, together with the members of the Judiciary Committee, have resolutely set their faces against increasing the number of Federal judges, at least for the present.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment, on page 2, line 2, after the word "filled", to strike out the words "without further authorization of Congress", so as to make the bill read:

Be it enacted, etc., That the President is authorized to appoint, by and with the advice and consent of the Senate, an additional justice of the Court of Appeals of the District of Columbia, who shall possess the same powers, perform the same duties, and receive the same compensation and allowance as the present justices of said court.

SEC. 2. That whenever a vacancy shall occur in the office of justice of said court because of the death or retirement of Justice Charles H. Robb, such vacancy shall not be filled: *Provided*, That not more than five justices of said court shall sit at any one time, to be designated by the presiding justices of said court.

The amendment was agreed to.

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

Mr. AUSTIN subsequently said: Mr. President, I ask unanimous consent to recur to Calendar No. 977, being the bill (S. 1777) providing for an additional justice of the Court of Appeals of the District of Columbia.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont to recur to Order of Business 977, Senate bill 1777? The Chair hears none.

Mr. AUSTIN. Now, Mr. President, I ask unanimous consent that the vote by which that measure was passed be reconsidered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont to reconsider the vote by which Senate bill 1777 was passed?

Mr. McKELLAR. Mr. President, just a moment.

Mr. ROBINSON of Arkansas. Mr. President, that is the bill, is it not, providing for an additional justice of the Court of Appeals of the District of Columbia?

Mr. AUSTIN. It is; and the cause for the passage of the bill has ceased to exist. It seems that Mr. Justice Robb was alleged to have been very ill. Word has been received from Mr. Justice Robb that, while he was ill, he has recovered and that he is performing his duties as usual.

Mr. ROBINSON of Arkansas. Mr. President, I think the motion to reconsider should be agreed to. The statement was made by a Senator, at my request for information as to the necessity for the passage of this bill, that the justice referred to by the Senator from Vermont was ill and that the passage of the bill was necessary in order that justice might properly be administered.

Mr. McNARY. Mr. President, if I may be permitted to say so, I think the proper motion would be a reconsideration of the vote by which the bill was passed, and then the indefinite postponement of the measure.

Mr. McKELLAR. Mr. President, the Senator who has charge of the bill, and who made the statement regarding it, is out of the Chamber at the present moment. Let it go over for the day.

Mr. ROBINSON of Arkansas. I suggest that the motion to reconsider be entered in order that the Senator who made the statement to which I referred may have an opportunity of being present.

Mr. AUSTIN. I have charge of this bill; I introduced the bill and I reported the bill; but I am informing the Senator the cause for the passage of the bill has passed.

Mr. McKELLAR. The Senator from Utah [Mr. KING] made the explanation of the bill a while ago, upon the request of some Senator, and it seems to me that it would be better to wait until he shall return to the Chamber.

Mr. AUSTIN. Very well; but I should like to enter the motion to reconsider the vote by which the bill was passed.

The PRESIDING OFFICER. The Senator from Vermont enters a motion to reconsider the vote by which the bill was passed.

RETIREMENT OF RICHMOND PEARSON HOBSON AS REAR ADMIRAL

The bill (S. 3380) providing for the appointment of Richmond Pearson Hobson, formerly a captain in the United States Navy, as a rear admiral in the Navy and his retirement in that grade, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to appoint Richmond Pearson Hobson, formerly a captain of the United States Navy, a rear admiral in the Navy, with the rank, pay, and allowances thereof, and upon his acceptance of such appointment and the issuance of the commission in pursuance thereof, he shall be retired by the President as from active service and be placed upon the retired list in the grade of rear admiral, as of 30 years' service, and with the pay of that grade.

MONONGAHELA RIVER BRIDGES, PENNSYLVANIA

The Senate proceeded to consider the bill (H.R. 8241) to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.

Mr. DAVIS. Mr. President, I ask the Senate to pass this bill, which was reported to the Senate on April 26, authorizing the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in Allegheny County, Pa. I have lived in this vicinity for many years and have been in a position to realize the need for this construction work. The bridges called for would facilitate interstate commerce, improve the postal service, and would safeguard the military interests of the Nation. The bill has the approval of the War and Agriculture Departments.

Application has been made by Allegheny County Authority, a public corporation created by the Legislature of Pennsylvania at its special session in November and December 1933, for a loan and grant from the Public Works Administration aggregating something over $31,000,000 to be used for the construction purposes listed in the pending bill.

There can be no question as to the need for these bridges. The bridge across the Monongahela River from Pittsburgh to Homestead is to replace what is known as "Brown's Bridge", a two-lane bridge long since obsolete and now condemned. The bridge across the Allegheny River from Pittsburgh to O'Hara Township is to replace the Highland Park Bridge, also a very old bridge, carrying two lanes of traffic only, long since obsolete, and for some years past condemned. Similar conditions apply to the other bridges listed in the bill.

The people in the vicinity of the proposed bridges are emphatically in favor of their construction. The necessity is recognized, and universal opinion is that the opportunity for constructing these bridges through Public Works funds should not be missed. The county and municipal governments lack the funds necessary for this work. However, it should be said that it is confidently anticipated that the revenues from tolls and so forth will liquidate the loan within 20 years, and that the act of assembly creating the Allegheny County Authority provides that as soon as the indebtedness shall be paid the Allegheny County Authority shall turn over to Allegheny County as free bridges all the bridges mentioned without cost to the county, and that the Allegheny County Authority, a public corporation, shall then cease to exist by limitation of law.

The approval of the engineers of the Public Works Administration, as well as Army engineers in the Rivers and Harbors Division familiar with the situation in Allegheny County, is anticipated. I earnestly urge Senate approval of the bill.

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

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

PEE DEE RIVER BRIDGES, SOUTH CAROLINA

The bill (H.R. 8714) to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S.C., was considered, ordered to a third reading, read the third time, and passed.

WABASH RIVER BRIDGE, INDIANA

The bill (H.R. 8937) granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River, at or near Delphi, Ind., was considered, ordered to a third reading, read the third time, and passed.

OHIO RIVER BRIDGE, ILLINOIS

The Senate proceeded to consider the bill (H.R. 8951) authorizing the city of Shawneetown, Ill., to construct, maintain, and operate a toll bridge across the Ohio River at or near a point between Washington Avenue and Monroe Street in said city of Shawneetown, and a point opposite thereto in the county of Union and State of Kentucky.

Mr. LEWIS. Mr. President, I wish to state that this bill merely provides that the town of Shawneetown, Ill., shall construct, maintain, and operate the proposed bridge at its own expense, and with no expense to the Government.

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

SUSQUEHANNA RIVER BRIDGE, PENNSYLVANIA

The bill (H.R. 9000) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Holtwood, Lancaster County, was considered, ordered to a third reading, read the third time, and passed.

CONNECTICUT RIVER BRIDGE, MASSACHUSETTS

The bill (H.R. 9065) granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at Turners Falls, Mass., was considered, ordered to a third reading, read the third time, and passed.

SUSQUEHANNA RIVER BRIDGE, PA.

The bill (H.R. 9257) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Bainbridge, Lancaster County, and Manchester, York County, was considered, ordered to a third reading, read the third time, and passed.

SUSQUEHANNA RIVER BRIDGE, PA.

The bill (H.R. 9271) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Millersburg, Dauphin County, Pa., was considered, ordered to a third reading, read the third time, and passed.

ST. CROIX ISLAND NATIONAL MONUMENT, MAINE

The Senate proceeded to consider the bill (S. 1947) to provide for the creation of the St. Croix Island National Monument located near the mouth of the St. Croix River in the State of Maine, and for other purposes, which had been reported from the Committee on Public Lands and Surveys, with amendments, on page 2, line 2, after the word "Croix", to insert the word "Island", and on the same page to strike out lines 22 to 25 and lines 1 to 2 on page 3, as follows:

SEC. 4. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, $15,000 for the acquisition of land, $10,000 for the protection and maintenance of lands by the construction of breakwaters in order to prevent erosion, and $5,000 for beautification of said island.

So as to make the bill read:

Be it enacted, etc., That when title to all privately owned land on the St. Croix (Dochet) Island near the mouth of the St. Croix River in the State of Maine shall have been vested in the United States in fee simple, the President shall be, and is hereby, authorized by proclamation to set apart and establish said island as a national monument for the preservation of the historical remains thereon for the benefit and enjoyment of the people, and the same shall be known as the "St. Croix Island National Monument."

SEC. 2. That upon the issuance of said proclamation all the Government land comprising the lighthouse reservation on the north half of said island shall be transferred from the Department of Commerce to the administrative jurisdiction and control of the Secretary of the Interior for administration as a part of said national monument.

SEC. 3. That the Secretary of the Interior be, and he is hereby, authorized to accept donations of land and/or buildings, structures, and so forth, within the area of said monument as fixed hereunder and donations of funds for the purchase and/or maintenance thereof: *Provided*, That he may acquire on behalf of the United States by purchase when purchasable at prices deemed by him reasonable, otherwise by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said monument as may be necessary for the completion thereof: *Provided further*, That the title and evidence thereof, to all lands acquired for said national monument shall be satisfactory to the Secretary of the Interior.

SEC. 4. That the administration, protection, and development of the aforesaid national monument shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes", as amended.

The amendments were agreed to.

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

JOHN T. GARITY

The Senate proceeded to consider the bill (S. 3096) for the relief of John T. Garity.

Mr. McKELLAR. Mr. President, will not the Senator from Georgia make some explanation of this bill?

Mr. RUSSELL. This is a bill to relieve a surety on a bond that was forfeited in the Federal court. The defendant was later apprehended after the surety had paid the sum of $2,500 on the forfeiture. The letter from the Attorney General states that that was more than sufficient to repay the Government for all expenses in court, and the Department of Justice recommends the passage of the bill.

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

Whereas John T. Garity, of Savannah, Ga., became surety upon the supersedeas bond of Wilson Jenkins in the sum of $15,000 to secure the appearance of the said Wilson Jenkins pending a decision on a writ of appeal from the Circuit Court of Appeals of the United States; and

Whereas said Wilson Jenkins failed to answer to the final judgment rendered in said case; and

Whereas the bond signed by the said John T. Garity as surety for the said Wilson Jenkins was forfeited and estreated; and

Whereas the said John T. Garity paid $2,500 in May 1933 on account of said forfeiture as part payment on said bond; and

Whereas the said Wilson Jenkins was apprehended on June 7, 1933, and then incarcerated in the Federal penitentiary in Atlanta, Ga., and is now in the custody and control of the prison authorities of the United States Government and is serving the sentence for which said bond signed by the said John T. Garity as surety was given for the appearance of said Wilson Jenkins; and

Whereas said $2,500 paid on said bond is more than sufficient to defray any expense incurred by the United States Government in connection with the apprehension of said Wilson Jenkins: Therefore

Be it enacted, etc., That John T. Garity be, and he is hereby, relieved from all further liability as surety on the supersedeas bond signed by said John T. Garity for the appearance of Wilson Jenkins pending a writ of error from the Circuit Court of Appeals for the Fifth Circuit to answer to a sentence and final judgment which had been imposed by the United States District Court for the Southern District of Georgia, Savannah division, said bond dated March 29, 1930, and which sentence he is now serving.

The preamble was agreed to.

E. CLARENCE ICE

The Senate proceeded to consider the bill (S. 2619) for the relief of E. Clarence Ice, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$10,000" and insert in lieu thereof "$3,000", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to E. Clarence Ice, out of any money in the Treasury not otherwise appropriated, the sum of $3,000, in full settlement of all claims against the Government on account of the death of his son, Corp. Egbert J. Ice, who was killed August 15, 1933, while in the performance of his duties with the District of Columbia National Guard at Camp Albert C. Ritchie: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

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

BERT MOORE

The Senate proceeded to consider the bill (S. 2272) for the relief of Bert Moore, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$5,000" and to insert in lieu thereof "$2,500", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Bert Moore, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 in full settlement of all claims for injuries sustained by reason of being shot and seriously wounded by a military guard at Fort Logan H. Roots on the night of April 23, 1925: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

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

C. O. MEYER

The bill (S. 3366) for the relief of C. O. Meyer was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. O. Meyer the sum of $297.68. Such sum represents the amount paid to C. O. Meyer as substitute carrier while he was postmaster at Meyers Mill, S.C., and which amount was charged by the Department to the account of C. O. Meyer.

JAMES B. CONNER

The bill (H.R. 3056) for the relief of James B. Conner, was considered, ordered to a third reading, read the third time, and passed.

ANNIE I. HISSEY

The bill (H.R. 1158) for the relief of Annie I. Hissey was considered, ordered to a third reading, read the third time, and passed.

PHILIP F. HAMBSCH

The bill (H.R. 1933) for the relief of Philip F. Hambsch was considered, ordered to a third reading, read the third time, and passed.

C. K. MORRIS

The bill (H.R. 2322) for the relief of C. K. Morris was considered, ordered to a third reading, read the third time, and passed.

RUBY F. VOILES

The bill (H.R. 2438) for the relief of Ruby F. Voiles was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 3161) for the relief of Henry Harrison Griffith was announced as next in order.

Mr. McKELLAR. Mr. President, will the Senator from Kansas [Mr. CAPPER] explain that bill? Does the Department recommend it?

Mr. CAPPER. I will ask that the bill be passed over for the present.

The PRESIDING OFFICER. The bill will be passed over.

H. A. SODERBERG

The bill (H.R. 7289) for the relief of H. A. Soderberg was considered, ordered to a third reading, read the third time, and passed.

DAMAGE TO PROPERTY AT LEAVENWORTH, KANS.

The Senate proceeded to consider the bill (H.R. 2418) for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners, which had been reported from the Committee on Claims with an amendment, on page 1, line 10, after the word "appropriated", to insert "out of any money in the Treasury not otherwise appropriated", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of Elizabeth Phillips, in the amount of $55; Joseph M. Kressin, in the amount of $63.30; Joseph Verlinde, in the amount of $4.95, all arising through damages to personal property occasioned by the escape of seven prisoners from the United States penitentiary at Leavenworth, Kans., on December 11, 1931. There is hereby appropriated out of any money in the Treasury not otherwise appropriated the sum of $123.75, or so much thereof as may be necessary, for the payment of these claims.

The amendment was agreed to.

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

The bill was read the third time, and passed.

EMERSON C. SALISBURY

The Senate proceeded to consider the bill (H.R. 2414) for the relief of Emerson C. Salisbury, which had been reported from the Committee on Claims with amendments, on page 1, line 4, after the words "pay to", to insert "Frank Salisbury, executor of the estate of"; and on line 5, after the name "Salisbury", to insert the word "deceased", and to strike out the words "of Leavenworth, Kans."; so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Frank Salisbury, executor of the estate of Emerson C. Salisbury, deceased, out of any money in the Treasury not otherwise appropriated, the sum of $1,500, as full compensation for damages to his property on December 11, 1931, when three Federal prisoners escaped from the United States penitentiary at Leavenworth, Kans., and barricaded themselves in the house which was bombarded by the posse seeking the escaped prisoners: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Mr. President, I will be glad if the Senator from Kansas [Mr. CAPPER] will explain that bill.

Mr. CAPPER. It has to do with the escape of prisoners from Leavenworth Penitentiary. I read from the statement of facts:

In this case convicts escaped from the Leavenworth Penitentiary and, on December 11, 1931, barricaded themselves in the house of this claimant. While the claimant was in the house, the Leavenworth guards, sheriff, and soldiers lay siege to the house and filled it full of bullet holes. This continued for some hours. As a result, the roof of the house was riddled with bullet holes, the sides of the house were punctured with bullet holes in hundreds of places, the windows were broken, the plastering on the inside punctured and knocked off the walls, and other damage was done.

The case has been thoroughly investigated by Sanford Bates, and the report includes a favorable recommendation from Attorney General Mitchell, and also a favorable recommendation from Sanford Bates, who personally visited the property.

Mr. ROBINSON of Arkansas. Mr. President, as I understand the case, some escaped convicts entrenched themselves in the home of the claimant, or in the house he was in possession of or occupied. Is there anything to indicate that they did so with his consent or approval?

Mr. CAPPER. Oh, no; not at all. On page 2 of the report will be found a very complete and comprehensive statement. Sanford Bates, the Director of Prisons, who visited the property, recommends that the loss, amounting to $1,500, be paid. The original claim was for $1,868, as shown on page 3 of the report, but the bill reduces that to $1,500, as recommended by the Attorney General in the report of February 26, 1932.

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

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill for the relief of Frank Salisbury, executor of the estate of Emerson C. Salisbury, deceased."

R. A. HUNSINGER

The bill (H.R. 1977) for the relief of R. A. Hunsinger was considered, ordered to a third reading, read the third time, and passed.

WHITE B. MILLER

The bill (H.R. 3295) for the relief of the estate of White B. Miller was announced as next in order.

Mr. ROBINSON of Arkansas. I think there should be an explanation of this bill. The amount carried is $25,000.

Mr. WHITE. Mr. President, this is a bill to authorize the payment of that amount to the estate of White B. Miller, an attorney who was employed by the Government to represent it in most important tax litigation. I think, in the particular case, out of which this claim for a fee arose, the amount saved to the Government by the services of this attorney exceeded $1,000,000. The enactment of the proposed legislation is recommended by the Attorney General, and it seemed to the committee, in view of the high character of services rendered, in view of the large amount involved and the amount saved to the Government of the United States through the services rendered, and in view of the recommendation of the Attorney General himself, that the committee were justified in recommending the payment.

Mr. ROBINSON of Arkansas. Mr. President, may I inquire of the Senator from Maine whether the special attorney was appointed without authority of law?

Mr. WHITE. I think there was no inhibition in law against his appointment, because there had been similar employment in other cases. Whether there was a specific and direct authorization for the employment or not I cannot answer, but I am very sure there was no inhibition against the employment.

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

Mr. WHITE. I yield.

Mr. KING. The fact is that Mr. Miller was an assistant to the Attorney General.

Mr. WHITE. Yes.

Mr. KING. He was receiving a salary of $10,000 a year. While so employed, this case, as many other cases, came to the Department of Justice. He was assigned to this case as any other attorney in the Department might have been assigned. It was his duty as assistant to the Attorney General to take over any cases that were assigned to him. I grant that his services were important. It was not indispensable, however, that he should have been named, and I think the deduction that because he was appointed the case was won is unwarranted. I shall object to the bill.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBINSON of Arkansas. Mr. President, what I should like to know is whether an officer in the employ of the Government, who performs services for the Government, is to be compensated on the basis of recovery or success in the suits which he handles for the Government? If this man were a regular Assistant Attorney General, receiving a salary from the United States, I cannot understand, without some explanation, why he should not try the Government's law suits without charging large fees in addition to his salary.

The PRESIDING OFFICER. Does the Senator from Utah withhold his objection?

Mr. KING. I withhold it for the moment. May I read part of the letter of the Attorney General, Mr. Mitchell, contained in the report:

> At the time of his appointment in the Cannon cases Mr. Miller was already receiving $10,000 a year, the maximum allowed under the law, as special assistant to the Attorney General for conducting the Haar cases at Savannah, Ga. He undertook the conduct of the Cannon litigation upon the urgent request of the Assistant Attorney General.

But he was receiving $10,000 a year as a special assistant.

Mr. WHITE. I think the Department itself recognizes that the practice is unusual, but it felt that this special attorney had been besought to handle these cases, and it involved a very great additional burden of work far beyond his routine employment as an assistant to the Attorney General. It involved months of investigation, and there is no doubt of the fact that he was assured extra compensation, and, further, there is no doubt that his services were of so high a character that the Government saved substantially over a million dollars in these tax cases. I think I have stated the facts as they are.

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

Mr. WHITE. I yield.

Mr. McKELLAR. I wish to read further from the Attorney General's report:

> As a result of Mr. Miller's employment, the Government retained $1,081,027.26, which represented one-half of the moneys in controversy.

Mr. ROBINSON of Arkansas. Mr. President, that implies that a compromise was entered into. That there was a suit for $2,000,000 plus, and settlement made under which one-half the amount claimed in the suit by the Government was realized. The point I am making is that it is quite a questionable practice, it seems to me, to retain as a special attorney one who is already charged with the responsibility and duty of handling such lawsuits, and then in addition to a large salary pay him a very large fee.

Mr. McKELLAR. My recollection of the facts is—I may be mistaken about them, for this incident happened a number of years ago—that Mr. Miller whether or not he was employed as salaried man, certainly was employed here as Assistant Attorney General and was also employed in Chattanooga in some capacity. I knew Mr. Miller very well. He was a very able lawyer, one of the best we had. He had been a very successful lawyer and succeeded wonderfully well with this lawsuit. He has since died. My recollection is that the Senate has passed a bill similar to this once or twice already, after an argument about it, and it seems to me that his estate is definitely entitled to the amount recommended by the committee.

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

Mr. McKELLAR. Yes.

Mr. WHITE. I would not quarrel with the general proposition laid down by the Senator from Arkansas.

Mr. McKELLAR. Nor would I.

Mr. WHITE. It is sound as a general principle and rule, but I think it was felt by all who have given a study to this case that there were special circumstances. Certainly they were recognized by the Attorney General himself, who recommended the passage of the bill.

Mr. ROBINSON of Arkansas. Here is what the report says, in part:

> At the time of his appointment in the Cannon cases Mr. Miller was already receiving $10,000 a year, the maximum allowed under the law, as special assistant to the Attorney General for conducting the Haar cases at Savannah, Ga. He undertook the conduct of the Cannon litigation upon the urgent request of the Assistant Attorney General in charge of tax matters and upon the assurance that every effort would be made to secure for him adequate compensation for this extra service in addition to that which he was receiving in the Haar cases. The Cannon cases involved as one of the parties the then Commissioner of Internal Revenue, Mr. Blair.

And so forth. Then it says:

In October 1928 a payment of $3,000 on account of the Cannon cases was made to Mr. Miller. On March 25, 1929, he submitted a claim for $50,000 for his services in those cases, which, allowing for the $3,000 theretofore paid on account, left $47,000 balance claimed by him.

That was the situation when the matter first came to my attention. We cannot make a practice of involving this Department in moral obligations to pay to special assistants more than the maximum compensation fixed by law. Yet I found that Mr. Miller had been given assurances when taking on this additional work that he would receive additional compensation and that a breach of good faith would result if we did not carry out these assurances.

Now, it appears that when he entered upon these cases he was already being paid the maximum amount which the law provided.

Mr. President, what is the use, what is the sense of fixing in the statute maximum salaries if the provisions of law are to be ignored by administrative officers of the Government? Under this arrangement executive departments could commit the Government morally, as the former Attorney General said, to any amount they chose, and then insist that, notwithstanding Congress had limited the amount that should be paid, there should be no limitation except that imposed by the discretion of the administrative or executive officer.

Mr. KING. Mr. President, I insist on my objection.

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

GEORGE B. BEAVER

The bill (H.R. 3300) for the relief of George B. Beaver was considered, ordered to a third reading, read the third time, and passed.

JOHN MERRILL

The Senate proceeded to consider the bill (H.R. 3302) for the relief of John Merrill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement against the Government, the sum of $2,500 to John Merrill on account of gunshot wound received in left leg by a shot from a Federal prohibition enforcement officer, in the act of destroying a seized still, on July 19, 1930, in Polk County, Tenn., said Merrill being a deputy sheriff at the time and on a raid near Ocoee, Polk County, Tenn.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. ROBINSON of Arkansas. Mr. President, may we have a justification for this proposal?

Mr. McKELLAR. The bill was reported from the committee by the Senator from Maine [Mr. WHITE].

Mr. WHITE. I will ask the Senator from Tennessee to make the explanation.

Mr. McKELLAR. Mr. President, I will take the facts from the report:

The Department of Justice interposes no objection to the enactment of this legislation.

The facts seem to be as follows:

The memorandum of February 27 states that "The files disclose that John Merrill was a deputy sheriff of Polk County, Tenn., and had no official connection with this Bureau or with the Government officers when he was injured." It is not disclosed whether the shot that wounded Merrill was fired by Bell or by another, and it is doubtful if that fact will ever be known.

The occurrence was investigated by Prohibition Agent J. O. Swafford, and his report is dated May 24, 1931. It describes the two parties, their approach to the still, etc., as shown in the memorandum of February 27, and also contains the following:

"Two of the party in which Mr. Merrill was opened fire on Agent Bell and his party, one bullet striking Deputy Copeland in the mouth, inflicting a slight wound, one bullet passing through Agent Bell's clothing between his left arm and body. Agent Bell and his party returned the fire, one bullet striking Mr. Merrill in the left leg near the knee and breaking his leg at the thigh * * *. Agent Bell and Deputy Copeland, being blinded by the flashlights of the other officers, returned the fire at the point where lights from the flash of guns appeared, Deputy Frazier firing from behind Mr. Merrill and he, being in the line of fire, received the wound."

This was a raiding party, and Mr. Merrill, it seems, who was a deputy sheriff, was shot through the leg and very seriously injured, and will be crippled, as stated in one affidavit, for life. He was fired on by a prohibition agent or some other member of the party who was making the raid. Under those circumstances it seems to me that the bill should properly be passed.

Mr. ROBINSON of Arkansas. Mr. President, is it customary to compensate raiding parties for shooting one another up?

Mr. McKELLAR. Oh, no.

Mr. ROBINSON of Arkansas. Is that one of the objects of Federal legislation?

Mr. McKELLAR. No.

Mr. ROBINSON of Arkansas. Then, are prohibition officers who raid stills and send out State officers and let them direct their fire at one another to be paid for it?

Mr. McKELLAR. That is what was done in this case.

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

Mr. McKELLAR. I yield.

Mr. WHITE. This officer, while he was a deputy sheriff of the State, was a part of the Federal group who were making the raid on this still. There were two groups.

Mr. McKELLAR. They were acting for the Government.

Mr. WHITE. Mr. Merrill was acting for the Government and was crippled for life in the service. I think there are many precedents for legislation of this kind.

Mr. McKELLAR. During the prohibition era a great many bills of this character were passed.

Mr. WHITE. A great many bills of this character have been passed where a man has been severely hurt, and I think in this case it is perfectly clear that the proposed beneficiary of the bill is crippled for the remainder of his life.

Mr. McKELLAR. The record so states.

Mr. WHITE. The bill was recommended by the prohibition officials, and it seemed to the committee that its passage was warranted by the facts and by the precedents.

Mr. McKELLAR. I hope the bill will be passed.

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

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

ADJUSTED COMPENSATION OF WORLD WAR VETERANS

Mr. LONG. Mr. President, this morning I asked whether or not it would be in order for me to move to discharge the Committee on Finance from the further consideration of House bill 1, which is the soldiers' bonus bill, which has been passed by the House. I am informed that a majority of the Senate are in favor of passing soldiers' bonus legislation if a vote could be had on the measure at this time without any serious difficulty, and it would not take much of the time of the Senate.

The PRESIDING OFFICER. The Chair will state to the Senator from Louisiana that under clause 3 of rule VII nothing is in order on Monday morning except the call of the calendar. The rule so specifies and states that that business cannot be laid aside for any other business.

Mr. LONG. I was not making a point of order. The point I am making is this, that if our party would permit a motion to discharge the Committee on Finance this morning, we could have a straight out vote on the soldiers' bonus bill. We are going to have to put this bill onto something else, and I apprehend that our leaders will then say that this bill ought not to be put on some other bill; but the way to avoid that would be this morning for us to be allowed unanimous consent to move to discharge the committee and vote on the bonus bill outright; otherwise we are going to have——

Mr. ROBINSON of Arkansas. Mr. President, I will say to the Senator from Louisiana that such a motion was made by the Senator from Minnesota [Mr. SHIPSTEAD]; I myself

raised the point of order that that motion was not in order, and the point of order was sustained. If the effort were repeated, I should make the same point of order.

Mr. LONG. That means, and I am just announcing it now, that apparently our only means of getting action on the soldiers' bonus bill, which is favored by a majority of the Senate, will be to pick up the bill and tack it on to some other bill. Apparently that is going to be our only recourse and our only means of getting action at this session.

Mr. ROBINSON of Arkansas. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The regular order is called for. The clerk will state the next bill on the calendar.

EULA K. LEE

The bill (H.R. 4690) for the relief of Eula K. Lee was considered, ordered to a third reading, read the third time, and passed.

GEORGE L. RULISON

The Senate proceeded to consider the bill (S. 3486) for the relief of George L. Rulison, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$909.07 as reimbursement" and insert in lieu thereof "$600, in full settlement of all claims against the Government", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to George L. Rulison, out of any money in the Treasury not otherwise appropriated, the sum of $600, in full settlement of all claims against the Government, for expenditures made by said George L. Rulison between November 1, 1927, and July 1, 1928, for office rental and stenographic and other service in connection with the performance of his duties as United States attorney and as assistant United States attorney at South Bend, Ind.

Mr. ROBINSON of Arkansas. Mr. President, I inquire of the Senator from Indiana [Mr. ROBINSON], who introduced the bill, as to the justification for the measure. I note that the Senator from Maine [Mr. WHITE] reported the bill.

Mr. WHITE. Mr. President, the bill is in behalf of George L. Rulison. He was appointed United States district attorney in Indiana. He assumed the office and entered upon the performance of his duties. There was some delay on the part of the Government, as to the reason for which I am not advised, in providing him with the stenographic assistance and an office or other facilities for carrying on his duties as United States district attorney. For some substantial period of time he utilized his own law office, his own clerical force and stenographic force and all the other facilities of his own going office and of his partner in the performance of his duties as district attorney.

The bill seeks to reimburse him for that part of those expenses which are properly chargeable to his activities as United States district attorney. The bill is recommended by the Department. The claimant originally asked for something over $900. He indicated at one time he would be satisfied to take $600. The committee accepted that offer and inserted an amendment reducing the amount of the claim from something over $900 to $600.

Mr. ROBINSON of Arkansas. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

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

NELLIE LAMSON

The bill (H.R. 7168) for making compensation to the estate of Nellie Lamson was announced as next in order.

Mr. ROBINSON of Arkansas. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. ROBINSON of Arkansas subsequently said: Mr. President, a few moments ago, when House bill 7168 was called, it was passed over at my request. I ask unanimous consent to recur to it. Upon a reading of the report it appears that the claim is justified; and I have no objection to the consideration of the bill.

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

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

ANNA H. JONES

The bill (H.R. 2433) for the relief of Anna H. Jones was considered, ordered to a third reading, read the third time, and passed.

W. H. LE DUC

The Senate proceeded to the consideration of the bill (S. 3307) for the relief of W. H. Le Duc.

Mr. ROBINSON of Arkansas. Mr. President, what is the basis of the claim?

Mr. COUZENS. Mr. President, the report attached to the bill shows that $1,000 was improperly collected from a ship captain whose ship was taken to harbor without his consent. He was required to put up $1,000, which was afterward declared illegally collected. The bill merely provides for the return of the $1,000.

Mr. ROBINSON of Arkansas. The explanation is satisfactory to me.

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

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. H. Le Duc the sum of $1,000, with interest thereon at the rate of 6 percent per annum from the date of payment of fine or penalty, representing the amount deposited by him on account of a fine or penalty of $1,000 assessed against him and by him paid to the United States under protest at the port of Galveston on or about March 26, 1928, for alleged violation of the navigation laws: *Provided*, That such sum shall be in full settlement of all claims against the Government of the United States: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

JOHN S. CATHCART

The bill (H.R. 2054) for the relief of John S. Cathcart was considered, ordered to a third reading, read the third time, and passed.

A. H. POWELL

The bill (H.R. 1943) for the relief of A. H. Powell was considered, ordered to a third reading, read the third time, and passed.

RED RIVER BRIDGE, MINNESOTA-NORTH DAKOTA

The bill (S. 3491) authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain, and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N.Dak., was announced as next in order.

Mr. SHIPSTEAD. Mr. President, there is on the calendar, an identical House bill, being order of business 1149. I move that the House bill be substituted for the Senate bill and put upon its passage.

The motion was agreed to, and the bill (H.R. 9502) authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain, and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N.Dak., was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, the Senate bill S. 3491 will be indefinitely postponed.

MISSISSIPPI RIVER BRIDGE, ST. LOUIS, MO.

The bill (S. 3493) to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty and Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.",

approved February 13, 1931, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act authorizing H. C. Brenner Realty and Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved on February 13, 1931, be, and the same is hereby, revived and reenacted: *Provided*, That the construction herein authorized be commenced within 1 year and completed within 3 years from the date of the approval of this act.

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

PROMOTION OF CHIEF CLERK, RAILWAY MAIL SERVICE

The bill (S. 2868) to remove inequities in the law governing eligibility for promotion to the position of chief clerk in the Railway Mail Service, was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I should like to have the Senator from North Carolina [Mr. REYNOLDS], who introduced the bill, explain the changes that are proposed to be made by it in existing law.

Mr. REYNOLDS. Mr. President, the bill was referred to and considered by the Committee on Post Offices and Post Roads, inasmuch as it has to do entirely with those who have been in the Railway Mail Service for a number of years. Under the present law, before an individual employee may be promoted to chief clerk in charge, it is necessary that he shall serve for a period of 2 years continuously and without interruption.

For instance, an employee in the Railway Mail Service might have been in that service for a period, we will say, of 20 or 25 years, during which time from period to period he served as chief clerk for an aggregate or a total of 2 years; but regardless of the fact that he might have had the experience of 2 years of service as clerk in charge, he cannot under the law be promoted unless that service has been of a continuous nature and without interruption.

The only change the bill proposes to make in the present law is to change the continuous-service period from 2 years to 1 year.

Mr. SHEPPARD. Mr. President, what is the position of the Department on the bill?

Mr. REYNOLDS. They have no objection to it. It has been taken up with several individual officials of the Post Office Department.

Mr. LOGAN. Mr. President, the Post Office Department officials particularly interested in the measure came before our committee urging very strongly the passage of the bill. They very strongly endorsed it.

Mr. REYNOLDS. I thank the Senator from Kentucky.

Mr. ROBINSON of Arkansas. In my folder there is no report on the bill from the Senate committee.

Mr. REYNOLDS. The Senator from Arkansas is entirely correct. In view of the fact that a report has not been filed, I should like to ask the Senator from Kentucky to make explanation of the situation to the Senator from Arkansas, if necessary. However, if I correctly understood, the Senator from Kentucky has just advised us that some of the officials of the Post Office Department appeared before the Committee on Post Offices and Post Roads and not only recommended the passage of the bill, but, as a matter of fact, insisted upon its passage. Is not that correct?

Mr. LOGAN. That is correct.

There were a number of bills, probably 12 or 15, in which the Postmaster General himself and some of his assistants were interested. They came over and we checked the bills which they wanted passed, and this is one of the number they recommended. I am quite sure if the Senator from Tennessee [Mr. MCKELLAR] were present at the moment he would corroborate what I have said about it I have stated my distinct remembrance.

Mr. REYNOLDS. That was my understanding; and that is why, in answer to the inquiry of the Senator from Arkansas, I mentioned the fact that it was my understanding that the officials of the Department were in favor of the bill and its passage had been recommended.

I may add that the real desire for the enactment of the measure is that the Post Office officials are put in a somewhat embarrassing situation from time to time when they are desirous of promoting an individual in the interest of the Service, and they are not permitted to do so because the law requires that his service as clerk in charge be of a continuous nature. I may add, further, for the information of the Senator from Arkansas, that in many instances men who have been in the Service for years upon years, and are thoroughly and perfectly qualified for promotion, are not permitted to have that promotion because of the fact that their service as clerks in charge has not been of a continuous nature. The statute, as at present written, requires that the person shall serve as clerk in charge continuously for 2 years; and while in many instances these persons have served for 4 or 5 years, their service has not been of a continuous nature.

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

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

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

Be it enacted, etc., That that part of section 7 of the act of August 24, 1912 (37 Stat. 556), which comprises section 626 of title 39 of the United States Code, be amended to read as follows:

"Clerks in the highest grade in their respective lines or other assignments shall be eligible for promotion to positions of clerks in charge in said lines or corresponding position in other assignments; and clerks assigned as assistant chief clerks and clerks in grade 6, or higher rank, in their respective divisions, shall, after 1 year of continuous service in such capacity, be eligible for promotion to positions of chief clerks in said division for satisfactory, efficient, and faithful service, under such regulations as the Postmaster General shall prescribe."

RATES OF POSTAGE ON PERIODICALS

The bill (H.R. 5477) to fix the rates of postage on certain periodicals exceeding 8 ounces in weight was announced as next in order.

Mr. McNARY. I should like to have an explanation of that bill.

Mr. SHEPPARD. I suggest that the bill go over without prejudice until the Senator from Tennessee [Mr. MCKELLAR] returns.

Mr. McNARY. Very well.

The PRESIDING OFFICER. Without objection, the bill will be passed over without prejudice.

Mr. MCKELLAR subsequently said: Mr. President, while I was absent from the Chamber a moment ago, Order of Business 1025, House bill 5477, to fix the rates of postage on certain periodicals exceeding 8 ounces in weight, I understand, was passed over temporarily.

The PRESIDING OFFICER. That is correct.

Mr. MCKELLAR. I ask that we may return to that order of business.

Mr. McNARY. Mr. President, the reason why it was passed over was that I asked for a brief explanation.

Mr. MCKELLAR. I so understand.

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

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

Mr. MCKELLAR. Mr. President, the facts about this bill are disclosed in a letter from the Post Office Department, as follows:

The purpose of this bill is to extend to periodical publications of the character described in the bill the flat rate of 1 cent for each 2 ounces or fraction thereof when weighing in excess of 8 ounces. Under existing law such publications exceeding 8 ounces in weight are subject to the fourth-class or parcel-post rates. These rates are in most instances prohibitive and prevent the publishers of periodicals of this kind preparing them so as to weigh more than 8 ounces, since no matter how slight the weight is in excess of 8 ounces under existing law postage must be paid for a full pound. The extension of the flat rate as proposed would enable these publishers to increase the weights of the copies of their publications and thus augment the postal revenues. Furthermore, it is believed that some publishers whose periodicals are entered as second-class matter will relinquish such entry and mail

their publications under the conditions set forth in bill H.R. 5477 in order to be free from the restrictions placed by law on second-class matter. Additional revenue would result from such changes.

The Postmaster General then speaks of having had a cost ascertainment and says there will be great savings to the Department by reason of this change. The proposed legislation is desired by both the Department and those who are interested in the publications. The Department recommends the passage of the bill. It is one of the various measures which the Department sent to the Congress and asked to have enacted, so as to bring about savings to the Government.

Mr. FESS. Was there any division in the committee at all?

Mr. McKELLAR. None at all.

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

BILL PASSED OVER

The bill (S. 3544) to extend further the operation of an act of Congress approved January 26, 1933 (47 Stat. 776), entitled "An act relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects" was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, is the Senator from North Dakota [Mr. FRAZIER] familiar with this bill? I should like to know for what it provides.

Mr. FRAZIER. Mr. President, I shall have to admit that I do not remember the circumstances of the bill.

Mr. SHEPPARD. I suggest that the bill go over without prejudice until the Senator from Montana [Mr. WHEELER] returns.

The PRESIDING OFFICER. The bill will be passed over without prejudice.

LUCILE A. ABBEY

The Senate proceeded to consider the bill (S. 1786) for the relief of Lucile A. Abbey, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

That in the administration of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Lucile A. Abbey in the same manner and to the same extent as if said Lucile A. Abbey had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefits shall accrue prior to the approval of this act.

The amendment was agreed to.

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

UNITED STATES SUPREME COURT ROOM

The Senate proceeded to consider the resolution (S.Res. 193) authorizing that the room now occupied by the United States Supreme Court be preserved and kept open to the public, which had been reported from the Committee on Rules with amendments, on page 1, line 1, after the words "That the", to insert "court"; in line 2, after the words "in the", to strike out "Senate wing of the"; and in line 3, after the word "Court", to insert "and the space below it formerly a part of the court room"; so as to make the resolution read:

Resolved, That the court room now occupied by the United States Supreme Court in the Capitol, when vacated by the Court, and the space below it formerly a part of the court room, shall be preserved and kept open to the public under such rules and regulations as may be prescribed by the Architect of the Capitol with the approval of the Committee on Rules of the Senate.

The amendments were agreed to.

Mr. McNARY. Mr. President, I am warmly in accord with the resolution, but I am wondering if it is limited to the Supreme Court room.

Mr. ROBINSON of Arkansas. No, Mr. President. This resolution, at my suggestion, has been modified by the committee to include the rooms below the present Supreme Court room, which for a long time were occupied by the United States Supreme Court. The latter rooms, now used for law library and similar purposes, have historical associations of very great interest and value. I was induced to suggest the amendment by lawyers of great renown, who are familiar with the history of the rooms and their use. I refer particularly to Mr. Nicholas Murray Butler and Mr. Charles Warren, and to a number of other prominent lawyers. I think the amendment is very desirable. Some time recently I had printed in the RECORD historical data respecting these rooms supplied me by Mr. Warren.

Mr. McNARY. I am very happy to be advised of the enlargement of the scope of the resolution, and I am quite satisfied to have it agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to.

JENNIE WALTON

The Senate proceeded to consider the bill (S. 2617) for the relief of the estate of Jennie Walton, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 6, after the words "sum of", to strike out "$5,450" and insert "$4,000", and in line 8, after the word "damages", to strike out the remainder of the bill and insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Jennie Walton, late of Bantry, N.Dak., the sum of $4,000, in full satisfaction of its claim against the United States for damages from an automobile accident on highway no. 5, near Belcourt, N.Dak., within the Turtle Mountain Indian Reservation, on October 5, 1931.

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

Mr. FRAZIER. Mr. President, this was a case where an automobile with several people in it was driving by an Indian school. It was shortly after the school closed at night. The superintendent blew his whistle and signaled for the automobile to stop. The driver of the car claimed that he did not understand the signal. He was not driving at excessive speed; there were no children near the road, and he kept going on. The superintendent got in his car and drove 2 or 3 miles, caught up to the driver, ran by him, and the situation was such that the man driving the car was run into the ditch, the car tipped over, and the woman was killed. She was the sister-in-law of the man driving the car.

Mr. McKELLAR. Does the Department recommend the bill?

Mr. FRAZIER. The Department recommended favorable action on the bill. It recommended a slight amendment, cutting down the amount to $4,000. The bill is for the benefit of the estate. There were two or three children.

Mr. McKELLAR. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

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

MABEL S. PARKER

The bill (S. 2768) for the relief of Mabel S. Parker was announced as next in order.

Mr. McKELLAR. That seems to be a somewhat similar bill.

Mr. FRAZIER. No; this is a bill of the Senator from Minnesota [Mr. SHIPSTEAD]. It is simply to pay the transportation of an automobile and some other things on a transfer from Arizona to Minnesota.

Mr. SHIPSTEAD. And approved before shipment by the Commissioner of Indian Affairs and the Secretary of the Interior.

Mr. McKELLAR. I have no objection to the consideration of the bill.

The PRESIDING OFFICER. The Chair is advised that an exactly similar bill was passed on March 29, and is now on the House Calendar.

Mr. SHIPSTEAD. I ask that the bill be returned to the calendar until I can investigate.

The PRESIDING OFFICER. The Senator asks unanimous consent that the bill be temporarily passed over. Without objection, it is so ordered.

BILLS PASSED OVER

The bill (S. 3514) to provide for the enrollment of members of the Menominee Indian Tribe of the State of Wisconsin was announced as next in order.

Mr. McKELLAR. Mr. President, may we have a statement regarding that bill from the Senator from North Dakota? Were the two amendments suggested by the Department put in the bill?

Mr. FRAZIER. I understand that they were.

Mr. McKELLAR. The Department recommends two amendments; but, so far as I can find, they do not appear in the bill. It may be that they do. Let the bill go over for the day.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3515) to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin was announced as next in order.

Mr. McKELLAR. I think we should have some explanation of that bill. I do not see the Senator from Wisconsin [Mr. LA FOLLETTE] in the Chamber. Let it go over for the day.

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

RETIREMENT SYSTEM FOR RAILROAD EMPLOYEES

The bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, was announced as next in order.

Mr. McNARY. Mr. President, personally, I have no objection to this bill; but I have been requested by two Members of the Senate, who are necessarily absent, to have it go over for the day.

Mr. McKELLAR. There does not seem to be a report on the bill, either.

Mr. DILL. Oh, yes; there is a very complete report.

Mr. WAGNER. Yes; there is a report.

Mr. McKELLAR. There does not seem to be one in my file.

Mr. O'MAHONEY. Mr. President, may I inquire of the Senator from Oregon [Mr. McNARY] if he is insisting upon his objection to Senate bill 3231?

Mr. McNARY. I desire again to advise the Senator that, personally, I have no objection to the bill. I favor the proposed legislation; but two Members of the Senate have asked me in their absence to have it passed over without prejudice, and I am doing so in their behalf.

Mr. HATFIELD. Mr. President, I am very much interested in this bill, as is the Senator from New York [Mr. WAGNER]. This is a general retirement pension bill for railway employees, and I trust that in the very near future we may have an opportunity to have the bill considered and passed.

Mr. McNARY. I wish to assure the Senator of my fairness in the matter. I shall not again object in behalf of any absentee Senator.

Mr. DILL. Mr. President, I desire to say that for several years this bill has been a bone of contention among the railroad employees. We finally have succeeded in getting all factions together. It will not cost the Government a single dollar. It is a most remarkable plan; and I am extremely anxious that at an early date the bill may be considered and passed.

Mr. HATFIELD. Mr. President, there is a concordance of opinion, and all railway employees throughout the land are supporting this legislation.

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

Mr. HATFIELD. I yield.

Mr. FESS. I have some objection. I am not sure whether or not it is to this particular bill, because nearly all of the large railroads have already entered upon this plan of retirement, but the opposition comes from the smaller roads, which cannot make the contributions necessary. Is this the bill to which that opposition is presented?

Mr. HATFIELD. I may say to the Senator from Ohio that this is the bill which was perfected from the original bill, and for the purposes of the bill it makes all railway groups one group.

Mr. FESS. I am in favor of the principle, but I wondered whether the opposition was to this bill or to some other bill.

Mr. HATFIELD. I do not know the attitude of the railway organizations at the present time, since the perfection of the bill, but there have been a great number of changes. In fact, some of the larger trunk railways of this country today are paying about the same amounts into a fund for the retirement of their aged employees that this bill would require.

Mr. FESS. I understood that 0.9 of them were doing it.

Mr. HATFIELD. I may say to the able Senator from Ohio I cannot say as to the exact percentage.

Mr. WAGNER. Mr. President, I think the Senator from Ohio is mistaken when he says that 0.9 of them have such a system, but even if it were so, it is a system which could be terminated at any time if the railway organizations decided to do so. There is no definite obligation on the railroads to continue the payment of the pensions.

I hope the bill will be acted upon at a very early date. I know of no opposition to it. All the different groups which had various opinions about the bill which the Senator from West Virginia and I originally introduced are now in accord in supporting the proposed legislation. I think that after a brief explanation it would be passed practically unanimously. So I join with the Senator in hoping that at a very early date we may act upon the bill in this body, so that it may pass both Houses in time to become a law. In view of the unanimity of opinion, it would be very unfortunate if, because of the congestion of the calendar, we were unable to reach the bill and have it enacted.

Mr. McNARY. Mr. President, I share the view of the eminent Senator from New York, but when a Senator is necessarily absent, and asks me to represent him and object, I must do so. It is a duty I must perform.

Mr. WAGNER. I am sure the Senator will cooperate with us in getting consideration of the bill at an early date.

The PRESIDING OFFICER. There being objection, the bill will be passed over.

COLUMBIA RIVER BRIDGE, OREGON

The bill (S. 3502) authorizing the Oregon-Washington Bridge Commission to construct, maintain, and operate a toll bridge across the Columbia River at or near Astoria, Oreg., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the Oregon-Washington Bridge Commission (hereinafter created, and hereinafter referred to as the "commission") and its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Columbia River at or near the city of Astoria, Oreg., at a point suitable to the interests of navigation, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, subject to the conditions and limitations contained in this act. Such commission is further authorized and directed to acquire all the assets and liabilities of the Rivers Improvement Corporation, a corporation organized under the laws of the State of Oregon.

SEC. 2. There is hereby conferred upon the commission and its successors and assigns the right and power to enter upon such lands and to acquire, condemn, occupy, possess, and use such real estate and other property in the States of Oregon and Washington as may be needed for the location, construction, operation, and maintenance of such bridge and its approaches, upon making just compensation therefor, to be ascertained and paid according to the laws of the State in which such real estate or other property is situated, and the proceedings therefor shall be the same as in the condemnation of private property for public purposes in said States, respectively.

SEC. 3. The commission and its successors and assigns are hereby authorized to fix and charge tolls for transit over such bridge in accordance with the provisions of this act.

SEC. 4. The commission and its successors and assigns are hereby authorized to provide for the payment of the cost of the bridge and its approaches and the necessary lands, easements, and appurtenances thereto by an issue or issues of negotiable bonds of the commission, bearing interest at not more than 6 percent per annum, the principal and interest of which bonds and any

premium to be paid for retirement thereof before maturity shall be payable solely from the sinking fund provided in accordance with this act. Such bonds may be registrable as to principal alone or both principal and interest, shall be in such form not inconsistent with this act, shall mature at such time or times not exceeding 25 years from their respective dates, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places as the commission may determine. The commission may repurchase and may reserve the right to redeem all or any of said bonds before maturity in such manner and at such price or prices, not exceeding 105 and accrued interest, as may be fixed by the commission prior to the issuance of the bonds. The commission may enter into an agreement with any bank or trust company in the United States as trustee having the power to make such agreement, setting forth the duties of the commission in respect of the construction, maintenance, operation, repair, and insurance of the bridge, the conservation and application of all funds, the safeguarding of moneys on hand or on deposit, and the rights and remedies of said trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporations. Such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the trustee and the bondholders as may be reasonable and proper and not inconsistent with the law and also provisions for approval by the original purchasers of the bonds of the employment of consulting engineers and of the security given by the bridge contractors and by any bank or trust company in which the proceeds of bonds or of bridge tolls or other moneys of the commission shall be deposited, and may provide that no contract for construction shall be made without the approval of the consulting engineers. The bridge constructed under the authority of this act shall be deemed an instrumentality for interstate commerce, the Postal Service, and military and other purposes authorized by the Government of the United States. Said bonds shall be sold in such manner and at such time or times and at such price as the commission may determine, but no such sale shall be made at a price so low as to require the payment of more than 6-percent interest on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, and the face amount thereof shall be so calculated as to produce, at the price of their sale, the cost of the bridge and its approaches, and the land, easements, and appurtenances used in connection therewith. The cost of the bridge shall be deemed to include interest during construction of the bridge, and for 12 months thereafter, and all engineering, legal, architectural, traffic surveying, and other expenses incident to the construction of the bridge and the acquisition of the necessary property, and incident to the financing thereof, including the cost of acquiring existing franchises, rights, plans, and works of and relating to the bridge, now owned by any person, firm, or corporation, and the cost of purchasing all or any part of the shares of stock of any such corporate owner if, in the judgment of the commission, such purchases should be found expedient. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided. Prior to the preparation of definitive bonds the commission may, under like restrictions, issue temporary bonds or interim certificates with or without coupons of any denomination whatsoever, exchangeable for definitive bonds when such bonds have been executed and are available for delivery.

SEC. 5. In fixing the rates of toll to be charged for the use of such bridge, the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to pay the principal and interest of such bonds as the same shall fall due and the redemption or repurchase price of all or any thereof redeemed or repurchased before maturity, as herein provided. All tolls and other revenues from said bridge are hereby pledged to such uses and to the application thereof as hereinafter in this section required. After payment or provision for payment therefrom of all such cost of maintaining, repairing, and operating, and the reservation of an amount of money estimated to be sufficient for the same purpose during an ensuing period of not more than 6 months, the remainder of tolls collected shall be placed in the sinking fund, at intervals to be determined by the commission prior to the issuance of the bonds. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested. The commission shall classify in a reasonable way all traffic over the bridge, so that the tolls shall be so fixed and adjusted by it as to be uniform in the application thereof to all traffic falling within any such reasonable class, regardless of the status or character of any person, firm, or corporation participating in such traffic, and shall prevent all use of such bridge for traffic except upon payment of the tolls so fixed and adjusted. No toll shall be charged officials or employees of the commission or of the Government of the United States or any State, county, or municipality in the United States while in the discharge of their duties.

SEC. 6. After payment of the bonds and interest, or after a sinking fund sufficient for such payment shall have been provided and shall be held for that purpose, the commission shall deliver deeds or other suitable instruments of conveyance of the interest of the commission in and to the bridge, that part within Oregon to the State of Oregon or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the "Oregon interests") and that part within Washington to the State of Washington or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the "Washington interests"), under the condition that the bridge shall thereafter be free of tolls and be properly maintained, operated, and repaired by the Oregon interests and the Washington interests, as may be agreed upon; but if either the Oregon interests or the Washington interests shall not be authorized to accept or shall not accept the same under such conditions, then the bridge shall continue to be owned, maintained, operated, and repaired by the commission, and the rates of tolls shall be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management, until such time as both the Oregon interests and the Washington interests shall be authorized to accept and shall accept such conveyance under such conditions.

SEC. 7. For the purpose of carrying into effect the objects stated in this act, there is hereby created the Oregon-Washington Bridge Commission, and by that name, style, and title said body shall have perpetual succession; may contract and be contracted with, sue and be sued, implead and be impleaded, complain, and defend in all courts of law and equity; may make and have a common seal; may purchase or otherwise acquire and hold or dispose of real estate and other property; may accept and receive donations and gifts of money or other property and apply same to the purposes of this act; and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this act.

The commission shall consist of Guy Boyington, A. W. Norblad, and M. R. Chessman, all of the city of Astoria, Oreg., and L. D. Williams and O. H. Roessler, of Pacific County, Wash. Such commission shall be a body corporate and politic. Each member of the commission shall qualify within 30 days after the approval of this act by filing in the office of the Secretary of the Interior an oath that he will faithfully perform the duties imposed upon him by this act, and each person appointed to fill a vacancy shall qualify in like manner within 30 days after his appointment. Any vacancy occurring in said commission by reason of failure to qualify as above provided, or by reason of death or resignation, shall be filled by the Secretary of the Interior. Before the issuance of bonds as hereinabove provided, each member of the commission shall give such bond as may be fixed by the Secretary of the Interior, conditioned upon the faithful performance of all duties required by this act. The commission shall elect a chairman and a vice chairman from its members, and may establish rules and regulations for the government of its own business. A majority of the members shall constitute a quorum for the transaction of business.

SEC. 8. The commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this act. The members of the commission shall be entitled to a per diem compensation for their services of $10 for each day actually spent in the business of the commission, but the maximum compensation of the chairman in any year shall not exceed $2,500 and of each other member shall not exceed $500. The members of the commission shall also be entitled to receive traveling-expense allowance of 10 cents a mile for each mile actually traveled on the business of the commission. The commission may employ a secretary, treasurer, engineers, attorneys, and such other experts, assistants, and employees as they may deem necessary, who shall be entitled to receive such compensation as the commission may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this act. After all bonds and interest thereon shall have been paid and all other obligations of the commission paid or discharged or provision for all such payment shall have been made as hereinbefore provided, and after the bridge shall have been conveyed to the Oregon interests and the Washington interests as herein provided, the commission shall be dissolved and shall cease to have further existence by an order of the Secretary of the Interior made upon his own initiative or upon application of the commission or any member or members thereof, but only after a public hearing in the city of Astoria, Oreg., notice of the time and place of which hearing and the purpose thereof shall have been published once, at least 30 days before the date thereof, in a newspaper published in the city of Astoria, Oreg., and a newspaper published in South Bend, Wash. At the time of such dissolution all moneys in the hands of or to the credit of the commission shall be divided into two equal parts, one of which shall be paid to said Oregon interests and the other to said Washington interests.

SEC. 9. Nothing herein contained shall be construed to authorize or permit the commission or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds provided by this act. No obligation created or liability incurred pursuant to this act shall be an obligation or liability of any member or members of the commission, but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this act be an indebtedness of the United States.

SEC. 10. All provisions of this act may be enforced, or the violation thereof prevented, by mandamus, injunction, or other appropriate remedy brought by the attorney general for the State of Oregon, the attorney general for the State of Washington, or

the United States district attorney for any district in which the bridge may be located in part, in any court having competent jurisdiction of the subject matter and of the parties.

SEC. 11. The right to alter, amend, or repeal this act is hereby expressly reserved.

SEC. 12. Section 1 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and completing the construction of other bridges over the navigable waters of the United States", approved June 10, 1930, as amended, is hereby repealed.

CHIPPEWA INDIAN TREATIES

Mr. SHIPSTEAD. Mr. President, I ask that the Senate return to Order of Business 917, the bill (S. 2980) to modify the effect of certain Chippewa Indian treaties on areas in Minnesota. The Senator from Tennessee tells me he has no objection to the bill.

The PRESIDING OFFICER. The Senator from Minnesota asks unanimous consent that the Senate return to the consideration of Order of Business 917. Is there objection? The Chair hears none.

Mr. SHIPSTEAD. Mr. President, I ask that the votes by which the bill was ordered to be engrossed for a third reading and passed be reconsidered, and that the vote by which the committee amendment was agreed to be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none; the votes are reconsidered, and the bill is before the Senate. The question is on agreeing to the committee amendment.

Mr. SHIPSTEAD. Mr. President, I submit an amendment to the committee amendment.

The PRESIDING OFFICER. The clerk will state the amendment to the amendment.

The LEGISLATIVE CLERK. It is proposed to amend the amendment of the committee, on page 2, line 1, after the word "treaties", by striking out "*Provided*, That the Indian liquor laws shall continue to be in force on all Indian reservations or other lands owned or hereafter acquired by Indian tribes, or by the United States Government for the use or benefit of Indians or for the administration of Indian affairs; on individual Indian allotments or other individual Indian-owned lands while the title to same is held in trust by the United States or while the same shall remain inalienable by the Indian without the consent of some governmental officer; and on all other lands within the exterior borders of Indian reservations: *Provided further*"; in line 11, before the word "That", to insert "*Provided*"; in the same line, after the word "That", to insert "in that portion in the said State of Minnesota affected by this act"; and in line 14, after the figures "1897", to insert a comma; and in the same line, after the figures "506" and the parenthesis, to insert "and to the manufacture or sale of liquors on individual Indian allotments or other individual Indian-owned lands while the title to same is held in trust by the United States or while the same shall remain inalienably by the Indian without the consent of some governmental officer", so as to make the bill read:

Be it enacted, etc., That on and after the passage of this act lands in Minnesota ceded to the United States by the treaty of September 30, 1854 (10 Stat.L. 1109), between the United States and the Chippewa Indians of Lake Superior and the Mississippi and by the treaty of February 22, 1855 (10 Stat.L. 1165), between the United States and the Mississippi Bands of Chippewa Indians, shall no longer be considered as "Indian country" for the purposes of article 7 of said treaties: *Provided*, That in that portion in the said State of Minnesota affected by this act the Indian liquor laws shall continue to apply to the sale, gift, barter, exchange, etc., of liquors to ward Indians of the classes set forth in the act of January 30, 1897 (29 Stat.L. 506), and to the manufacture or sale of liquors on individual Indian allotments or other individual Indian-owned lands while the title to same is held in trust by the United States or while the same shall remain inalienably by the Indian without the consent of some governmental officer.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

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

Mr. KING. Mr. President, I desired to ask the Senator whether this had the approval of the committee and the approval of Mr. Collier.

Mr. SHIPSTEAD. Yes.

LEASING OF COAL LANDS IN ALASKA

The Senate proceeded to consider the bill (H.R. 6179) to amend an act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes."

Mr. McKELLAR. Mr. President, may we have an explanation from the Senator from New York of this bill?

The PRESIDING OFFICER. The Senator from New York does not seem to be in the Chamber.

Mr. McKELLAR. I see by the report that the Department has recommended the bill, and I have no objection.

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

RANSOME COOYATE

The bill (S. 2906) for the relief of Ransome Cooyate was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,000 to Ransome Cooyate, of the Zuni Reservation in New Mexico, in full satisfaction of his claim for injuries received while a student at the Albuquerque Boarding School, New Mexico: *Provided*, That in the discretion of the Secretary of the Interior, the amount herein appropriated may be held as individual Indian money by the Superintendent of the Zuni Agency, N.Mex., and disbursed to the beneficiary at the rate of $30 a month.

COLLIER MANUFACTURING CO.

The bill (S. 2242) for the relief of the Collier Manufacturing Co., of Barnesville, Ga., was announced as next in order.

Mr. GEORGE. Mr. President, this bill covers a case, the facts of which are as follows: The Collier Manufacturing Co. was approached during the war and asked to manufacture certain knit underwear for use by the soldiers. An agreement was reached between the Government and the Collier Manufacturing Co., but when the first contract was about to be made, the contract was taken in the name of a firm of New York brokers, who were merely acting as the sales agents of the Collier Manufacturing Co. Other contracts were made under similar circumstances.

Subsequently the contract in question was terminated because the war was about to end. The items of damage and the specifications in the account, I believe, are clearly beyond dispute. The whole question is whether or not this bill should pass, because the contract was not made with the Collier Manufacturing Co., but was made through its sales agents, who already had given the bond required by the Government and were in position to proceed with the execution of the contract.

The claim was first presented to the Board of Contract Adjustment in the War Department, and was denied because the Collier Manufacturing Co. was not a party to the contract. The Secretary of War sustained that decision upon the same grounds; the case went to the court of appeals, and the court of appeals denied recovery upon the same ground.

The Collier Manufacturing Co. were not strangers to this contract. The contract provided that the particular knit underwear should be manufactured by the Collier Manufacturing Co. The Collier Manufacturing Co. did manufacture the knit underwear and deliveries were made directly to the quartermaster depot in Atlanta, Ga., the manufacturing plant of the Collier Manufacturing Co. being located in a nearby town.

It seems to the committee, and to me, after looking into the facts very carefully, that this is an entirely just claim, and should not be denied upon the purely technical ground that the Collier Manufacturing Co. were not parties to the contract.

Mr. McKELLAR. The court of appeals did not decide that it was not a just claim, but merely held that the com-

plainant did not have a right to maintain an action. Is that correct?

Mr. GEORGE. That there were no contractual relations between the Collier Manufacturing Co. and the Government; but they were the sole beneficiaries of the contract.

Mr. McKELLAR. Did the Government get the benefit of the goods? Were they delivered to the Government and used by the Government?

Mr. GEORGE. Portions of the goods were delivered to the Government, and the entire contract was made between the manufacturing company and representatives of the Government.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "sum of", to strike out "$61,530.02" and to insert in lieu thereof "$48,719.70"; on line 7, after the word "appropriated", to strike out the words "the same being the actual", and to insert in lieu thereof the words "in full settlement of all claims against the Government for"; and on line 9, after the words "account of", to strike out the words "the cancelation of a contract for"; and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Collier Manufacturing Co., of Barnesville, Ga., the sum of $48,719.70, out of any money in the Treasury not otherwise appropriated, in full settlement of all claims against the Government for losses sustained by said Collier Manufacturing Co. on account of the manufacture of undershirts for the United States Army in the year 1918: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

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

AMENDMENT OF SAN CARLOS ACT

The bill (S. 2928) to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act" and acts supplementary thereto, was announced as next in order.

The PRESIDING OFFICER (Mr. POPE in the chair). This bill is identical with House bill 8938, Order of Business 1143.

Mr. HAYDEN. I ask that the House bill be substituted for the Senate bill.

The PRESIDING OFFICER. Without objection, that order will be made.

The Senate proceeded to consider the bill (H.R. 8938) to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act", and acts supplementary thereto, which was read as follows:

Be it enacted, etc., That the act of Congress approved June 7, 1924 (43 Stat.L. 475, 476), commonly called the "San Carlos Act", and acts supplementary thereto, including the act of Congress approved March 7, 1928 (45 Stat.L. 210–212), and acts supplementary thereto, be, and the same are hereby, amended so as to provide that the construction cost of the San Carlos project, including the cost of the power development at the Coolidge Dam and the transmission line or lines shall be repaid without interest, and that part thereof to be paid on account of the lands in public or private ownership shall be repaid in 40 equal annual installments beginning on December 1, 1935, the date fixed by the public notice heretofore issued by the Secretary of the Interior. The Secretary of the Interior, with the consent of the San Carlos Irrigation and Drainage District, is hereby authorized to modify the existing repayment contract in accordance herewith.

Mr. McKELLAR. Mr. President, I desire to ask a question with reference to the bill. What is the purpose of modifying these contracts in this way? We have existing contracts that evidently are favorable to the Indians. In what respect are they to be modified unfavorably to the Indians?

Mr. HAYDEN. Mr. President, the bill does not affect the Indians at all. This is a project of 100,000 acres, half Indian lands and half white lands. The white landowner is required under the existing contracts to pay 4 percent interest on the money invested in the project. That was provided at the time when cotton was worth 20 cents a pound and alfalfa hay was worth $16 a ton. Now, however, cotton has gone down and hay has gone down, and the landowners cannot pay this interest.

This is the only project in the United States where there is an interest charge. In order that the landowners may take advantage of the Federal Farm Loan Act the Department has recommended the enactment of this bill.

Mr. McKELLAR. What does the bill do?

Mr. HAYDEN. It removes the interest charge of 4 percent.

Mr. McKELLAR. All of it?

Mr. HAYDEN. Yes.

Mr. McKELLAR. The bill, however, requires the landowners to pay the principal?

Mr. HAYDEN. It requires them to pay the principal, just as on all other reclamation projects.

Mr. McKELLAR. I do not know much about these matters, Mr. President, but it seems to me the Government has already done a great deal in creating the reclamation projects, and it seems to me the landowners ought to pay some interest.

Mr. HAYDEN. This is the only project in the United States where an interest charge is made. This measure will put these landowners on a parity with all the others.

Mr. McKELLAR. Are the Indians put on a parity with the whites?

Mr. HAYDEN. The Indians do not pay anything at all until the land passes out of their ownership.

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

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

The PRESIDING OFFICER. Without objection, Senate bill 2928 will be indefinitely postponed.

QUINAULT INDIAN RESERVATION

The bill (H.R. 8494) to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber of the Quinault Indian Reservation when it is in the interest of the Indians so to do was announced as next in order.

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

Mr. DILL. Mr. President, this bill as originally introduced in the House provided that the contracts might be modified. I was asked to introduce a similar bill in the Senate. I refused to do so. I took the position that the contracts should be open for competitive bidding. I found that the Bureau of Indian Affairs had approved legislation permitting a reduction of the price of stumpage to the Indians of the Klamath Reservation, in Oregon. I still did not believe that similar legislation should be passed as to any other reservation. I learned, however, that the company which wants to have its contract modified has a private railway running into this Indian timber reservation, and that it is willing to make that private railroad a common carrier, and thereby probably make it possible for the other bidders for Indian timber in the future, and others who want to use the road, to pay hereafter a larger amount to the Indians. The Indians themselves are quite anxious to have the bill enacted.

So the House bill includes a section, known as "section 4", which provides that the railroad that is now asking for this relief shall become a common carrier. To that extent the passage of the bill would benefit the entire community by opening the road to service, and make it quite possible that the Indians will receive a larger payment for timber they may sell in the future from the reservation.

For that reason I urged the committee to report this bill favorably.

Mr. KING. Mr. President, will the Senator yield to permit me to make an inquiry?

Mr. DILL. I yield.

Mr. KING. The Senator will recall that when we were first discussing Indian questions upon several occasions, the fact was developed that many of the contractors who had obtained permits and contracts to go upon the Indian reservations and cut down timber were postponing, in violation of the terms of the contracts, the cutting of the timber, and were seeking in every possible way to secure modification of the contracts, because they wanted to pay the Indians less than they were entitled to receive under the contracts. Many of the Indians complained to me of the wrong which would be perpetrated if that course were pursued. I desire to be assured by the Senator that under this bill no such wrong may be perpetrated with respect to the Indians who are involved.

Mr. DILL. I made a very close study of this situation. This particular railroad is paying about $5 a thousand for stumpage, as compared with $2 and $3 paid by the other contractors. In view of the fact that the railroad will be made a common carrier, and in view of the probable benefits that will result to the Indians from that, it seems to me that the bill may well be enacted.

Mr. KING. I shall not object; but if, after further investigation, upon the morrow I find that, in my judgment, this proposed legislation is improvident and unfair to the Indians, I shall ask for a reconsideration.

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

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

CHIEF CLERK IN THE RAILWAY MAIL SERVICE

Mr. REYNOLDS. Mr. President, I have just learned that there is on the calendar for consideration today House bill 7343, Order of Business 1236, to remove inequities in the law governing eligibility for promotion to the position of Chief Clerk in the Railway Mail Service.

Mr. McKELLAR. Mr. President, we have not yet reached that.

Mr. REYNOLDS. No; so I understand, but I desire to bring the matter to the attention of the Senate. The House bill is identical with the bill I introduced, Senate bill 2868, which was passed earlier today. I desire to ask that House bill 7343 be substituted for Senate bill 2868, in view of the fact that the House bill has passed the House; and I ask unanimous consent that Senate bill 2868 be indefinitely postponed.

The PRESIDING OFFICER. Is there objection?

Mr. KING. Let the bill be read, so we may know what it is.

The PRESIDING OFFICER. The bill will be read.

The Chief Clerk read the bill (H.R. 7343) to remove inequities in the law governing eligibility for promotion to the position of Chief Clerk in the Railway Mail Service.

Mr. McKELLAR. What is the calendar number?

Mr. REYNOLDS. It is Order of Business No. 1236.

I may state, for the information of the Senator from Utah, that this matter was discussed this morning, at which time the Senator from Kentucky [Mr. LOGAN] explained to this body that representatives of the Post Office Department had appeared before the committee and recommended the passage of the bill. I am merely asking that the House bill be substituted for my bill, the House bill having already passed the House of Representatives.

Mr. KING. I was called out of the Chamber to go to the Supreme Court for a few moments, and during my absence this bill apparently was under consideration.

Mr. McKELLAR. The House bill has not yet been reached on the calendar; but I have no objection whatever to taking the course the Senator from North Carolina suggests.

Mr. REYNOLDS. I understand that the House bill has already passed the House.

Mr. FLETCHER. Yes; it has passed the House.

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

There being no objection, the Senate proceeded to consider the bill (H.R. 7343) to remove inequities in the law governing eligibility for promotion to the position of Chief Clerk in the Railway Mail Service, which was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, the vote by which Senate bill 2868 was ordered to be engrossed for a third reading and passed will be reconsidered, and the bill will be indefinitely postponed.

CROW INDIAN TRIBAL COUNCIL

The bill (S. 2888) to provide for expenses of the Crow Indian Tribal Council and authorized delegates of the tribe was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to expend $5,000, or as much thereof as may be necessary, of the funds standing to the credit of the Crow Indians in the Treasury of the United States for expenses of the Crow Indian Tribal Council and authorized delegates of the tribe.

INDIANS OF FORT PECK RESERVATION, MONT.

The Senate proceeded to consider the bill (S. 2889) for the relief of certain Indians of the Fort Peck Reservation, Mont., which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named Indians of the Fort Peck Reservation the amounts herein set forth: James Black Dog, $185; Archie Red Elk, $25; Catherine Medicine Walk and Belle Medicine Walk, $25; James Garfield, $70; Nancy Titus, $35; and Carl W. Eagle, administrator of the estate of Charles Peterson, $25; the above sums representing funds collected for the Indians named but misapplied by a former employee of the Indian Service.

Mr. KING. Mr. President, I should like to ask whether the employee of the Government who embezzled the funds of the Indians was prosecuted or whether he was under bond, and, if not, why not. I shall not object to the consideration of the bill, but I may move to reconsider it upon further consideration.

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

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

N. LESTER TROAST

The bill (S. 2918) for the relief of N. Lester Troast was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $144.28 to N. Lester Troast, of Juneau, Alaska, in full settlement of expenses incurred by him under official orders in connection with the use of his personally owned automobile on official business at Wrangell, Alaska, while supervising the construction of an Indian boarding school at that place.

EXCHANGE OF SEMINOLE INDIAN LANDS

The Senate proceeded to consider the bill (S. 3286) authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands, which was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby authorized, in his discretion, to exchange lands in the State of Florida reserved for the Seminole Indians by Executive order of June 28, 1911, or purchased for said Indians, or any part thereof, for lands owned by the State of Florida. Upon conveyance to the United States by the State of Florida of a sufficient title to the lands to be acquired for the use of the Seminole Indians, the Secretary of the Interior is authorized to issue a patent in fee or to make other proper conveyance to the State of Florida covering the lands granted in exchange.

Mr. McKELLAR. Mr. President, will the Senator from Florida [Mr. FLETCHER] tell us the purposes of the bill?

Mr. FLETCHER. This bill was suggested by the Indian Bureau, and covers a situation such as I shall describe.

The Seminoles had grants from the Federal Government of so many acres of land, and also from the State government. Instead of occupying those lands, they have gone

out and settled upon other lands adjacent to them. Without going to the trouble of compelling them to live on their own reservation, this bill authorizes the exchange of lands, which is for the real benefit of the Seminoles themselves.

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

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

ST. LAWRENCE RIVER BRIDGE, NEW YORK

Mr. COPELAND. Mr. President, I understand we are to stop considering bills on the calendar at 2 o'clock. I ask the Senate to bear with me to enable me to ask unanimous consent to call up Senate bill 3641, which is a bridge bill to permit an extension of time; and in this case time is the essence. I ask unanimous consent that the bill may be now considered.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 3641) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y., which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y., authorized to be built by the St. Lawrence Bridge Commission by an act of Congress approved June 14, 1933, are hereby extended 1 and 3 years, respectively, from June 14, 1934.

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

MESSAGE FROM THE HOUSE

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

S. 1757. An act to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co., in 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; and

S. 3442. An act to dissolve the Ellen Wilson Memorial Home.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes.

The message further announced that the House insisted upon its amendment to the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STEAGALL, Mr. GOLDSBOROUGH, Mr. PRALL, Mr. LUCE, and Mr. BEEDY were appointed managers on the part of the House at the conference.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

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

H.R. 2837. An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes; and

H.J.Res. 347. Joint resolution to prohibit the sale of arms or munitions of war in the United States under certain conditions.

PROCESSING TAX ON PHILIPPINE COCONUT OIL (H.DOC. NO. 388)

The PRESIDING OFFICER (Mr. LEWIS in the chair) laid before the Senate a message from the President of the United States, which was read and ordered to be printed, as follows:

To the Congress of the United States:

Early in the present session of the Congress the Philippine Independence Act was passed. This act provided that after the inauguration of the new interim or commonwealth form of government of the Philippine Islands trade relations between the United States and the Philippine Islands shall be as now provided by law. Certain exceptions, however, were made. One of these exceptions required levying on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 448,000,000 pounds, the same rates of duty now collected by the United States on coconut oil imported from foreign countries.

It is, of course, wholly clear that the intent of the Congress by this provision was to exempt from import duty 448,000,000 pounds of coconut oil from the Philippines.

Later in the present session the Congress, in the revenue act, imposed a 3-cent-per-pound processing tax on coconut oil from the Philippines. This action was, of course, directly contrary to the intent of the provision in the independence act cited above.

During this same period the people of the Philippine Islands, through their legislature, accepted the provisions of the independence act on May 1, 1934.

There are three reasons why I request reconsideration by the Congress of the provision for a 3-cent-per-pound processing tax:

First. It is a withdrawal of an offer made by the Congress of the United States to the people of the Philippine Islands.

Second. Enforcement of this provision at this time will produce a serious condition among many thousands of families in the Philippine Islands.

Third. No effort has been made to work out some form of compromise which would be less unjust to the Philippine people and at the same time attain, even if more slowly, the object of helping the butter- and animal-fat industry in the United States.

I, therefore, request reconsideration of that provision of the revenue act which relates to coconut oil in order that the subject may be studied further between now and next January, and in order that the spirit and intent of the independence act be more closely followed.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 28, 1934.*

Mr. HARRISON. I ask that the message be referred to the Finance Committee.

The PRESIDING OFFICER. Without objection, the message will be so referred.

RECIPROCAL TARIFF AGREEMENTS

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. AUSTIN. Mr. President, while the Senate is organizing itself for the day, and there are still a fair number of Democrats present, I wish to introduce what I have to say by telling them that I enjoyed the hospitality last night of one of the high priests of the Democratic Party, and one of the fine things he did for me was to present to me as a little souvenir of that delightful entertainment a speech which he had found in a bookshop somewhere, entitled "Speech of Mr. Collamer, of Vermont." This speech was made about a hundred years ago in the House of Representatives, and that distinguished Vermonter introduced himself to the House in an interesting manner. I make no individious comparison in submitting his introductory statement to the Senate, but I read it for the purpose of showing that even so long ago as a century, the real resort for sanctuary against unconstitutional measures was the vote of the people of the United States.

Mr. Collamer was about to discuss the tariff. There was pending in the House a bill reported by the Committee on Ways and Means proposing to reduce the duties on imports, being under consideration in the Committee of the Whole House on the state of the Union.

Mr. Collamer said:

Mr. Chairman, I am sensible that speeches in this House, on the great subjects of national policy, are generally, for all the purposes of legitimate discussion, that is, to persuade and convince the hearer, of little or no use. I shall, therefore, not attempt to command attention by a forced elevation of voice, but so speak as that all may hear me who desire so to do, and I do not expect the attention of those who will not hear.

Mr. President, I oppose the bill (H.R. 8687) to amend the Tariff Act of 1930, and I will discuss briefly two grounds of opposition:

First. That the power proposed to be granted to the President is forbidden by the people.

Second. That the policy of the proposed act is unsound.

The powers to be granted by the proposed act must be considered to be as extensive as the authority expressed and implied.

In the main the bill would grant to the President authority to do things which the people of the United States have required Congress exclusively to do, namely, to legislate, to levy taxes, and to regulate international commerce.

It also proposes to authorize the President to make treaties without ratification by the Senate, which is an authority not granted by the sovereign power.

The stated primary use of the power to levy duties is for the purpose of regulating foreign trade and to neutralize discriminatory treatment of American commerce, but it also is aimed at "other acts or policies which in his—the President's—opinion tend to defeat the purposes set forth" in the bill.

The declared objective is the expansion of foreign markets for products of the United States.

The treaty-making power is contained in the clause:

(1) To enter into foreign trade agreements with foreign governments or instrumentalities thereof.

The legislative power of taxation is contained in the provision:

(2) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements as are required or appropriate to carry out any foreign-trade agreement that the President has entered into hereunder. * * *

This legislative power is amplified in clause (c) to include rate, form of import duty, and classification of articles, as well as limitations, prohibitions, charges, and exactions other than duties.

There is in the proposed law a limitation to the effect that—

No proclamation shall be made increasing or decreasing by more than 50 percent any existing rate of duty or transferring any article between the dutiable and free lists.

The authority is limited in time to 3 years for its exercise, and the duration of the treaties is not less than 3 years from the date on which they go into force. Due notice must be given for termination, which shall be not more than 6 months in advance. Therefore it is just a matter of mathematical calculation to determine that the proposed treaties must be of a duration of 3 years and 6 months at least.

The reciprocal clauses of the Tariff Act of 1930 providing for defense duties and exemptions are repealed, and the flexible feature of that act is inhibited from application to any article with respect to which a treaty has been concluded under the proposed act.

With this brief introductory explanation of the scope of the proposed act, I now proceed to a discussion of the first proposition, namely, that the power proposed to be granted to the President is forbidden by the people.

Mr. President, we are at the parting of the ways. On the right is the well-beaten path of the Constitution, the way of the law; on the left is that hard way of the transgressor, the way of unconstitutionality, the way of beating the law or breaking the law or evading the law; and when I speak of the law, I mean, of course, the fundamental law. We are at that split in the way, and we take our choice by our vote on this bill; we elect positively and absolutely which way we will follow.

First, the power proposed to be granted to the President is forbidden by the people. Under the proposed act the President has the power to answer the question, What change of rate of duty on any article imported from all countries ought to be made in consideration of a change by one nation, say, by Czechoslovakia, of rate of duty on any one article exported by us to Czechoslovakia?

The great markets of the United States—a continent—thereby would be opened to the whole world so far as that article is concerned, in consideration for what? For the market of a country which is not as large as one of several of our individual States.

Answering this question would be legislating. It would be making the law. It would not be applying the law. It would not be applying a rule such as the difference between the cost of production at home and abroad, as when the Tariff Commission acts and the President promulgates a rate on the findings of that Commission. No rule is laid down in the proposed act. The question has been asked of a proponent of this measure what there is in the proposed act that constitutes a rule, and an answer has been made, the subject of which I now discuss. The words which he pointed out were as follows:

* * * whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time.

The most casual reading of that clause results in the conviction that it establishes nothing more than a condition precedent to the beginning of his functions under the bill. It does not affect or guide the amount of the rate. It does not furnish a measure or yardstick by which to measure the rate.

No formula is provided for that other act of lawmaking, namely, classification, the writing of the phraseology which shall determine, for example, whether a stone imported here from Sweden is manufactured or unmanufactured. We know from experience that for years and years granite was imported into this country as unmanufactured, though there had been performed 40 cents' worth of labor per cubic foot on it, and it had been pointed, pitched, and lined, and was indeed a manufactured product.

The President, under the terms of the bill, whenever he finds this condition as a precedent to beginning the performance of his function, may write a formula by which a customs officer shall ascertain what is a manufactured and what is not a manufactured product. That is making the law. It is not executing the law. There is nothing in the bill which affords a guide or a formula for him to write the phraseology of the classification.

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

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Ohio?

Mr. AUSTIN. I yield.

Mr. FESS. Another danger is as to the facts upon which the President is to base the exercise of the authority now to be granted. To his own satisfaction, without any limitation or guide being laid down, he is the judge as to whether the facts justify the act. What is the limit?

Mr. AUSTIN. I understand that the bill imposes no limit at all, but provides whenever he "finds as a fact." That is all there is.

Mr. FESS. Consequently there is no limit at all to his authority.

Mr. AUSTIN. That is empirical. There is no sky to it. There are no eastern or western bounds. There are no northern or southern bounds. The President may change his mind. He may have a different opinion the next moment after he has fixed the classification or established the rate, and put his new opinion or judgment into effect swiftly. That is the object of the bill, that things may be done swiftly. Speed! Speed! Change! A new deal! That is the object of the bill. All the considerations must go under and be suppressed if only we attain a new deal.

The proposed law would authorize treaties eliminating particular excessive duties or adding to particular inadequate duties, and it might involve negotiating world tariffs among 60 or 70 nations, every one of which would be different in respect to some article, rate, or form of import duty, or classification of articles or limitations, prohibitions, charges, or exactions other than duties imposed on importations, or imposed for the regulation of imports.

I ask Senators to consider the contrast in these forces and in these policies and in these treatments. On the one hand, as I have said, he may make these particular changes. On the other hand, the law also permits the negotiation of treaties affecting the whole of American tariffs and generally lowering or raising them, involving an entirely different policy and a different execution thereof.

In considering these two different and opposing policies we must review the ancient conflict between conditional most-favored-nation treatment, and unconditional most-favored-nation treatment. We must also recognize that whatever treaty may be made cannot be exclusive, but that the duties and restrictions proclaimed must apply to the same articles of all foreign countries without any quid pro quo from the other countries.

A typical most-favored-nation clause containing a quid pro quo is as follows, and I think this is from probably the finest source to which we can go for it, and that is to Prof. W. W. Wallace, who is Chief of the Division of Foreign Commerce in the Tariff Commission. I quote:

> The contracting parties desiring to live in peace and harmony with all the other nations of the earth, by means of a policy frank and equally friendly with all, engage mutually not to grant any particular favor to other nations in respect to commerce and navigation, which shall not immediately become common to the other party, who shall enjoy the same freely, if the concession was freely made, or on allowing the same compensation if the concession was conditional.

That is a typical most-favored-nation clause according to practice and theory in the United States. What does the bill provide?

On the other hand, the bill gives all the most-favored-nation benefits without the quid pro quo, thus:

> * * * The proclaimed duties and other import restrictions shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly or indirectly, * * *.

The proposed act is equivocal. It requires that the benefits of each separate treaty be extended to all foreign countries without our obtaining from any of them, save the single country which has allowed us compensation, the quid pro quo for our concession to the treaty country.

The authority to enter into the foreign-trade agreement for a quid pro quo with any particular country is granted by subsection (1) of section 350 (a), page 2, line 17:

> To enter into foreign trade agreements with foreign governments or instrumentalities thereof;

I am referring now to one particular policy, let it be understood. I am not referring to the policy as to the taxes or the policy of the regulating of commerce or the policy of making treaties without any ratification by the Senate. I am dealing with the determination of that preliminary and first question of whether the Government shall be committed by its President to specific changes with limited effect or whether there shall be treaties reducing generally and as a whole the entire standard or level of tariff duties. That is a great question which affects thousands of articles and items. It comprehends the entire book of international relationship between the United States and foreign countries.

Mr. VANDENBERG. Mr. President, will the Senator yield to me for a question?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Michigan?

Mr. AUSTIN. I yield to the Senator from Michigan.

Mr. VANDENBERG. What the Senator has been saying is a tremendous challenge; and if the Senate were in any mood to listen seriously to argument upon this subject, it would yield considerable attention to the point he is making. I desire to see if I understand it.

There is pending a so-called "Colombian trade agreement", which we have not been permitted to see, but which we are told involves certain advantages to Colombia in behalf of coffee in our market. Does the Senator say that, having granted a right in respect to coffee to Colombia in our market, we automatically extend precisely the same grant to Brazil, regardless of any payment by Brazil in return for the benefit thus extended?

Mr. AUSTIN. Mr. President, I do. The language of the bill is clear on that point.

In the first place, the definition of duties and other things which the President is empowered to proclaim is extended by section (c), on page 4 at line 7 of the bill, as follows:

> (c) As used in this section, the term "duties and other import restrictions", includes (1) rate and form of import duties and classification of articles, and (2) limitations, prohibitions, charges, and exactions other than duties, imposed on importation or imposed for the regulation of imports.

That broadens out the definition; and then, when we read the phrase on line 3 of page 3, it is perfectly obvious that the effect of a treaty with Colombia dealing with any one of these factors in international relations extends, without any quid pro quo which we give or receive in the Colombian treaty, to all foreign countries. Thereby we do the strange act that instead of Colombia's being a most-favored nation, as she normally would be considered, she is the most ill-favored nation on earth, because she pays a consideration, whereas all the rest of the world pay nothing to us.

Mr. LONG. Will the Senator yield?

Mr. AUSTIN. Before yielding further, let me read this phrase of line 3, page 3:

> The proclaimed duties and other import restrictions—

Those are the orthodox words, "proclaimed duties and other import restrictions"; those are the words that are defined as I have pointed out—

> shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly or indirectly.

There we have something that is wholly inconsistent with the most-favored-nation policy of this country, whether under the conditional or unconditional type of treatment, because by the enactment of such a provision and by its operation we create an absolutely clear discrimination against Colombia. It makes no difference what are the terms of the treaty with Colombia; if they favor Colombia more than any other nation on earth has been favored, more than any other nation is favored today, such nation and all other nations are entitled to the same treatment, without paying what Colombia pays to us for the treatment.

I now yield to the Senator from Louisiana.

Mr. LONG. The Senator has discovered something that I had not noticed in this bill, but it is very clear to me from the language.

The PRESIDING OFFICER. Does the Senator from Louisiana address the chair for the purpose of interrupting the Senator from Vermont?

Mr. LONG. I asked the Senator to yield, and he agreed to yield to me.

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Louisiana?

Mr. AUSTIN. I yield to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG. In other words, we will say that Cuba has very little oil, but we make a treaty with Cuba allowing oil to come in here at a certain rate, 50 percent less than the normal tariff; and ipso facto that schedule would apply to Colombia, to Venezuela, to Mexico.

Mr. AUSTIN. To every country on earth, if it is a treaty made under this bill.

Mr. LONG. And the only difference would be that while Cuba might be made to pay a little consideration, the rest would come along without having to do any such thing.

Mr. AUSTIN. That is correct.

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

Mr. AUSTIN. I yield to the Senator from Oregon.

Mr. STEIWER. The Senator from Louisiana has noted the instance of Cuba; and, applying the statement already made by the Senator from Vermont, Cuba would become in that case the most ill-favored nation. Is the Senator perfectly clear that in that instance Cuba would be the most ill-favored nation, or, in the other illustration used earlier in the debate, that Colombia would be the most ill-favored nation? Would it not be true that the United States, having accepted a treaty consideration from one nation only, and then, in return for that, having extended the commercial privileges to all the world, would be the most ill-favored nation?

Mr. AUSTIN. Mr. President, I accept the amendment. I must admit that when I used the phrase "most ill-favored nation" I was thinking of all foreign nations and not of the United States. If we take into consideration the United States as well as its vis-à-vis in the treaty, as well as all the beneficiaries of this measure, then, of course, the United States is the most ill-favored nation of all, because she trades her markets for nothing to all the rest of the world save Cuba or Colombia, as the treaty nation may be.

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

Mr. AUSTIN. I yield to the Senator from Louisiana.

Mr. LONG. I believe some people have decided that suicide is the way out of all trouble. It seems that the United States has decided that suicide is the way out of its troubles. [Laughter.]

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

Mr. AUSTIN. I yield to the Senator from Michigan.

Mr. VANDENBERG. Under the interpretation of the Senator from Vermont, using the Colombian Treaty as an example, we would then find ourselves in this situation, as I understand:

Colombia is a minor producer of coffee in export to this market. Brazil is a major producer of coffee, sending us something in excess of $100,000,000 worth of coffee a year. Having traded off our coffee market, then, to Colombia, the minor exporter into our market, we would virtually be cut off from hoping to negotiate any subsequent bargain with Brazil in respect to her enormous export of coffee into our market, because already she would have received her benefits under the Colombian Treaty.

Mr. AUSTIN. That is perfectly true, for a limited period. Our hands would be tied behind our backs for 3 years and 6 months at least. We could not change our situation, however urgent the necessity for it might be. I say "necessity" because we have all come to regard hard times as creating a necessity for desperate action here. However desperate the situation might be, we could not change it for at least 3 years and 6 months.

Mr. President, is it not clear that this question of policy is one of the gravest import to this country, and is a question of legislation? It is clear to me that that is true. I assert that the determination of this policy is a legislative question, and that we see it most clearly when we observe the differences between the two treatments and the two policies.

Under the conditional treaty—I am speaking in the past, Senators will understand—we gave favorable treatment, not once and for all and without qualification, but only to such an extent as we deemed a fair equivalent for what was conceded by the other party to the bargain—the other country. Under the unconditional treaty, however, we agreed completely and unqualifiedly to apply to the imports of the contracting country rates as low as are applied to those of any other country whatever.

These two different treatments have at different times prevailed in the United States. The present firmly established principle of tariff policy is uniform and equal treatment of all nations without preferences, concessions, or discriminations, save only as to Cuba.

The proposed act does not adhere to that treatment. It discriminates against the country which pays a consideration for our concession, and, as has been brought out by the Senator from Oregon, it creates a discrimination of greater severity against the United States of America.

To test the question of whether this is legislation or not in which we are handing over power to a coordinate and separate department of the Government which the people prohibited from legislating, I suggest that if the purpose of the proposed act is to make separate agreements for reciprocal reductions of duty, it is an exclusive province of Congress to determine that policy, and Congress cannot delegate it to the President.

If the purpose is to make agreements with all nations for a general raising or lowering of rates reciprocally, it is the province of Congress to determine that policy, and Congress cannot delegate it to the President.

We have most-favored-nation treaties or Executive agreements with 48 nations. We do not intend to abrogate, denounce, and cancel those treaties and agreements.

Nevertheless, if this amendment should be adopted, and the President should make a treaty with Germany, for instance, for the reduction by Germany of her duty on an article from the United States, in consideration for a reduction of duty by the United States on an article from Germany, every other foreign country would enjoy the benefit of the American reduction without paying anything for it. Germany is one of the countries with which we have a most-favored-nation treaty, which is unconditional. Do not Senators see that her status would be reversed by that act of the President of the United States, and she would be enjoying the treatment of the least favored nation on earth as to the article affected, and our treaty obligations would be violated and broken?

To me such a test is absolutely clear in its effect. It seems to me that that test alone is sufficient to show that we are dealing here with a legislative act, the making of the policy, the making of the law itself, and that we are asked to turn over to the President of the United States the power to say whether the United States shall actually denounce this general policy which she has held since 1922, of unconditional most-favored-nation treaties, and their effect and treatment thereunder, denounce them indirectly by implication through the powers given by the proposed act. That can be nothing less than a legislative determination turned over to the President of the United States to be evidenced by proclamation.

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

Mr. AUSTIN. I yield.

Mr. FESS. If I fully comprehend what the Senator has brought out as a legitimate conclusion, it is that this delegation of power to the President would enable him to exercise a function which would entirely nullify the existing treatment of nations under the most-favored-nation clause of the tariff law.

Mr. AUSTIN. I claim that that conclusion is irresistible. We have obligations today which are solemn and binding and effective with 48 nations under most-favored-nation treaties. They cannot be denounced by the President alone. It requires a legislative act to denounce them, and certain notice must be given as provided in the treaties.

Mr. FESS. In other words, by act of Congress we are asked to delegate to the President authority not only to undo what has been done under the direction of Congress, but to violate our relationship toward other nations in a discriminatory manner that will create ill feeling.

Mr. AUSTIN. Mr. President, there is no other conclusion possible. If the President should exercise the power vested in him by the proposed act, he would have to denounce our most-favored-nation treaties, if he dealt with any one of those nations which are vis-a-vis to us.

Mr. FESS. The Senator is rendering a real service, because that feature of the proposal had not previously come to my attention.

Mr. AUSTIN. Mr. President, I call attention to the fact that in the situation, which I have used as an illustration,

Germany would pay us for what we forbore to her or granted to her. Is not that clear? Germany would pay us a consideration for it. All the rest of the world would obtain it for nothing, because under the proposed act it would be free to all other foreign countries.

The illustration may be extended and multiplied by as many articles as may be involved in trade and by as many countries as now enjoy the most-favored-nation treatment from the United States.

The vastness of the effect is enough to cause Congress to pause before it turns over that extraordinary power of denouncing and canceling our obligations to the great treaty powers of the earth without any legislative performance in the denunciation.

The PRESIDING OFFICER. If the able Senator from Vermont and the able Senator from Ohio will permit the Chair to make so bold as to ask a question for information, do not the Senators understand that the words "favored nation" and "favored-nation clause" are intended to relate only to individual subjects of the countries in the matter of enjoyment of their liberties and in no wise bear any relation whatever to commerce or trade?

Mr. AUSTIN. Mr. President, I understand, on the contrary, that in 1922, under the leadership of Mr. Hughes, now Chief Justice, then Secretary of State, we entered upon an entirely new foreign policy. We then adopted a policy which has been continued and is in effect today a firmly established policy of agreeing in all these unconditional most-favored-nation treaties as follows—I read in order not to make an interpretation of my own, but I wish to follow the terms of a typical most-favored-nation-treaty clause:

> The contracting parties, desiring to live in peace and harmony with all the other nations of the earth, by means of a policy frank and equally friendly with all, engage mutually not to grant any particular favor to other nations in respect to commerce and navigation which shall not immediately become common to the other party, who shall enjoy the same freely if the concession was freely made, or on allowing the same compensation if the concession was conditional.

I believe, sir, that that proves conclusively that this policy or attitude of the nation relates to the attitude of foreign nations, and comprehends commerce and navigation between two countries, and does not generally refer to the acts of individuals, although I well recall certain engagements with a nation of the Orient which I myself had the honor to negotiate for certain American concerns; and I believe it is claimed by other oriental countries that their nationals are entitled to privileges equally as favorable as those granted to American nationals by those oriental governments. That is a special application of the most-favored-nation or the conditional most-favored-nation treatment. I am dealing, however, with treaties between nations, and not with contracts between individuals and nations. Does that answer the question of the Presiding Officer?

The PRESIDING OFFICER. The present occupant of the chair thanks the Senator for his consideration.

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Ohio?

Mr. AUSTIN. I yield.

Mr. FESS. The Senator has given the interpretation I had in mind. While all these treaties or trade agreements affect individuals or corporations, the delegation of authority and the agreement carried out under that delegation, of course, are diplomatic actions. The dealings are between government and government. What the Senator is talking about is the authority that will be granted by one government to another in the case of individual transactions; and, therefore, while individual items are dealt with, the real authority is diplomatic.

Mr. AUSTIN. Mr. President, I thank the Senator from Ohio for his learned and very clear statement.

Is it not clear that the determination of such a question as is presented by that particular aspect of the bill would be a legislative act? Is it not obvious that what the bill permits is something contrary to the established national policy? I refer to denunciations of treaties. Such a change of policy should not be made by implication, and should not be left to the determination of the Chief Executive in any event. Why? Because when the sovereign people charged the legislature with the duty of performing legislative functions, they prohibited, by virtue of their Federal system of government, the exercise of those powers by any other coordinate and independent department of government.

These observations could well be applied to the second ground of observation; namely, that the policy of the bill is unsound. I use them, however, as bearing upon the first proposition, that the power proposed to be granted to the President is forbidden by the people in the Constitution.

Assuming, however, that we crash through the barrier erected by the people in article I, section 1 of the Constitution, that—

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives—

Do we not then find ourselves on forbidden ground, namely, article I, section 8, clause 1:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises, * * *

And article I, section 8, clause 3:

> The Congress shall have power * * * To regulate commerce with foreign nations, * * *.

In dealing with this question I try to express the attitude of the State of Vermont: Whatever authority we have to delegate to the President can rise to no higher degree than the powers expressly delegated by the people acting by States.

When the Federal Congress appears to be exceeding the powers expressly granted to it, when the Congress is considering the passage of a bill that threatens the liberties of the people, then the several States necessarily become the defenders of the Constitution.

The great reservoir of sovereignty rests with the people in the several States.

Vermont was never one of the original colonies. At the declaration of American independence Vermont was an independent State by revolution. For 13 years preceding the American Declaration of Independence, Vermonters conducted a revolution based upon their constitutional rights as Englishmen. They were conscious of the contest between King and Parliament which had prevailed from the Middle Ages to their own day and which had resulted in the Bill of Rights. They were keenly aware that the prerogatives of the King were limited by three constitutional principles so ancient that none could say when they began to exist:

First, the King could not legislate without the consent of Parliament.

Second, he could impose no tax without the consent of Parliament.

Third, he was bound to conduct the executive administration according to the laws of the land.

Vermonters knew these things, and Vermonters had to resort to these things in order to save their homes and their firesides.

Vermonters carved a State out of the royal Province of New Hampshire for the necessity of protecting their contracts, their property, and their business from arbitrary change.

As held by the master in the Boundary case between the State of Vermont and the State of New Hampshire:

> * * * The evidence shows that Vermont was an independent State by revolution. * * *. (Report, p. 99.)

And again:

> Congress recognized that Vermont claimed to be, and exercised the powers of an independent State * * *. (Report, p. 148.)

In the case of *Rhode Island* v. *Massachusetts* (9 Law Edition, 1260) the Supreme Court held:

> New Hampshire and New York contended for the territory which is now Vermont until the people of the latter assumed by their own power the possession of a State and settled the controversy by taking to themselves the disputed territory as a rightful sovereign thereof.

All of the sovereignty which had been represented by the Crown and Parliament devolved upon the several States, and not upon the United States, by the revolution.

This principle has been upheld by the Supreme Court many times.

In *Pawlet* v. *Clark et al.* (13 U.S. 289) it was held:

By the revolution the State of Vermont succeeded to all the rights of the Crown as to the unappropriated as well as appropriated glebes.

In the *Dartmouth College case* (4 Wheat. 651) it was held:

By the revolution the duties as well as the powers of governernment devolved on the people of New Hampshire. It is admitted that among the latter was comprehended the transcendent power of Parliament, as well as that of the executive department.

In *Mormon Church* v. *United States* (136 U.S. 57) Mr. Chief Justice Marshall quoted the foregoing from the Dartmouth College case.

In *McGill* v. *Brown* (Brightly, 346, 373) it was held:

The revolution devolved on the State all the transcendent power of Parliament and the prerogative of the Crown and gave their acts the same force and effect.

Mr. President, it gives me some comfort to record here that Vermonters are faithful to their President. After an election they freely, enthusiastically, and loyally support him, whether he be a Republican or a Democrat.

Notwthstanding their doubts about the new deal, Vermonters have tried to cooperate with the President in his earnest and sincere efforts for relief and recovery. Whenever men in important positions of trust and high office have committed acts that embarrassed the President they have regretted it.

Vermonters still desire to support the President so far as it can be done without violating the Constitution. Constitutional liberty and the free institutions necessary to maintain it cost Vermonters so much, and are regarded as so necessary, that an unconstitutional act proposed to be passed by Congress is opposed by them, notwithstanding their desire to support the President.

In discussing this bill there is no intention on my part to question the relative ability of one President as against that of another to exercise the powers proposed to be granted.

By bitter and costly experience, Vermonters have learned that the Federal system of distinct separation of National and State government, reserving to the State the police power over local affairs, and of a division of Federal authority and responsibility into three independent coordinated departments, is absolutely necessary to preserve the blessings of liberty and to keep government free.

I have not the time to go, nor would I try the patience of the Senate by undertaking to go, into that dramatic, that tragic experience of Vermont which led to her independence and to her position as a sovereign State, and to her becoming one of the contracting parties to the great compact known as the Constitution; but I do graphically point out that after 13 years of revolution, Vermonters encountered and overcame the bitter hostility of Congress—a feeble, almost an effete Congress—which endured for 14 years thereafter, and was expressed by an attempt on the part of Congress to exercise police powers in Vermont that nearly culminated in a war between the Green Mountain State and the United States. Remember, Vermont was not then a Colony or a State of the Union; she was an independent republic.

For 14 years longer, after Vermont's declaration of independence, after the Declaration of Independence of the United States, Vermont conducted an independent republic, founded upon a written constitution, backed by her own army. She had contributed to the common cause of liberty during the American Revolution an effective defense of the northern frontier, closing that great gateway into the Colonies by way of the St. Lawrence River and Lake Champlain. She had maintained her military forces without assistance from others, and had contributed food, hardware, and a regiment to the Continental troops.

Notwithstanding all this, her independence was denied by Congress; her right to join the Union was refused; and she was obliged to, and did, coin her own money, establish her own tariffs, conduct international negotiations, maintain her autonomy, and preserve her State sovereignty against great hazards and at much grievous sacrifice.

Do you wonder, Mr. President, after 27 years of fighting for liberty and constitutional government, that Vermonters resist every attack, not occasionally resist attacks, but resist every attack upon the Constitution of the United States and upon the Federal system of government? Vermonters having fought for 27 years to maintain State sovereignty resist every attempt by Federal power to rob the State of her sovereignty, in an irregular manner and without her consent. Vermonters feel that prosperity purchased at the cost of liberty would not be durable and is not desirable.

The proposed bill strikes at the fundamental law created in part by Vermonters when they ratified the Constitution on January 10, 1791.

On the 4th day of March 1791 Vermont was admitted into the Union as a "new and entire member of the United States of America" (Finding, p. 405). Not being carved out of any other States but as an independent republic, in all her dignity, in all power, and, I will add, in all her glory, she came into the Union under the terms of the Constitution, and when any men or any group or organization attack that relationship, Vermont comes to its defense.

She was the first State to come into the Union after the Original Thirteen States and from that time to this she has frequently recurred to fundamental principles, firmly adhered to the Bill of Rights, and as valiantly supported, as she is now supporting, the Constitution of the United States.

The pending bill contains great cause for fear. It concentrates in the Executive the power to make the law governing our relations, commercially, with our international neighbors, and it concentrates in the Executive the power to create duties, imposts, excises, and to promulgate restrictions, to decide treatment, to fix limitations, to set up prohibitions, to write the very phrases which shall define the classification of articles for import duties, to create the form of such duties. In fact, there is not one single characteristic of legislation relating to international commerce that is not centralized by this proposed bill in the Chief Executive.

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

Mr. AUSTIN. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, the Senator is known as quite a constitutional scholar. I read in the remarks of some of my Democratic associates when this question was before the Senate the last time, logic to this effect, if taxing power of this character could, without any rule, be lodged in the Executive, there was no reason why the power could not be lodged in him to levy income taxes. Would the Senator feel, if the pending bill provided a valid grant to the President, that we could not authorize him to levy income taxes?

Mr. AUSTIN. Mr. President, I cannot follow anybody far enough to recognize that the powers attempted to be granted by this bill are constitutional; and certainly I could not follow the Senator from Louisiana in the suggestion, which I know he does not believe, that we could delegate the power of levying income taxes to the President.

Mr. LONG. I agree with the Senator; I am firmly of the opinion, as he is, that such a grant of power should not seriously be considered to be constitutional, but if this character of legislation is constitutional, which I do not for a moment admit, I see no reason why the President could not be empowered to levy domestic taxes, including income taxes; and if this international treaty power is valid, I can see no reason why we could not add another phrase to this bill authorizing the President to declare war and appropriate money.

I think when we give him the power over international treaties, the power over international agreements, power to make them and power to break them, that we could go one step further and have him be the judge as to when an act of war had been committed and when the national defense should be used for that purpose.

Mr. AUSTIN. The remarks of the Senator from Louisiana bring out in great relief the significance of this dangerous step which we are taking. They bring out the hard

way of the transgressor of the Constitution. We know not when we reach the end of that road, if once we start upon it; we may put the power of the purse in the hands of the Chief Executive now, and later put the power of the sword in his hands—and then where are we? We must foresee, if we are rational legislators, the possibilities. We must examine a proposed law, not solely with reference to its probabilities, but it is our duty, as defenders of the Constitution, under our oath and representing our people, the sovereigns who vested in us this duty, to test this bill and every other proposed act with reference to the possibility of abuse of the liberty of the people.

The bill permits the President to enforce a change of his mind, however suddenly made, by terminating treaties upon due notice, thus exposing our industrial workers, our dairymen, and other agriculturists of this country to the uncertainty and instability of one man's opinion.

The attempted delegation of the taxing power and the power to regulate commerce contained in the pending bill would tend to break up the Federal structure, and therefore menace our liberties.

Now, Mr. President, I wish to discuss the subject of the treaty-making power which is contained in this bill.

The feature of the proposed bill which empowers the President "to enter into foreign-trade agreements" without the approval of the Senate is in direct conflict with clause 2, section 2 of Article II of the Constitution, reading:

> He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; * * *

The use of the terminology "trade agreements" does not take the case out of the connotation of treaties.

In *Foster* v. *Neilson* (2 Peters, 253) the court held that a treaty is, in its nature, a contract, not a legislative act. It is equivalent to an act of the legislature whenever it operates without the aid of any legislative provision. There is a dictum that applies to this situation exactly. It becomes a legislative act whenever it operates without the aid of the Senate.

In *Geofroy* v. *Riggs* (133 U.S. 267) it is held that the treaty power of the United States extends to all proper subjects of negotiations between this Government and those of other nations.

It seems clear that foreign-trade agreements which include in their scope the rate, form of import duties, classification of articles, limitations, prohibitions, charges, and exactions other than duties imposed on importations, or imposed for the regulation of imports, constitute treaties.

Let us see how our forefathers, generation after generation, have looked upon such agreements, because practical construction by intelligent men who have dealt with these questions is the very best evidence of what they mean. The practical construction placed upon such agreements throughout our history has been in accordance with that idea.

There is internal evidence in the bill that the subject matter is treaties; namely, the provision extending the effect of the so-called "trade agreements." The measure provides, on page 3, line 3:

> The proclaimed duties and other import restrictions shall apply to articles the growth, produce, or manufacture of all foreign countries.

Is that a characteristic of a contract or of a trade agreement? Not at all. It is a characteristic of treaties. It is not a characteristic of simple contracts or agreements. The very language of the proposed act fits the orthodox definition of a treaty. Webster gives us one definition:

> An agreement made by negotiation or diplomacy; specifically, an agreement, league, or contract made between two or more states or sovereigns and solemnly ratified.

The practical construction of agreements relating to tariff throughout our history has been that they were treaties. The entire reciprocity record is uniform in such practical construction.

Agreements, though negotiated, which were not effective because they were not ratified, occurred as follows:

1854, with Germany. That was consummated between the contracting parties; and if it could have been in fact a trade agreement and not a treaty, it would have bound the country; but it never became effective. Why not? Because they put upon it the practical construction that it was a treaty, and because it was not ratified it never went into effect.

1883, with Mexico; 1884, with the Dominican Republic, both of which involved the same situation; 1898, the "Argol agreements" with France, Portugal, Germany, Italy, Switzerland, Spain, Bulgaria, United Kingdom, and the Netherlands. There was a great group of obligations which would have been binding upon the United States and her vis-à-vis if they could have been construed as trade agreements and not treaties. But were they? Ah, no! They were completely negotiated between the contracting parties, but they failed because they died in legislation. The Senate of the United States failed to ratify them. No better proof could be had that they were construed as treaties than the fact that they had no effect because they were not ratified.

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

The PRESIDING OFFICER (Mr. LONERGAN in the chair). Does the Senator from Vermont yield to the Senator from West Virginia?

Mr. AUSTIN. I yield.

Mr. HATFIELD. Does the Senator have the data showing why they failed?

Mr. AUSTIN. Not in that particular case. I know the story of how these treaties perished in the Committee on Foreign Relations of the United States Senate and never came out of that committee, but I do not know the reason why the Senate took no further action on them.

Mr. HATFIELD. Does the Senator take the position that the bill is unconstitutional?

Mr. AUSTIN. That is what I have been spending considerable time discussing, and I have not quite finished.

Mr. HATFIELD. I apologize. I was necessarily absent and did not hear the Senator's entire remarks.

Mr. AUSTIN. I am now making the point that it is unconstitutional because it violates the treaty-making power which is granted to the President only when and if the agreements are consented to and ratified by the Senate. That is the point of my discussion. I am pointing out that the words "trade agreement" are a mere device, that they really mean a treaty, and that they require just as much solemnity to give them effect as if the word "treaty" had been used instead of the words "trade agreement."

I am now pointing out that a great number of reciprocal trade treaties never went into effect for the sole reason that they were not ratified by the United States Senate, or by the parliaments of visa-à-vis countries, thus showing that, in practical construction as to how these reciprocity arrangements were treated, they were treaties requiring ratification and not trade agreements, although the subject matter was exactly and identically the same as the subject matter of the proposed act.

Mr. HATFIELD. As I understand, from a lay point of view, should the bill be enacted into law, as I presume it will be, giving the President the power to negotiate treaties or trade agreements, and should a succeeding Congress decide that it did not want the Chief Executive longer to have that power and the Chief Executive decided that he wished to keep the power, it would take a two-thirds vote of the Senate to pass any measure that had for its purpose the taking away of that authority from the President. Is that true?

Mr. AUSTIN. I do not understand that to be the case. I understand that should this bill be passed and should the President act under it and make any of the agreements, and they were held to be or were regarded in practical effect as valid without ratification by the Senate, then our hand would be palsied for at least 3 years and 6 months.

Mr. President, I now point to cases where ratification did occur, thus furnishing the highest type of proof that the practical construction placed upon these relationships is not that they are trade agreements but that they are treaties.

The following tariff-reciprocity agreements were ratified by the Senate:

1854, Great Britain for Canada.

1890, Great Britain for Newfoundland.

1903, Cuba.

This is proof, with no equivocation and no chance to construe it any differently, of their regard as treaties.

A list of many other treaties not specifically providing for reciprocal tariff but, nevertheless, affecting it by virtue of the most-favored-nation treatment clause is given in a table which I ask unanimous consent to have inserted in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. AUSTIN. These indicate the unvarying practice to ratify them as treaties.

Zy whatever name the relationship that would be created under the pending bill may be called, the character of it, and the effect of it upon the life of our people, is such that it amounts to a treaty relationship. It could upset every rate, every classification, every form of duty, and every tariff treatment comprehended in the Tariff Act of 1930. It could injuriously affect every citizen of the United States.

It is of sufficient gravity in effect to require obedience to the command of the Constitution that it be ratified by the Senate.

In conclusion of the first point:

Our forefathers adopted the Constitution of the United States in part as a reaction against economic chaos caused by the impotency of the Continental Congress under the Articles of Confederation, and because there was no satisfactory distribution of powers therein.

The Continental Congress was a mere debating society, a thing toward which we are trending when we delegate our duty and authority to the Chief Executive. That Congress was a mere convention of ambassadors from the several States, a thing toward which we are certainly headed by the type of legislation we have been passing and are now asked to pass. Out of commercial chaos, repudiation of debt, unsupported paper money, and political disorder threatening dissolution emerged the conventions to amend the Articles of Confederation, which resulted in the adoption of the Constitution of the United States, the greatest single achievement for stable government humanity has ever reached.

With such experience to warn us, and in the light of the most remarkable progress in civic, social, and economic development made under and by virtue of that Constitution, can we knowingly and willfully pass a measure so fraught with menace to American institutions and American liberty?

Our forefathers had the general welfare of the people before them in adopting the Constitution. It, with the Bill of Rights, contains the only protection of the people from their Government. If there were but one copy of it extant, it would be cherished and protected above any other possession of the people.

That great Vermonter, Calvin Coolidge, summoned us to the defense of it in the following eloquent words:

> The Constitution is not self-perpetuating. If it is to survive, it will be because it has public support. Such support is not a passive but an active operation. It means making adequate sacrifice to maintain what is of general benefit.
>
> The Constitution of the United States is the final refuge of every right that is enjoyed by any American citizen. So long as it is observed, those rights will be secure. Whenever it falls into disrespect or disrepute, the end of orderly organized government, as we have known it for more than 125 years, will be at hand.
>
> The Constitution represents a government of law. There is only one other form of authority, and that is a government of force. Americans must make their choice between these two. One signifies justice and liberty; the other tyranny and oppression. To live under the American Constitution is the greatest political privilege that was ever accorded to the human race.

Mr. President, in closing the first round of opposition to this measure, as I do, with this eloquent sounding of the trumpets by that great leader of people, I realize that it would make no difference whatever with what authority words such as these were spoken; it would make no difference with what fire they blazed; within these walls they would have no effect. But, thank God, we still live among people who have not lost their character, people who still have courage, who still have a sense of moral obligation, who will hear these words and who will react to these words; and that is why such effort as is made by me here today is made at all within these walls.

2. THE POLICY OF THE PROPOSED ACT IS UNSOUND

I now take the time, even at the discomfort of my colleagues here, to discuss the second reason why I oppose this measure; namely, that the policy of the proposed act is unsound.

The United States has tried out and discarded reciprocity-tariff treaties.

Those treaties were specific as to particular country, and specific as to articles involved on both sides. They were not general. They did not have the effect of a general lowering or raising of American tariffs in exchange or retaliation for a raising or lowering of tariffs elsewhere in the world.

They excited the unfavorable reaction of counterbargaining by other countries against us.

The most notable example of such treaties was the treaty with Canada. We had 11 years' experience with that treaty, beginning with 1855, when the Canadian Parliament ratified it, and ending in 1866.

Vermonters assumed leadership in the abrogation of that treaty, probably because they were at the gateway of the country on the north and most keenly realized the bad effects of the treaty.

In 1864 Representative Justin S. Morrill, of Vermont, offered an amendment to a bill which was designed to appoint a commission to negotiate a new treaty. This amendment was for complete abrogation of the treaty. It was defeated by a vote of 82 to 74. In the Senate, Senator Sumner, of Massachusetts, and Senator Collamer, of Vermont—to whom I have before referred, and to whom I hope to refer again—led the fight for abrogation on the ground of adverse trade balance and the need for more revenue.

In 1865 the Senate passed the Morrill joint resolution for abrogation by vote of 33 to 8, and President Lincoln gave the required year's notice to abrogate, and thus ended the only significant reciprocity treaty this country ever had.

The grounds for abrogation were the distadvantage to the United States in respect to adverse trade balance and diminution of revenue.

Other illustrations are the treaties in 1891 to 1892 with Brazil, Dominican Republic, Spain for Cuba and Puerto Rico, Salvador, Nicaragua, Honduras, Guatemala, and Austria-Hungary.

These treaties proved to be of disadvantage to the United States and were impossible to execute in view of the Democratic Tariff Act of 1894, which placed a duty on raw sugar.

Sugar, under those treaties, was one of the articles agreed by the United States to be admitted free of duty. Therefore those treaties were in effect abrogated by the Tariff Act of 1894. They lasted only 2 years, and they were formally abrogated in the same year, 1894.

After an experience of approximately 100 years with reciprocity treaties, the only reciprocity treaty which survives today is the treaty with Cuba.

Our experience has taught us to know that the competition between countries commercially is very keen, and that bargains in which mutual concessions are made between specific countries and us are a species of economic alliance. They provoke competing alliances among other groups in self-defense.

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

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Ohio?

Mr. AUSTIN. I yield to the Senator from Ohio.

Mr. FESS. The Senator will remind the country that while in the abrogation of the treaty in 1894 the leadership in the House and Senate was Republican, the measure was signed by a distinguished Democratic President, Grover Cleveland.

Mr. AUSTIN. I thank the Senator from Ohio for his remarks; and I desire to say—I intended to say it before—that I think one of the best evidences of the civic virtue of our people is their ability to accept the verdict of the polls, and to get behind their President and to help him so long as he stays within the Constitution. I am reminded that my own people loved Grover Cleveland. They supported him 100 percent; and when he died, the Republican chairman of the State convention which was held the day following the death of Grover Cleveland opened his keynote speech with a eulogy of that great Democrat, and received a perfect ovation from a crowd that filled the great hall to overflowing.

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

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Louisiana?

Mr. AUSTIN. I yield to the Senator from Louisiana.

Mr. LONG. The Senator from Vermont has made a very significant statement, that the people will accept the verdict at the polls. Has the Senator heard it denied yet that the verdict at the polls was a verdict of approval of the Democratic platform promising not to do the very thing we are now doing here?

Mr. AUSTIN. Mr. President, I think that is a justified comment. I have often thought that the program we have been following was not the Democratic program.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Illinois?

Mr. AUSTIN. I do.

Mr. LEWIS. May I be pardoned if I interpolate at this moment that the eminent leader of the Republican side, the distinguished Senator from Louisiana [Mr. LONG] [laughter], has on several occasions disclosed his capacity to interpolate such appropriate observations as he has just made. What pleases me is to find the able constitutional lawyer from Vermont and the equally eminent constitutional advocate from Louisiana in complete harmony. [Laughter.]

Mr. LONG. Mr. President, if the Senator will pardon me a moment——

Mr. AUSTIN. I yield.

Mr. LONG. I helped write a platform for the Senator from Illinois. He had to stay in the Senate and mind our mutual business. I went over to Chicago to help write a platform; and we wrote a platform there declaring that we would not do what is proposed here, but that we would repeal what already had been done along this line. That was so in keeping with the ideas of my friend from Illinois that when I returned here he assisted me in many of my little party contests and in maintaining my dignity as a Senator in this body.

Mr. President, I have not yet heard from the Senator from Illinois; I do not know whether he still is in the Democratic Party or not; but assuming that he is, knowing that he understands the meaning of words, I can assure the Senator that he and I are both going to stand together in initiating the quondam Republicans into the Democratic Party. It is not often that a party is deserted en bloc. Down in the South American countries a whole army will be fighting on one side, and the first thing you know they will take the whole army and put them on the other side of the fence. Manifestly nobody knows just where the Democratic Party in the Senate has gone, but it has deserted the Democratic platform, it has deserted the promises of President Roosevelt, and if there is a Member on the Democratic side of the Chamber who will say that this bill is not a violation of the Democratic platform and of the promises of Roosevelt, I have not yet heard it said. It is a conspiracy of silence. It is the march of suicide. I do not recall the exact wording of that famous suicide verse, but it was somewhat as follows: "Come, Romeo, hold my hand, and I will reach as far as I can."

[Laughter.]

Mr. LEWIS. Mr. President, if I may be pardoned, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Illinois?

Mr. AUSTIN. I am very glad to yield.

Mr. LEWIS. It is true I was in the convention, and then had to leave it to return to duties here, but I left it in the hands of such flaming lights as the honorable Senator from Louisiana, whose trail of glory is still to be seen when one reflects upon the Democratic convention.

I answer him, that for myself, he may have no doubt I stay with the Democratic Party, because it is right and righteous. I remain with the Democratic Party because it is attempting to guide itself along the righteous path, and if it shall fall to me to undertake the task of bringing back any deserter, if there be such from the Democratic Party, into the Democratic Party, I would turn to the eminent Senator from Louisiana, with the desire of bringing him back to the faith of his fathers, and would welcome him as a brother under those conditions.

In the meantime, sitting, as he does, upon the side of the honorable opponents, he lends them the benefit of his guiding spirit, and I have no doubt they are much gratified in having a leadership so eminent and potent as that of the distinguished Senator from Louisiana. [Laughter.]

Mr. LONG. Mr. President, the Senator from Vermont has been very generous, but I should like to have him yield to me just to say one word in defense of the Democratic Party.

Mr. AUSTIN. I gladly yield to the Senator from Louisiana. I hope, however, that the gentlemen on the other side of the aisle have decided who has the opening and close of this delightful interlude.

Mr. LONG. As is well known, the Democratic Party in the last campaign stood on the assurance that it was telling the truth that time; in other words, we declared in the campaign document which we wrote in Chicago—and I assume the declaration would have been written in it had my friend remained in Chicago; in fact, I think it probably would have been couched in a little bit stronger language—that the party stood on its record for telling the truth, and that the party said to the people, "We want you to know what we are going to do now. We are going to repeal this power to break a tariff which has been lodged in the hands of the President." That is what the party said in effect, in almost those words.

If they had no idea as to what they were doing, all they had to do was to turn to the votes cast by myself and by the Senator from Mississippi and by the Senator from Illinois, who had voted just a few days before that to annul the flexible provision of the tariff law.

I say to my friend from Illinois, if he is to bring me back into the party, assuming I am out—so far as some things are concerned, I may be out—if we are to bring anyone back into the party, what are we to bring them back to?

Mr. AUSTIN. Mr. President, I am sorry to interrupt the Senator from Louisiana, and though I should like to help the Democratic Party to the full, I must go on with this speech in the interest of arriving at a vote.

Mr. LONG. I thank the Senator from Vermont.

Mr. AUSTIN. I was undertaking to point out that the history of a hundred years of experience with reciprocity agreements was replete with evidence of such agreements provoking other national groups to make like agreements that were opposed in interest to this country, and, therefore, we should not step out, in the light of such experience, and revert to an ancient policy and an ancient practice which always did us harm, and which we finally repudiated and turned away from entirely in 1922.

I have already pointed out, in discussing the unconstitutionality of the bill, that the policy of the bill is unsound, for the reason that it confuses our commercial relations under the most-favored-nation treatment policy which we have followed since 1922. In 1922, under the leadership of Mr. Justice Hughes, then Secretary of State, we assumed the attitude of unconditional most-favored-nation treatment, which is our present policy.

The confusing effect of a program of tariff bargaining is indicated in two tabulations, and an explanatory statement published in the monthly bulletin of the American Tariff League of May 1934, which I ask unanimous consent to have inserted in the RECORD following my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit B.)

Mr. AUSTIN. Mr. President, these tables show the extent to which concessions granted to principal European countries would be passed on to most-favored nations without any quid pro quo. They are evidence which show the unsoundness of the policy of this measure.

DEFENSE FROM DISCRIMINATION WITHDRAWN

I now come to something else. To me this is the most amazing unsoundness in the bill, and I have not heard it adverted to, perhaps because I have not been able to be in the Senate all the time and to hear all of the discussion. I refer to the subject of the withdrawal of defense from discrimination. Having adopted that great, altruistic policy of unconditional most-favored-nation treatment to all the nations of the earth, we have to have some defense against discrimination by foreign nations.

A serious injury which the proposed bill would do to the well-rounded-out and perfected tariff law of the United States would be the repeal by the proposed bill of all of those provisions in the tariff system in advance of negotiations for substitutes. With these provisions taken out of the 1930 law the United States will be entirely disarmed, and labor and capital of this country will be without any defense whatever from foreign discrimination.

These provisions in the law were put there because from experience we found that they were necessary in view of the special bargaining policies of Spain and France, and the intraimperial preference policy of Great Britain.

Our attitude of equal rates for all and special privileges for none must have some sort of sanction behind it. This was the sanction; that is to say, the power behind the most-favored-nation policy of this Government.

Mr. President, these provisos which I call to the Senate's attention will be expressly, wholly, completely repealed, whenever we pass the pending bill and it becomes a law.

Paragraph 369 (a) of the Tariff Act of 1930 covers automobile trucks, automobile-truck and motor-bus chassis, automobile-truck bodies, motor busses designed for carriage of more than 10 persons, and so forth. It is quite an item. We have this in the law as it exists today as the only defense, with other provisions, against discriminatory practices and treatment by foreign nations:

(d) If any country, dependency, province, or other subdivision of government imposes a duty on any article specified in this paragraph, when imported from the United States, in excess of the duty herein provided, there shall be imposed upon such article, when imported either directly or indirectly from such country, dependency, province, or other subdivision of government, a duty equal to that imposed by such country, dependency, province, or other subdivision of government on such article imported from the United States, but in no case shall such duty exceed 50 percent ad valorem.

Again, the bill proposes to repeal, right now, the proviso to paragraph 371, which relates to bicycles and parts thereof, not including tires, and it provides the same kind of a defense duty.

Then we turn to paragraph 401, and we discover there something that is very important to the people of Vermont:

Timber hewn, sided, or squared, otherwise than by sawing, and round timber used for spars or in building wharves; sawed lumber and timber not specially provided for; all the foregoing if of fir, spruce, pine, hemlock, or larch—

And so forth.

Here is a concession that is repealed:

Provided, That there shall be exempted from such duty boards, planks, and deals of fir, spruce, pine, hemlock, or larch, in the rough or not further manufactured than planed or dressed on one side, when imported from a country contiguous to the continental United States, which country admits free of duty similar lumber imported from the United States.

That proviso would be repealed by the passage of this bill. Now, let us find another. This is a part of a proviso to paragraph 1402:

If any country, dependency—

And so on, charges a duty in excess of the duty therein provided, then a duty corresponding or equal thereto shall be charged by the United States. What does this apply to?

Paper board, wall board, and pulpboard, including cardboard, and leather board or compress leather, not plate finished, supercalendered or friction calendered, laminated by means of an adhesive substance, coated, surface stained or dyed, lined or vatlined, embossed, printed, decorated, or ornamented in any manner, nor cut into shapes for boxes or other articles and not specially provided for—

But that is not all. We are building up here quite a volume of articles, are we not, from which the defense is removed?

The next one is paragraph 1650.

Coal, anthracite, semianthracite, bituminous, semibituminous, culm, slack, and shale, coke; compositions used for fuel in which coal or coal dust is the component material of chief value, whether in briquets or other form.

What do we do to this? We take away the defense provision of the section which provides—

That if any country, dependency, province, or other subdivision of government imposes a duty on any article specified in this paragraph, when imported from the United States, an equal duty shall be imposed upon such article coming into the United States from such country, dependency, province, or other subdivision of government.

We are going to wipe that out, however.

Then turn over to paragraph 1687, and what have we there?

Gunpowder, sporting powder, and all other explosive substances, not specially provided for, and not wholly or in chief value of cellulose esters.

And the proviso which affords our Government the power to defend itself against discrimination in respect to those articles is to be wiped right out.

Then we turn over to the next one. Here is one which affects the State of Vermont very closely; namely, paragraph 1803.

Wood:

(1) Timber, hewn, sided or squared, otherwise than by sawing, and round timber used for spars or in building wharves; sawed lumber and timber, not further manufactured than planed, and tongued and grooved; all the foregoing not specially provided for.

There the defense provision of the statute is provided expressly to be repealed entirely, completely, without any condition attached to it.

What does that mean? These provisions are for defense by the United States against unfair practices and discriminatory duties by other countries.

The bill takes to pieces the Tariff Act of 1930. The assumption seems to be that the United States would be successful in negotiating treaties containing mutual concessions and bargained rates upon every article to which I have referred, and with every country that exports articles to which I have referred in these sections. This is a large order.

Will Rogers has said:

The United States never lost a war and never won a conference.

One does not have to be as pessimistic as this statement suggests to realize the danger of removing these defense duties from our tariff system in advance of negotiations for substitutes. With these provisions taken out of the 1930 law, the United States will be entirely disarmed and labor and capital of this country will be without any further defense whatever from foreign discrimination.

Like children, we tell our President to go to the world with a negotiation which was difficult enough, assuming that we had these defense duties in our law and had some sanction behind him; but we took it all away. We removed the only real strategic power that he has to use in negotiation.

These provisions in the law were put there because from experience we found that they were necessary in view of the

special bargaining policies of Spain and France, and the intraimperial preference policy of Great Britain. Our attitude of equal rates for all and special privileges for none must have some sort of sanction behind it. This was the sanction. There is no other.

Taking to pieces the Tariff Act of 1930 in this manner seems like a child taking his toy to pieces in the belief that he is mending it.

If our tariff bargaining should be conducted in the same manner in which Congress would be acting in this respect, the business of the United States would be ruined by this feature of the bill. Congress would remove in advance the most effective asset that the President might have for trade. If we must give the President the power to make rates, let us not cripple him in advance by repealing these sanctions.

If these defense duties should become unnecessary as a consequence of treaties made, then, and not until then, ought they to be repealed.

Apparently, the President will be forced to make treaties regardless of their effect after we have repealed these defense duties.

Is that not a smart position for us to put the negotiator of this country into? Any man who has had any experience at all in negotiating with foreign nationals and with foreign countries knows that he must have behind him all the power and sanction that he can possibly gain and keep, for they are not children in diplomacy and intrigue and all the devices and arts of arriving at an advantageous result in a conversation across the international table.

The bill is entirely unsound in this regard. That part of it should be struck out if the bill is to be passed.

Mr. President, I now proceed to a discussion of another point which, of course, bears upon my second proposition, that the bill is unsound, and that is that the bill is opposed to protection as a theory of tariff making. The proposed act is opposed to the American plan of protection. It will be noticed that I say "the American plan of protection." I suppose that if I took the political attitude alone, and laid the proper stress upon the political side of this question, I would say "the Republican plan", but I have always found in a lifetime of contest in my profession that the strongest position that can be taken in a contest in any forum is that one which is as near the truth as it can be arrived at, and I think the history of tariff making shows that the protective plan is an American plan. In States that have been Democratic, always protection for the products of such States which need protection is chosen as their pet plan. So I choose to discuss the question of the unsoundness of this measure on the basis that it is in conflict not with the Republican plan or the Democratic plan, but that it is in conflict with the American plan of protection.

The theory of the bill is to admit foreign goods and not to exclude them; it is to increase the quantity of foreign goods admitted and not to diminish the quantities thereof. It is to open our markets, which are the finest and greatest markets of the world, to foreign competition. It is to remove protection from labor; it is to introduce the products of foreign labor. All its immediate objectives are claimed in the bill to be for the purpose of promoting outlets in foreign markets for the products of our own labor, but we must pay, therefore, the price of increased competition. That is frankly admitted in the terms of the bill.

No basis of interchange is established by the bill. It invests the President with the power to legislate the basis in every case. He makes the law; he determines what shall be the basis of the exchange. All this is distinctly in opposition to the American doctrine that duties should be fixed with reference to the difference between the standard of living in the United States and that abroad and the difference in wages and other costs of production. This necessary protective basis is utterly ignored by the bill. The welfare of the American people is exposed to the hazard of tariffs fixed on the European basis or the Asiatic basis. Not a single treaty could ever be made without yielding to that foreign influence.

The well-known difference in our form of government from that of European governments, the historic difference in the attitude of the Government of the United States toward its people from that of rulers and the ruling classes of European governments toward their people, advises us of the unsoundness of the proposed change.

The effect of such an act on the people of Vermont would be so poignant, in view of their accessibility to foreign competition, that I use Vermont for illustration of the practical unsoundness of the measure.

Vermont is an agricultural State in which dairying is the principal activity. Three-fourths of the milk shipped into Boston every morning is produced in the State of Vermont. That great milkshed, the Province of Quebec, is readily accessible to the same market. The tariff is a great rock of protection in whose shadow Vermonters find the only safety they have ever had from competition in this one commodity.

Moreover, Vermont's place in industry is important. The State supplies about 60 percent of the monumental and statuary marble of the country and about 29 percent of the building marble. Vermont is truly the granite center of the world. The employees of this industry are highly paid specialists. Barre, Vt., is said to have the highest average wage scale of any city in the United States. From the Barre quarries alone in 1928 there were shipped 252,232 tons of granite—that is, granite in the rough—and approximately 1,514,000 cubic feet of granite were used in finished memorials.

There are 1,790 manufacturing establishments in Vermont; approximately 32 percent of the people there gain their livelihood from industry.

In the textile industry, the census figures for 1925, which are the latest available, show that in that year $14,327,688 worth of woolen and worsted goods were manufactured, and more than $3,000,000 worth of cotton goods.

A brief address of Gov. Stanley C. Wilson on Vermont's place in industry, broadcast from Station WBZ on November 28, 1931, gives a graphic picture of Vermont's activities. It is these activities that would be directly injured by the enactment of the proposed legislation. I ask, Mr. President, that the address by Governor Wilson may be inserted in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, permission is granted.

(The address referred to appears at the conclusion of Mr. AUSTIN's speech.)

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

Mr. AUSTIN. I yield.

Mr. VANDENBERG. I think the Senator is thoroughly justified in worrying about what may happen to the industries of his State under this contemplated prospectus. If the pending bill shall be administered by the Executive policy committee of the President, as seems probable, and if the committee shall be dominated by Professor Tugwell, as seems entirely probable, inasmuch as he is a member of the committee and usually dominates anything of which he is a member, I call the Senator's attention to the fact that Mr. Tugwell is the author of the following sentence, testifying before the House committee:

> I think he—

Mr. Weaver—

> believes that no industry is entitled to support by a tariff, and I may say personally that I agree with him.

I submit that to the Senator as a justification for his position.

Mr. AUSTIN. I appreciate having that statement in the RECORD in connection with my remarks.

Mr. LONG. Mr. President, if the Senator from Vermont will allow me, another Senator on this side in addition to myself would like to know when that statement was made and by whom?

Mr. VANDENBERG. It is a quotation from the eminent Dr. Tugwell, testifying before the House Committee, I think, on Agriculture at the present session.

Mr. WALSH. What was the date?

Mr. VANDENBERG. I am unable to give the date, but the quotation literally, as found at page 9580 of the CONGRESSIONAL RECORD, is as follows:

I think he—

Referring to Mr. Weaver, who had preceded him—

I think he believes that no industry is entitled to support by a tariff, and I may say personally that I agree with him.

Mr. LONG. Mr. President, if the Senator will yield——

Mr. AUSTIN. I yield.

Mr. LONG. The present President of the United States stated most specificially that, instead of there being any reduction in the tariff rates on agricultural commodities, they should be increased. I cannot understand how Mr. Tugwell is now coming here to take the position that he is going to wipe out our agricultural tariffs, when it was the promise of the Democratic Party and Mr. Roosevelt, both of them, that there ought not to be any reduction, and that it would be ridiculous to make a reduction in tariffs on agricultural commodities.

Mr. WALSH. That was before the election, though?

Mr. LONG. Yes; that was before the election.

Mr. VANDENBERG. That was also before he reduced the tariff on sugar.

Mr. AUSTIN. Mr. President, I feel that my remarks are illuminated by these interpolations, and I am very grateful to the learned Senators who have helped me out in this regard. However, I must hasten on, for I feel bound to finish my remarks tonight, in the interest of making progress toward a vote on this bill.

Important forest products, including the manufacture of organs, toys, screen windows and doors, spools and bobbins, plywood, shooks, clothespins, agricultural implement handles, veneer, furniture, penholders, brush handles, as well as manufacturers of portable ovens, gear shapers, and heavy machinery of many varities, would be exposed to the effect of negotiated tariffs determined in part by their competitors abroad and in part by the Chief Executive, and foreign competitors are not so far away, Mr. President; in 2 hours one can go from one industrial center of the United States to an industrial center of the Dominion of Canada.

A tariff affecting any one of the articles I have mentioned, created by means of negotiation between a representative of the United States and a representative of the Dominion of Canada, must necessarily be affected by the interests of both negotiators.

The principal sufferers would be the workmen employed in these industries.

Vermont has already experienced the injury which can come from tariff tinkering in the reduction of the rate on maple sugar from 8 cents per pound to 6 cents per pound, and on maple sirup from 5½ cents per pound to 4 cents per pound, and in the reduction of the rate on agricultural forks, hoes, rakes, and parts thereof, from 30 percent ad valorem to 15 percent ad valorem, and on bent-wood furniture from 47½ percent ad valorem to 42½ percent ad valorem.

But that is only a straw on the surface of the stream indicating the trend of the current. The great danger, the great menace, is the havoc with confidence which the bill would create.

Assuming that the rates of duty on timber, wood products, butter, milk, cream, hay, maple sugar, talc, marble, granite, slate, wheat, corn, rye, flour, textiles, ovens, gear shapers, and other heavy machinery, should not be lowered, nevertheless, the ghastly fear that in a day protection may be removed from any of them destroys confidence, curtails long-time planning, reduces protection, and increases unemployment.

We know that if this bill should pass, somebody must pay the price of reduced rates of duties.

Who will that be?

Every man in business is potentially that person. Therefore, every man in business is injured by the bill.

It is admitted that one man given the authority contained in this proposed law could make treaties more expeditiously, could change rates more speedily, could legislate forms of import duties, could write the phraseology and classifications of articles, could impose limitations and prohibitions, could promulgate charges and exactions other than duties, much more quickly than can Congress. But this is not a sound reason for enacting the proposed law. By the same token a complete change of our republican form of government to an absolute monarchy should be made, for an absolute monarchy can govern more expeditiously and speedily than a republic.

Our forefathers, thank God, chose a republic. They devised means of preventing haste in the administration of government in the interest of stability and security.

I oppose the bill because it creates instability, destroys confidence, provokes international retaliation; because it is in conflict with our fundamental law, is still another step away from free government, and because it is a futile attempt to purchase prosperity at the cost of liberty.

In conclusion, Mr. President, I make myself the mouthpiece for the great statesman Collamer, with whose remarks I opened my address. I read the closing paragraph of that great tariff speech made by him about 100 years ago, for the prophecy made by him therein came true. I believe that prophecy belongs to the situation of today and will come true in the future. I quote:

The sands of my hourglass are nearly run out, and I must close. I choose not to leave the impression that my hopes of my country's final destiny depend on this bill, though I doubt not, if this policy were adopted and persisted in, it would destroy our prosperity; but, sir, there is an elasticity and recuperative energy in the intelligence, enterprise, and resources of this people by which they will redeem themselves. If this is adopted, this people will, under it, suffer deeply; but when suffering they will seek relief, as they have heretofore done, by again abandoning the policy. And though this people may be again deeply convulsed, and though that convulsion may not be a death struggle, yet in the paroxysms of their agony they will crush the party and authors of their sufferings.

EXHIBIT A

Countries entitled to most-favored-nation treatment from the United States

UNCONDITIONAL

Country	Termination: Required notice or earliest date
Europe:	
Albania	No provision.
Austria	12 months.
Bulgaria	3 months.
Czechoslovakia	1 month.
Estonia	[1] May 1936.
Finland	1 month.
Germany	[1] October 1935.
Greece	1 month.
Hungary	[1] October 1936.
Latvia	[1] July 1938.
Lithuania	1 month.
Norway	[1] September 1935.
Poland	1 month.
Rumania	Do.
Spain	3 months.
Turkey	12 months.
Yugoslavia	Do.
America:	
Brazil	No provision.
Chile	15 days.
Cuba	6 months.
Dominican Republic	1 month.
El Salvador	[1] September 1940.
Guatemala	1 month.
Haiti	Do.
Honduras	[1] July 1938.
Nicaragua	1 month.
Asia:	
China	No provision.
Persia	1 month.
Siam	12 months.
Africa:	
Egypt	3 months.
CONDITIONAL	
Europe:	
Belgium	12 months.
Denmark	Do.

[1] 12 months' notice.

Countries entitled to most-favored-nation treatment from the United States—Continued

CONDITIONAL—continued

Country	Termination: Required notice or earliest date
Europe—Continued.	
Italy	12 months.
Portugal	No provision.
United Kingdom	12 months.
America:	
Argentina	No provision.
Bolivia	12 months.
Colombia	Do.
Costa Rica	No provision.
Paraguay	12 months.
Asia:	
Borneo	No provision.
Japan	6 months.
Africa:	
Ethiopia	[a] September 1938.
Liberia	No provision.

Source: Tariff Bargaining Under Most-Favored-Nation Treaties, pt. IV of United States Tariff Commission report under Senate Resolution 325.

EXHIBIT B

Principal imports into the United States from leading European countries, 1929, together with a record of the percentage of each commodity coming from the given country and from countries with most-favored-nation agreements

(Commodities are arranged in order of importance in 1929. Items on the free list in the act of 1930 are excluded, but items free in 1929 and now dutiable are included. Percentages are based on physical quantity unless otherwise indicated.)

Country and commodity	From given country	From most-favored nations		
		Unconditional	Conditional	Principal country
BELGIUM				
13 items, 44 percent of total:	*Percent*	*Percent*	*Percent*	
Diamonds, cut but not set	48	1	2	United Kingdom.
Woven fabrics of flax	36	8	55	Do.
Structural shapes and building forms.	48	33	2	Germany.
Leather gloves, women's and children's.	11	39	18	Do.
Plate glass, unsilvered	70	16	2	Do.
Cotton tapestries, etc. (value)	28	20	20	Do.
Hydraulic cement	69	2	29	Denmark.
Window glass, plain	56	33	1	Czechoslovakia.
Linen damask and manufactures (value)	10	43	47	Germany.
Wood furniture, not reed (value)	12	21	39	United Kingdom.
Asbestos shingles and slates	84	2	(1)	Germany.
Firearms (value)	69	13	18	United Kingdom.
Calf and kip upper leather	4	45	27	Germany.
CZECHOSLOVAKIA				
15 items, 60 percent of total:				
Leather shoes	73	9	7	United Kingdom.
Beads (value)	60	11	20	Japan.
Linen damask and manufactures (value)	36	6	57	United Kingdom.
Jewelry (value)	41	23	9	Germany.
Cotton cloth, printed, etc	20	6	47	United Kingdom.
Hat bodies of wool felt	7	5	77	Italy.
Leather gloves, women's	7	32	29	Germany.
Linen towels and napkins	40	9	51	United Kingdom.
Plain window glass	29	4	57	Belgium.
Glassware, cut or decorated (value)	23	17	19	Germany.
Calf and kip upper leather	5	40	30	Do.
China household tableware, decorated.	6	25	65	Japan.
Imitation precious stones (value)	68	24	2	Germany.
Fur-felt hats, women's	32	30	9	Austria.
Agate, horn, and glass buttons	42	41	8	Germany.
FRANCE				
15 items, 29 percent of total:				
Pearls, not strung or set (value)	57	1	39	United Kingdom.
Leather gloves, women's and children's.	32	39	29	Germany.
Silk wearing apparel (value)	68	6	25	Japan.
Broad fabrics, all silk, colored, etc	38	12	39	Do.
Diamonds cut, but not set	5	(1)	50	Belgium.
Cigarette paper, books, etc	98	1	1	United Kingdom.
Cotton laces, machine made (value)	70	18	10	Germany.
Walnuts, shelled	52	42	2	China.
Silk laces, embroideries, etc. (value)	68	9	20	United Kingdom.
Silk plushes, velvets, and chenilles	40	56	3	Germany.
Rayon yarns, threads, and filaments	22	34	24	Do.
Cheese	8	7	44	Italy.
Mushrooms	88	2	7	Japan.
Calfskins, wet salted	15	26	14	Germany.
Linen handkerchiefs	17	7	67	United Kingdom.

[1] Less than 1 percent.

[a] 12 months' notice.

Principal imports into the United States—Continued

Country and commodity	From given country	From most-favored nations		
		Unconditional	Conditional	Principal country
GERMANY				
5 items, 21 percent of total:	*Percent*	*Percent*	*Percent*	
Cotton gloves	97	1	1	Czecholslovakia.
Leather gloves, women's and children's.	32	7	29	Italy.
Coal tar colors, dyes, etc	62	0	2	United Kingdom.
Calf and kip upper leather	38	7	30	Do.
Hosiery-knitting machines	99	0	1	Do.
Rayon yarns, threads, filaments	33	1	24	Italy.
Goat and kid upper leather	57	1	26	United Kingdom.
Silk plushes, velvets, chenilles	52	4	3	Italy.
China household tableware, decorated.	24	7	65	Japan.
Sensitized films, not exposed	34	(1)	1	Belgium.
Blown glassware (value)	64	22	6	Czechoslovakia.
Structural shapes and building forms.	33	(1)	50	Belgium.
Cotton hosiery	83	(1)	13	United Kingdom.
Leather bags, cases, etc. (value)	41	7	31	Do.
Iron and steel pipes and tubes	24	1	15	Do.
ITALY				
15 items, 54 percent of total:				
Olive oil, edible	74	18	(1)	Spain.
Cheese	43	7	2	Greece.
Tomatoes, canned	93	1	0	Spain.
Hat bodies of wool felt	74	14	1	Czechoslovakia.
Cigarette leaf tobacco	29	71	(1)	Greece.
Hats of straw, grass, etc	25	10	15	Japan.
Cherries, natural	93	1	0	Yugoslavia.
Almonds, shelled	45	52	1	Spain.
Leather gloves, women's and children's.	17	39	12	Germany.
Rayon yarns, threads, and filaments	21	34	4	Do.
Lemons	98	(1)	1	United Kingdom.
Tomato paste	99	(1)	(1)	Spain.
Jute burlaps	2	4	9	United Kingdom.
Flax laces, embroideries, etc. (value)	23	45	5	China.
Silk fabrics, broad, except pile	6	12	63	Japan.
NETHERLANDS				
9 items, 54 percent of total:				
Diamonds, cut but not set	43	(1)	50	Belgium.
Tobacco leaf for cigar wrappers	99	1	0	Cuba.
Lily of the valley pips, lily, tulip, and narcissus bulbs.	79	12	8	Germany.
Rayon yarns, threads, and filaments	15	34	24	Do.
Calf and kip upper leather	12	45	30	Do.
Hyacinth bulbs	97	(1)	0	Do.
Calfskins	6	30	14	Do.
Starch	93	5	2	Do.
Milk, condensed and evaporated	62	(1)	1	Denmark.
SWEDEN				
7 items, 16 percent of total:				
Steel bars	39	15	33	Belgium.
Matches in boxes of not more than 100.	37	46	2	Finland.
Calfskins, wet salted	16	26	14	Germany.
Flat wire and steel strips	65	17	17	United Kingdom.
Wire rods	53	26	9	Germany.
Antifriction balls, rollers and bearings.	47	15	30	United Kingdom.
Cattle hides, wet salted	1	14	55	Argentina.
SWITZERLAND				
14 items, 72 percent of total:				
Watches and watch movements	99	(1)	(1)	Germany.
Cheese	25	7	44	Italy.
Coal-tar colors, dyes, stains, etc	34	62	2	Germany.
Material for hats of straws, etc	34	34	32	China.
Cotton cloth	24	15	56	United Kingdom.
Cases, dials, and parts of watches (value).	92	2	(1)	Germany.
Reptile upper leather	20	36	14	Do.
Silk broad fabrics, dyed, etc	11	13	38	Japan.
Aluminum, metal, scrap, and alloy	11	24	7	Norway.
Leather boots and shoes	5	82	7	Czechoslovakia.
Cotton handkerchiefs and mufflers, lace trimmed or embroidered, etc.	83	11	2	China.
Jewels for watches, etc. (value)	92	(1)	4	Italy.
Artificial horsehair and manufactures (value).	91	6	2	Germany.
Rayon yarns, threads and filaments	4	34	24	Do.
UNITED KINGDOM				
15 items, 24 percent of total:				
Wool woven fabrics, heavyweight	76	13	3	Do.
Woven fabrics of flax (except table damask).	54	8	37	Belgium.
Jute burlaps	8	4	3	Germany.
Carpet wool (dutiable)	16	40	16	China.
Rough tanned leather	69	1	(1)	Germany.
Cotton cloth, printed, etc	42	26	5	Czechoslovakia.
Combing wool	12	1	17	Argentina.
Cotton cloth, not bleached	83	10	(1)	Czechoslovakia.
Pearls, not strung or set (value)	37	1	2	Japan.
Wool rags, flocks, mungo	65	10	4	Germany.

[1] Less than 1 percent.

Principal imports into the United States—Continued

Country and commodity	From given country	From most-favored nations		
		Unconditional	Conditional	Principal country
UNITED KINGDOM—continued				
15 items, 24 percent of total—Contd.	*Percent*	*Percent*	*Percent*	
Wool noils	73	19	5	Germany.
Lining leather, calf and kip	95	4	(1)	Czechoslovakia.
Linen table damask (value)	46	43	10	Do.
Cotton yarns and warps	94	5	(1)	Germany.
Earthen and crockery tableware, etc.	32	25	34	Japan.

[1] Less than 1 percent.

EXHIBIT C

Address of Gov. Stanley C. Wilson, of Vermont, on Vermont's Place in Industry, broadcast from station WBZ, November 28, 1931:

VERMONT'S PLACE IN INDUSTRY

In my monthly talks to you this year about Vermont, I have devoted most of my time to problems and facts concerning agriculture and the recreational business. I do not want you to get the idea, however, that Vermont has no standing as a manufacturing State. In fact, although my State is properly classed as agricultural, our industries take creditable position when compared with those of other States. Just to show that this is true, let me tell you a few facts about our industries.

Vermont leads all States in the production of monumental granite, and has honorable position as to building granite. Excellent granite deposits cover large areas in the State and many of them are utilized. Barre, Vt., is truly called the granite center of the world. The employees in this industry are highly paid specialists. Barre is said to have the highest average wage scale of any city in the United States. From the Barre quarries alone in 1928 there were shipped 252,232 tons of granite and approximately 1,514,000 cubic feet were used in finished memorials.

Vermont leads all States in the production of marble. The State supplies about 60 percent of the monumental and statuary marble of the country and abou 29 percent of the building marble. Vermont marble is noted for its beauty. There are more than a hundred varieties, ranging in color from pure white to jet black. Many of the most beautiful buildings and statues in the country are made from this stone. It is to be noted that the great new Supreme Court Building in Washington is to have Vermont marble exterior.

Of slate, with the exception of one State, Vermont produces more than twice the stone quarried by all the other States in the country. The old-fashioned slates on which we used to do our sums when I was a boy in school have gone out of style, but slate is now used in its natural state or pulverized and manufactured for roofing, tiles, billiard-table tops, mantels, stair treads, and many other uses.

Most of us when we speak of talc think of the talcum powder that is so useful for the toilet of the society belle or the baby, but in fact the great uses are in the manufacture of paper, rubber goods, waterproof paint, gypsum, wall plasters, soaps, etc. In the production of talc Vermont holds second place among the States.

Vermont has great deposits of asbestos and is forging ahead in their development with but few sections in competition.

Other Vermont minerals now being successfully utilized include lime, gypsum, and clay. Vermont has extensive deposits of copper and at one time produced the highest grade copper ore in the world. We also have lead, iron, and arsenic deposits that have been utilized to some extent.

The extent of the use of granite, marble, and other stone and mineral deposits is shown by the 1925 census figures which give the value of these products in the State for that year as $20,062,824.

Even though not considered a manufacturing State, Vermont is well above the national average for percentage of populations actually engaged in manufacturing. According to the latest figures available, Vermont has 1,790 manufacturing establishments large enough to count.

Approximately 32 percent of the people of our State gain their livelihood from industry. The total value of manufactures according to the 1925 census was $138,269,861.

In St. Johnsbury, Vt., is the largest scales factory in the world; while in Rutland is the second largest. In Rutland, also, is located the largest company in the world making maple-sugar utensils, together with the largest concern manufacturing granite and marble-working machinery.

In Winooski is situated the largest screen factory in the world; while Burlington leads the world in the production of portable ovens, brush fiber, package dyes, and butter color. A plant at Weathersfield leads the world in the variety of its soapstone products. In Brattleboro is the largest pipe-organ factory in the United States. In Orleans is located 1 or 2 plants under the same management which manufacture the greater part of the sounding boards used in this country. In Bellows Falls is the second largest waxed-paper mill in the country.

Springfield, Vt., manufactures the bulk of the world's last lathes and turret lathes, leads in automatic gear-shaper machines, and has the largest shoddy mill in the world.

At Barnet is a factory which manufactures croquet sets and which supplies to a large extent the entire demands of the trade.

The State may well be considered the headquarters of the spring-clip clothespin industry, millions of clothespins being produced.

Throughout the State are located numerous factories having a wide range of products—all the way from the great automatic-machine tools and the mammoth machines used in the manufacture of granite and marble, down through the numerous woodworking factories producing furniture, baseball bats, box covers, wooden heels, and hundreds of other articles. The finest bowling pins and, I think, the greatest number produced in any State, are made in Vermont. A great many of our Vermont industries are built up for the use of the fine hardwood lumber which is seldom, if ever, found better than in this State. Many woodworking plants are located close to the Green Mountains, where an extensive supply of fine hard wood is now available.

While we do not ordinarily think of Vermont as a State greatly concerned with the textile industry, the census figures for 1925, which are the latest available, show that in that year $14,327,688 worth of woolen and worsted goods were manufactured in the State, and $3,195,418 worth of cotton goods, or, in other words, the textile industry was a close second to the marble and granite industries.

It may seem at first thought surprising that Vermont, situated away from tidewater, is able to make creditable showing in industry, and to lead the world in some industries. The answer comes partly from the fact that one of Vermont's chief industrial assets is her water power. She is one of the two States in the country in which water generates more power than steam.

According to the 1919 census, the primary horsepower developed was 185,095. While I have not the up-to-date figures, this total must be greatly exceeded at the present time, as several great hydroelectric developments have been completed since then in the State. One of these, at Whitingham, is one of the largest in the world, with an earthen storage dam, the dam at the time of its construction exceeding in size any other such dam in the world.

Several great hydroelectric developments are located on the Connecticut River, the largest of which, at Fifteen Miles Falls, is the greatest hydroelectric development in this country east of Niagara.

All over the State are found great natural water powers, of which most of the larger have been utilized for the development of electric energy.

It is easy to see the advantage that inures to Vermont manufacturing establishments from the great supply of cheap power produced almost at the door of the manufacturing plant.

Vermont has good shipping facilities. She has outlets for freight in all directions over trunk-line railroads or their immediate connections, and by water across Lake Champlain to the New York Barge Canal and the Hudson River.

There is another basic fact relating to Vermont which explains further why Vermont industries flourish. Vermont has no large cities. The cost of living is materially less than in the more populous sections of the country.

There is a spirit of loyalty born of long and continuous service surrounding many of the manufacturing plants of the State. The typical Vermont laborer in a typical Vermont industrial establishment takes a personal interest in his work, and the welfare of his employer means much to him.

Labor troubles seldom develop in Vermont. As a rule, there is a mutual regard by the employer and the employee each for the rights and the interests of the other.

To a surprising extent in our State, factory employees own their homes, with the result that the employees as well as the employers have a direct financial interest in the community and in the success and permanence of the business in which they are employed.

Moreover, most of the industries of the State are home owned, and the evils and dangers of distant corporate control are nonexistent. The tendency has been for some time in this country to build up great corporations to control industries, and as a result the personal element has been driven out by the cold-blooded rule of distant management. Vermont is fortunate that even in her largest industries the capital is largely provided by Vermont people, and so the business control is kept within the State, close to the towns where the business actually operates.

There is a tendency in the manufacturing world at the present time to get away from the idea of the great specialized manufacturing centers. The experience of some of the corporations that have tried to combine their plants has not been wholly satisfactory. Business men are now turning to the small-town idea of manufacturing operations. The experience of the past few decades seems to have established that with the exception of a few industries, the advantages of plant location in comparatively small cities or towns outweigh those of location in large industrial centers. This is true because of the lower cost of living, the smaller turn-over of labor, the greater loyalty and efficiency of the employees, and comparative freedom from the burden of high real-estate values.

It has been rather remarkable during this period of depression that the industries of Vermont have to a large extent continued in fairly active operation. They have stood the business depression better than have the industries of other States in the Union.

In these days when we are trying to reestablish industry under changed conditions and on a better basis, Vermont holds out splendid opportunities for the location of manufacturing estab-

lishments under conditions that ought to insure successful operation.

I believe no State in the Union presents a better field for operation of industrial plants under the decentralized plan. Certainly in no State can industry be assured of better governmental and community cooperation in proper growth and development. You may be assured of fair treatment to both capital and labor.

If you are interested in locating a manufacturing plant, or a business, in Vermont, or want any facts or detailed information with regard to conditions and opportunities for such location, write to the Vermont Publicity Department at Montpelier for information.

Additional industries to supplement our fine agriculture will receive a hearty welcome in the villages and small cities among the foothills and in the valleys of the Green Mountain State. Vermont invites you.

During the delivery of Mr. AUSTIN's speech,

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

Mr. AUSTIN. I yield.

Mr. HARRISON. Would the Senator from Vermont object if I put into the RECORD immediately following his speech the list of items that are affected by either of these provisos that are repealed, with the amounts of the articles?

Mr. AUSTIN. Mr. President, I shall be glad to have it done.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Countries paying conditional duties under tariff provisions whose repeal is proposed under the reciprocal tariff bill (H.R. 8687)

[Calendar years 1931 and 1933]

Commodity and country	Conditional duty[1]	
	1931	1933
PAR. 369		
(a) Automobile truck bodies, valued at $250 or more each	$40	$22
Canada	40	22
(b) Automobiles (except trucks and motor busses)	24,341	7,223
Belgium	392	
France	4,949	70
Germany	597	319
Italy	384	228
United Kingdom	6,573	3,614
Canada	11,366	2,992
Mexico	60	
British South Africa (not including Union of South Africa)	20	
(b) Automobile chassis (except for trucks and motor busses)	66,275	36,325
France	421	
Germany	599	
United Kingdom	65,205	36,325
Canada	50	
(b) Automobile bodies (except for trucks and motor busses)	1,205	1,045
Belgium	193	
France	975	972
Germany		58
United Kingdom	22	
Canada	15	15
(b) Motorcycles	1,018	1,305
France	152	19
Germany	155	479
United Kingdom	711	731
Canada		76
(c) Automobile engines		31
Germany		31
(c) Spark plugs	10,618	4,719
Germany	10,002	4,557
United Kingdom	16	56
Canada		106
(c) Inner tubes		20
France		13
Canada		7
(c) Automobile parts, n.e.s.	10,795	2,587
France	527	106
Germany	5,687	1,336
Italy	76	91
Switzerland	67	
United Kingdom	2,052	455
Canada	2,381	599
Australia	5	

[1]Reported by Bureau of Foreign and Domestic Commerce.

Countries paying conditional duties under tariff provisions whose repeal is proposed under the reciprocal tariff bill (H.R. 8687)—Continued

Commodity and country	Conditional duty	
	1931	1933
PAR. 369—continued		
(c) Motorcycle parts (except tires and glass)	$100	$76
France		1
United Kingdom	100	75
PAR. 1402		
Pulpboard in rolls for wall board		77
Canada		77
Paper board, pulpboard, n.s.p.f., and cardboard, not plate finished, etc., nor cut into shapes	1,255	6,583
Czechoslovakia	70	
Finland	608	
France		127
Germany	49	125
Sweden	8	6,238
Canada	456	93
Newfoundland and Labrador	64	
Wallboard, not laminated	781	
Canada	781	
Leatherboard or compress leather	399	
Canada	399	
Sheathing and roofing paper, deadening, sheathing, and roofing felt	312	975
Italy	91	908
Canada	221	67
PAR. 371		
Bicycles and parts, except tires	2,866	6,717
France	7	25
Germany	2,829	5,775
Italy		26
United Kingdom	30	463
China		97
Japan		331
PAR. 401		
No transactions reported		
PAR. 1650		
Bituminous coal, etc., imported from countries imposing duty	118,073	102,843
Canada	117,423	102,707
Mexico	602	136
French Indo-China	48	
PAR. 1687		
No transactions reported		
PAR. 1803		
No transactions reported		

After the conclusion of Mr. AUSTIN's speech,

PROMOTIONS AND APPOINTMENTS IN THE NAVY—CONFERENCE REPORT

Mr. WALSH submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant, to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, and 3.

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with amendments as follows:

On page 3, line 10, of the engrossed bill, strike out the following word "hereafter" and insert in lieu thereof the following words "in 1934 and hereafter."

On page 3, line 13, of the engrossed bill, before the word "may", insert the following: "and whether they have since been married or not."

On page 4, line 3, of the engrossed bill, after the word "who", insert the following: "in 1934 and."

And the Senate agree to the same.

DAVID I. WALSH,
FREDERICK HALE,
Managers on the part of the Senate.

CARL VINSON,
P. H. DREWRY,
FRED A. BRITTEN,
Managers on the part of the House.

Mr. WALSH. Mr. President, the conference report settles the differences between the House and the Senate on the bill that was passed last Saturday, being the so-called "naval personnel bill." There was only one important difference between the Senate and the House, and that was on the question of retirement. The House bill provided for the retirement of about 600 naval officers in order to remove the hump in certain grades and which was resulting in preventing the promotion of young and efficient officers to higher grades. The bill also provided for the commissioning of all the graduates from the Naval Academy for 1933, 1934, and in the future. If the bill remained as the Senate enacted it, it would result in an increased expenditure to the Government of about $12,000,000. The Budget and the administration are not willing that the increased expense should be incurred. By providing for the retirement of these officers, who are eliminated after selective examinations, and by the granting of commissions to the graduates at the Naval Academy, there will be a net saving of approximately $12,000,000 to the Government.

The Senate has withdrawn its objection to the provision in its bill in opposition to retirement at this time. Thus, if the conference report shall be accepted, there will be a net saving from the bill as passed by the House and from the bill as passed by the Senate of $12,000,000.

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

The report was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 6803. An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes; and

H.R. 9068. An act to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes.

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. STEIWER. Mr. President, I begin by expressing my appreciation to the Senator from Vermont [Mr. AUSTIN], for his very learned and lucid exposition of the pending bill. With his impressive argument that the bill transgresses the Constitution I am fully in accord. With his belief that the bill is so framed that it will operate definitely to the disadvantage of the people of the Nation I am also in accord.

I realize how futile it is, in these days of congressional subserviency to the White House, to obtain consideration for arguments earnestly and thoughtfully made in opposition to a legislative proposal of this kind. In the hope, however, that some faint echo of the words pronounced here may go beyond the walls of this Chamber and find lodgment in the minds of the people of the country, I feel it worth while to present my views upon the pending bill.

All Senators remember that following the enactment of the Tariff Act of 1930 a great hue and cry was raised for partisan purposes. The bill was denounced as infamous. Its critics were not content to call it the Smoot-Hawley Act, but in order to subject it to ridicule and criticism they dubbed it the Smoot-Hawley-Grundy Act. They said it was destructive of the business of the country.

Mr. President, the pending bill does not change any particular duty of the Smoot-Hawley Act. With some little exception, it makes no repeal or modification of that act. It is a bill to create a new part III, to be entitled "Protection of Foreign Commerce", and to add this part III to the Smoot-Hawley Act so that it will supplement that legislation. It is significant that the greatly controverted section 336 which conferred upon the President certain flexible powers is not repealed nor is it modified by this measure except in the provision found on page 4 to the effect that the provisions of section 336 shall not apply to any article concerning the importation of which a foreign trade agreement has been concluded.

In other words, Mr. President, if, pursuant to this measure, a foreign-trade agreement has been concluded, there will then be no further flexible power under section 336 which the President can exercise with respect to the duties specified by that agreement. Until such foreign trade agreement has been concluded, all the powers of section 336 which were so widely denounced by the partisan critics still abide with the President.

The conception, therefore, that this bill is a substitute for something in the Smoot-Hawley Act is substantially incorrect. The bill in terms and in effect is supplemental to the Smoot-Hawley Act, reserving in the President all the broad powers heretofore conferred upon him and granting him new powers heretofore unknown in our scheme of government.

The bill provides that for the purpose of expanding foreign markets for the products of the United States, and for certain other purposes, the President shall enjoy this new and unusual authority.

The authority is conditioned first upon his findings as a fact that any existing duties or other import restrictions of the United States or of foreign countries are unduly burdening and restricting the foreign trade of the United States. In the bill there is no definition of what is required in order to burden and restrict foreign trade; much less is there a definition of what constitutes the undue burdening or the undue restriction of the foreign trade of the United States.

So it has been well said, as it was stated by the Senator from Vermont [Mr. AUSTIN], that so far as this condition is concerned, it is a matter wholly of discretion or opinion in the President. There is no rule to restrain him; there is no rule to prompt him to go forward, except that he states his opinion that certain undue burdens or restraints operate upon our foreign trade.

I do not want to press this point at length. It could be elaborated, I know; but it is not the point that excites my greatest interest. It is not the feature of the bill upon which my more serious apprehensions are founded. I therefore desire to pass to the next phase of the bill, which to me seems to be of vastly greater importance.

When the President finds the facts that these vague and undefined undue burdens and restrictions operate against the foreign trade of this Nation, he may then do two separate acts. First, he may enter into a foreign trade agreement with a foreign government or with some instrumentality of that government. I pause long enough to say that the lack of definition which exists with respect to this condition precedent, to which I made reference a moment ago, exists with even greater force with respect to the first power delegated by the bill to the President.

There is no limitation upon the President in entering into the foreign-trade agreement save an indeterminate and unsatisfactory percentage limitation, to which I shall refer later. There is no control upon the President as to the

exact subject-matter of the agreement. The only requirement is that it be a foreign trade agreement and that it be made with a foreign government or with an instrumentality of a foreign government.

The second power delegated to the President, to my mind, is still more alarming than the first. It is here provided as a second power that the President shall be authorized—

To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods of existing customs or excise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder.

With respect to this matter, the authority of the President to proclaim modifications is not defined. It is not controlled by legislative formula. It is only vaguely related to any matter of policy, foreign or domestic. It is a carte blanche power in the President, in the case in which he has found, in his opinion, that our foreign trade has been unduly burdened or restricted, and where he has been able to make a foreign-trade agreement with some foreign nation to make such modifications as he may desire or as may be recommended to him by his advisers, whether they be protectionists, free-traders, Americans, foreigners, theorists, "brain trusters", or others.

I am fully mindful that there is a provision that no proclamation shall be made increasing or decreasing by more than 50 percent any existing rate of duty or transferring any article between the dutiable and the free list; but it has been pointed out earlier in the debate that the President retains his power under the present flexible provision of the tariff.

If he desires to reduce duties more than 50 percent, it is only required that he shall first obtain the acquiescence of the Tariff Commission. Its record, in my opinion, has been marred by the testimony of its chairman before the House Ways and Means Committee and the Senate Finance Committee in behalf of this bill. The necessary acquiescence, according to the chairman, will be readily given. The President can accomplish a 50-percent reduction under section 336 of the Tariff Act of 1930, and then he can enter into a trade agreement, and he can again make a reduction of 50 percent. The total reduction then would be 75 percent.

This statement does not take into account the fact that the President may change the classification or that he may change the form of the tariff, nor does it take into account that the limitation of 50 percent applies only to duties, and not to excise taxes upon imported articles.

I turn aside for the moment to develop that proposition, because I believe it was not referred to by the distinguished Senator from Vermont, and I am most anxious that the RECORD show just what the bill means with respect to the excise taxes of 1932.

It will be remembered that after the enactment of the tariff bill of 1930, Congress saw fit to provide excise taxes upon certain great natural-resource products, and they included in the bill of 1932 certain excise duties upon imported articles of copper, lumber, coal, and oil. Subsequently certain fish and whale oils were added to the category, and there are now five different commodities covered by excise taxes upon importations.

On page 2 of the pending bill, in subsection 2, to which I have already made reference, we find the second power of the President broad enough to cover modifications of "existing duties and other import restrictions." That phrase is most important, because in a subsequent part of the bill, namely, in subsection (c) the phrase is defined, and we find there these words:

As used in this section, the term "duties and other import restrictions" includes (1) rate and form of import duties and classification of articles, and (2) limitations, prohibitions, charges, and exactions other than duties, imposed on importation or imposed for the regulation of imports.

The point I seek to make is that this phrase, "duties and other import restrictions", includes, by express definition, a requirement that limitations, prohibitions, charges, and exactions other than duties shall be regarded as "duties and other import restrictions."

Therefore, the President, under the second power, may reduce, under the phrase "duties and other import restrictions", charges, and exactions, other than duties, if they are imposed on importations.

I have heard no answer to this argument, I have heard no one controvert the contention that under this definition the excise taxes of 1932 are brought within the scope and purview of the bill.

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

Mr. STEIWER. I yield.

Mr. VANDENBERG. In the original days of the debate the Senator from Mississippi, in charge of the bill, specifically stated that the excise taxes, to which the Senator from Vermont adverts, were excluded from the terms of the bill. Therefore there is a difference of opinion on the subject, and I am very hopeful that before the consideration of the bill shall be concluded the Senator will test the good faith of the Senator from Mississippi, in charge of the bill, by permitting him to accept an amendment which will specifically exempt these elements from the bill.

Mr. STEIWER. Mr. President, I do not question the good faith of the Senator from Mississippi, and I regret that the Senator from Michigan suggests that I present this matter in terms of testing his good faith. I realize that there is a difference of opinion, as has just been pointed out by the Senator from Michigan.

I read in the RECORD the statement of the Senator from Mississippi that the excise taxes of 1932 are not intended to be included. I realize that that is his position, but I also realize that the literal language of the bill embraces these excise taxes, and I have heard no answer to the argument I am making with respect to the interpretation of the language, and no suggestion that I am in error in my contention, and no reason which would justify me in the conclusion that the excise taxes under the act of 1932 are not in fact included in the pending bill.

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

Mr. STEIWER. I yield.

Mr. VANDENBERG. I should not want my reference to good faith be misunderstood. What I undertook to indicate was that I have such complete confidence in the good faith of the Senator from Mississippi that I am perfectly sure that when he realizes that there is a definite challenge to his belief that these excise taxes are not excluded, he will be very glad to accept an amendment which does exclude them textually.

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

Mr. STEIWER. I yield.

Mr. HARRISON. May I say to the Senator that I made the statement, in opening the debate on this question, that, so far as the excise taxes were concerned, we intended to exclude them. That was the intention of the proposal. Some of the taxes will expire at a certain time. So far as they are concerned, it was not the intention to modify them at all. The modification is in the rates, as previously stated in the proposal.

Whatever amendment is needed to remove any doubt from anyone's mind I shall offer. I have prepared an amendment that will remove even any doubt on that matter.

Mr. STEIWER. Mr. President, that is welcome news to me, and I am very happy to accept the assurance of the Senator from Mississippi, the Chairman of the Committee on Finance.

Mr. HARRISON. That was the intention, and all I care to do is to carry out the intention. May I say to the Senator, further, that when the Democratic conference was held on this matter, I stated, in a discussion in the conference, that that was what the bill contained. For that reason I expect to offer a clarifying amendment on that particular phase of the matter, so as to remove all doubt. However, I do not think there is any doubt now.

Mr. STEIWER. The assurance is doubly welcome, because, in the first place, I think that under the literal language of the bill such an amendment is necessary in order

to prevent those items from being caught in the dragnet of the bill, and for the further reason, which has been very alarming to me, that apparently the 50-percent limitation on reductions applies only to duties, and not to the exactions other than duties, so that if these items, which are embraced in the Revenue Act of 1932, were left in the bill, they not only would be subject to the power of the President to make modifications, but, in my own judgment, they might be completely wiped out if the President desired to take such action in connection with a foreign-trade agreement. I am very grateful to the Senator from Mississippi.

I might add that I also have prepared an amendment to exclude the excise taxes, which I sent to the desk today informally, so that it might be printed and lie on the table; but I shall very happily accept the amendment offered by the Senator from Mississippi in lieu of my own, if it effects the removal from this bill of that important category of items included in the Revenue Act of 1932.

Mr. President, I wish now to generalize with respect to the real purpose and the final net effect of this legislation.

I have said that the pending bill does not repeal the Tariff Act of 1930, that it does not repeal the flexible provision of that act, that it modifies it only in case a foreign-trade agreement has been made with respect to a particular commodity.

What, then, is to be accomplished by the bill? Obviously the purpose of the bill is to give to the President, without any substantial limitation on his power, or any substantial control, authority to negotiate trade treaties, to enter into those treaties whenever, in his opinion, our foreign trade is unduly burdened, and then, having entered into a treaty, to proclaim modification of duties.

I have wondered, as I have considered the bill, upon what theory the Congress expects the President to modify the duties. Is it to be done upon a theory of free trade, or upon a theory of protective tariffs? Is it to be done upon the understanding that the President will seek to ascertain the differences between the cost of production abroad and at home, and that he will thus seek to equalize an existing duty? Or is it to be done upon the theory that the President shall place first emphasis upon the expansion of the foreign trade and treat the making of duties chiefly as an exercise of power under the commerce clause of the Constitution? Or is it to be done wholly in the discretion or at the whim and caprice of the President?

I shall not discuss in detail the constitutional objections to the bill, save to affirm my belief that upon many grounds the enactment will be an invalid and unconstitutional delegation of power to the President. That argument has been made heretofore by the Senator from Idaho [Mr. BORAH]; it was made today by the Senator from Vermont [Mr. AUSTIN], and by others. I shall not reiterate it. But when the court shall be confronted with the necessity of passing upon the validity of this legislation, the one thing uppermost in the mind of the court will be the fact that after the condition precedent has been complied with, after the treaty is made, when the time comes for the President to modify the duty, there is no formula or rule of action written into this measure, and that the President will make the modification within his own judgment or discretion to meet whatever ideas he may privately entertain with respect to the expansion of foreign trade.

It is that total lack of legislative formula, that complete delegation of discretion to the President to make the law of the land, and to determine what the course of the United States shall be, that makes this bill so clearly and so wholly unconstitutional.

Why is it proposed that we adopt this vague and nebulous treatment of tariff matters? What is there in the existing situation that requires us to take such action. What are the arguments offered? What are the excuses?

It would seem that before we depart from the American policy of maintaining in this country a higher standard of wages and a higher standard of living than the rest of the world has ever known, before we tear down the wall of protection to which both political parties have subscribed in part, if not in entirety, there ought to be satisfactory reasons presented here by the sponsors of this legislation.

The Democratic Party has never been committed to this kind of boundless and unlimited discretion on the part of the President in the treatment of our foreign commerce and the making of our tariff rates. That party has had a policy. It has vacillated somewhat, it is true. We know what that policy has been. We know that the great Democratic Party at one time stood for free trade, and that later it maintained a policy of tariff for revenue only. We know that as the years went by the Democratic Party stood for what it called a competitive tariff. That was a protective tariff, designed to be a little less in amount than the Republican conception of a protective tariff, but a protective tariff nevertheless.

Now we are confronted with the fact, which I think no one can deny, that by the terms of this bill we delegate to the President power to make the policy, to say whether we shall have tariff for revenue only, or whether we shall have free trade; substantially, the power to say whether we shall maintain the present protective system or provide some other.

Why are we called upon to depart from the established policy of this country in order to delegate to the President these boundless and limitless powers?

Let me refer briefly to the attitude of the Democratic Party. Time and the lateness of the hour forbid the kind of presentation I should like to make; but I have here excerpts from numerous platform statements of the Democratic Party. They illustrate something of its policy, and of the tendency or drift which the party has undergone in dealing with the subject of tariff.

In 1872 the Democratic platform included, among other statements, these words:

> We demand a system of Federal taxation which shall not unnecessarily interfere with the industry of the people, and which shall provide the means necessary to pay the expenses of the Government, economically administered, the pensions, the interest on the public debt, and a moderate reduction annually of the principal thereof; and recognizing that there are in our midst honest but irreconcilable differences of opinion with regard to the respective systems of protection and free trade, we remit the discussion of the subject to the people in their congressional districts, and to the decision of the Congress thereon, wholly free from Executive interference or dictation.

Mr. President, if I were attempting to make a speech political in nature, and to criticize the great party with which I am not identified, I might point out that in this particular declaration the Democratic Party did not take a definite stand. They avoided the question by remitting the question to the people of the districts, and saying that they would leave it to the Congress, when it met, to take action in accordance with the views of the people, without dictation or interference from the Executive.

In 1884 the platform was more explicit. Let me read one short sentence from it:

> The necessary reduction in taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor, and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country.

I suggest, in connection with this language, that the Democratic Party was already committing itself in a qualified way to the theory of protection. It is true that it was known in the country as a free-trade party, but this platform, solemnly declared and published to the people, is inconsistent with that theory.

In 1888 the platform contained this language:

> On the contrary, a fair and careful revision of our tax laws, with due allowance for the difference between the wages of American and foreign labor, must promote and encourage every branch of such industries and enterprises by giving them assurance of an extended market and steady and continuous operations.

The Democratic Party was still leaning toward protection, but, up until that time, I think, had not dealt with the question of reciprocity.

In 1892 the party faced that question for the first time, and in the platform of that year we find this language:

Trade interchange on the basis of reciprocal advantages to the countries participating is a time-honored doctrine of the Democratic faith, but we denounce the sham reciprocity which juggles with the people's desire for enlarged foreign markets and freer exchanges, by pretending to establish closer trade relations for a country whose articles of export are almost exclusively agricultural products, with other countries that are also agricultural.

So, Mr. President, in the first expression of the Democratic Party upon the subject of reciprocity we find them far from cordial to the idea. We find, instead, an expression of criticism and condemnation. They obviously thought, as many of us think now, that no trade agreement could be made with nations which have for sale agricultural products of the same character as ours without doing disadvantage to our own people, and they criticised that kind of a trade as a sham.

In 1896 the Democratic platform contained this sentence:

We hold that tariff duties should be levied for purposes of revenue, such duties to be so adjusted as to operate equally throughout the country, and not discriminate between class or section, and that taxation should be limited by the needs of the Government, honestly and economically administered.

This declaration is nearer to tariff for revenue only than any one that I have found in the history of the party in the years immediately preceding 1896.

In 1904 it is interesting to note that the platform contained this sentence:

We denounce protection as a robbery of the many to enrich the few, and we favor a tariff limited to the needs of the Government, economically administered, and so levied as not to discriminate against any industry, class, or section, to the end that the burdens of taxation shall be distributed as equally as possible.

After the swing went in this direction it was not very long until there was a significant change in Democratic sentiment; and in 1908 there is noted a swing back toward protection again.

In 1912 we find this language:

The high Republican tariff is the principal cause of the unequal distribution of wealth. It is a system of taxation which makes the rich richer and the poor poorer. Under its operations the American farmer and laboring man are the chief sufferers. It raises the cost of the necessaries of life to them but does not protect their product or wages. The farmer sells largely in free markets and buys almost entirely in the protected markets. In the most highly protected industries, such as cotton and wool, steel and iron, the wages of the laborers are the lowest paid in any of our industries. We denounce the Republican pretense on that subject and assert that American wages are established by competitive conditions and not by the tariff.

Mr. President, that is the last expression which to any degree touches free trade. In 1924 we find the straightforward declaration as follows:

We declare our party's position to be in favor of a tax on commodities entering the customhouses that will promote effective competition, protect against monopoly, and at the same time produce a fair revenue to support the Government.

Then in 1928 the declaration was still more pronounced. In the platform adopted at the time the Governor of New York, Mr. Smith, was nominated as the Democratic standard bearer we find, among other declarations, the following:

The Democratic tariff legislation will be based on the following policy:

(a) The maintenance of legitimate business and a high standard of wages for American labor.

(b) Increasing the purchasing power of wages and income by the reduction of those monopolistic and extortionate tariff rates bestowed in payment of political debts.

(c) Abolition of logrolling and restoration of the Wilson conception of a fact-finding tariff commission, quasi-judicial and free from the Executive domination which has destroyed the usefulness of the present Commission.

(d) Duties that will permit effective competition, insure against monopoly, and at the same time produce a fair revenue for the support of Government. Actual difference between the cost of production at home and abroad, with adequate safeguard for the wage of American labor, must be the extreme measure of every tariff rate.

There, in the last sentence quoted, is the declaration for protection almost identical in language with a number of Republican platforms. There is adherence to the proposition that there should be a duty equal to the difference in the cost of production at home and abroad.

If there be any doubt about the real purpose of those who controlled the destinies of the Democratic Party in 1928, let me invite attention to one incident which happened during the campaign. Governor Smith delivered an address at Louisville, Ky. In that address, among other things, he said:

In other words, I say to the American workingman that the Democratic Party will not do a single thing that will take from his weekly pay envelop a 5-cent piece; to the American farmer, I say that the Democratic Party will do everything in its power to put back in his pockets all that belongs there; and we further say that nothing shall be done that will embarrass or interfere in any way with the legitimate progress of business, big or small.

Subsequently the nominee made a further statement in an address delivered in Philadelphia. At that time he made some reference to his speech at Louisville, and stated that he had sent wires to the Democrats in the Senate of the United States and the House of Representatives in order to ascertain from them whether they would support him in the declaration which he had made at Louisville for the protection of American labor and American industry. In this subsequent speech he described the answers as follows:

"We stand solidly beside and behind Governor Smith in his Louisville speech when he says: 'I definitely pledge that the only change I will consider in the tariff will be specific revisions in specific schedules, each considered on its own merits, on the basis of investigation by an impartial Tariff Commission and a careful hearing before Congress of all concerned; that no revision of any specific schedule will have the approval of the Democratic Party which in any way interferes with the American standard of living and the American standard of wages. In other words, I say to the American workingman that the Democratic Party will not do a single thing that will take from his weekly pay envelop a 5-cent piece; to the American farmer I say that the Democratic Party will do everything in its power to put back in his pockets all that belongs there; and we further say that nothing will be done that will embarrass or interfere in any way with the legitimate progress of business, big or small. With this prescription honestly put forth, with a clear-cut and definite promise to make it effective, I say with confidence that neither labor nor industry nor agriculture nor business has anything to fear from Democratic success at the polls in November, and we hereby pledge our cooperation in carrying out the principles and policies therein set forth.'"

Now, just let that definitely and finally put to sleep all the fears that Governor Hughes or any other Republican spokesmen may have about the Democratic attitude to the tariff; and there is no reason why they should themselves, by their utterances, disturb business by predicting calamity in the event of Democratic victory.

I have here the names of certain gentlemen which were published in the newspapers at that time as having answered affirmatively the wire sent to them by Governor Smith. They were the ones who assured him they would support him in his declaration which he made in his Louisville address.

Among other distinguished names appearing in the published list are the following: Henry F. Ashurst, Alben W. Barkley, Edward S. Broussard, T. H. Caraway, Royal S. Copeland, C. C. Dill, Duncan U. Fletcher, Walter F. George, Carl Hayden, Pat Harrison, Harry B. Hawes, William J. Harris, William H. King, Lee S. Overman, Key Pittman, Joseph E. Ransdell, Joseph T. Robinson, H. D. Stephens, Morris Sheppard, Millard E. Tydings, T. J. Walsh, Burton K. Wheeler, David I. Walsh, Robert F. Wagner.

I submit that when a political party makes a declaration such as was made in the Democratic platform of 1928, and when its standard bearer makes the statement which Governor Smith made at Louisville in the campaign, and when the most distinguished Members on the Democratic side of the aisle in the Senate of the United States permit themselves to be quoted as supporting the nominee in the declaration which he had made, then by every rule of reason such declarations constitute the policy of that party. In that campaign and in the campaign of 1932 there is abundant evidence that the Democratic Party is no longer a party of free trade, but that to some degree it is a party of protection.

The Democratic Party, moreover, have stood against flexibility. They have insisted that duties in tariff laws ought to be made by the Congress, and they have declared themselves upon that issue time and time again.

Now, I ask, Upon what theory do they justify the abandonment of that policy? How do they excuse taking out of the Congress the power to levy the tariff duties? Upon what argument are they to delegate those great powers to the President of the United States? Upon what basis is the Democratic Party to say, "We have abandoned the theory of protection, even the partial theory that we espoused. We abandon even a tariff for revenue. We abandon every established theory, every conception, and we turn all tariff power over to the President. We leave its administration entirely to his discretion and for his determination."

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Oregon yield to the Senator from Wyoming?

Mr. STEIWER. I yield.

Mr. O'MAHONEY. I always listen to the Senator to learn. Upon what does he base the statement that the policy contained in this bill involves a complete abandonment of the various declarations which he has just read?

Mr. STEIWER. I have already developed this point at some length and do not desire to reiterate it in further detail, but, in a sentence or two, let me say that inasmuch as this bill writes no formula for the President, places no boundaries upon him, creates no limitation save an indeterminate percentage limitation, it leaves to the President——

Mr. O'MAHONEY. That is a limitation.

Mr. STEIWER. It may be a limitation. It may not be a limitation. As to the excise items in the act of 1932, I think it is now admitted that it is not a limitation. As to certain other items, it is a limitation of 50 percent after the flexible provision of 50 percent has first been applied, and after the change in form and the change of classification shall have been made. It is a little difficult for those of us who are not tariff experts to define just what that tariff limitation is; but if it is a limitation, it is a limitation in amount. It is a mathematical limitation only; and there is no formula with respect to policy, with respect to the kind of a tariff duty, nor with respect to the purpose of the tariff duty. There is no restraint upon the President upon those important scores; and it is for that reason that I say that this bill takes away from the Congress and delegates to the President the authority to make the determination, and now I submit that he has already made it in advance.

I shall develop later what I mean by that. He has made it in advance, and he has made it in a way that is inconsistent with the quoted declarations of the Democratic Party. By his message to this body he says, in effect, that he proposes to depart from the traditional stand and the established policy not only of the Democratic Party, but of the American Nation, in the exercise of the powers conferred upon him by this bill; and I ask again, What is there in the situation to justify a complete reversal and a complete abandonment? What has been assigned here?

It has been said by the sponsors of this bill in effect that the United States has helped bring on the chaos, and business collapse, under which the whole world is suffering; that we have done it by trade restrictions, and that we must confer upon the President a bargaining power so that he may relieve this Nation, and other nations, of these trade restrictions. I quote from one sentence which summarizes the argument. It is found on page 8987 of the RECORD. It is as follows:

> The United States has been one of the most serious offenders in this commercial warfare.

That, Mr. President, is offered as an argument in justification for this legislation. Let us examine the statement, and let us examine the record to see whether or not there is any validity in the argument, or any truth in the statement. I deal with it only as an abstraction. I want it understood that I am not criticizing those who make the statement or who offer the argument; but, as an abstraction, I contend against it because I think it is untrue. I think, moreover, it is unfortunate; that it will be used against our country in foreign councils by those who would very dearly love to hold the United States accountable for bringing on the depression.

Let me quote that sentence again:

> The United States has been one of the most serious offenders in this commercial warfare.

Mr. President, prior to the Tariff Act of 1928 there had been no tariff act in this country since 1922. We have not disturbed a rate; so far as I know, we had done practically nothing with respect to the administrative provisions of our laws; and yet there is written at large in the record the actions of other governments with respect to tariff increases. I shall not detain the Senate to deal with them in detail; but I hold in my hand Senate Document No. 33 of the first session of the Seventy-first Congress. It is entitled "Tariff Increases in Various Countries, 1922 to 1928, Inclusive."

It is a partial summary of a manuscript entitled "Tariff Increases Throughout the World, 1919 to 1928", and that summary was an official statement by the accredited officers of our Government.

This document discloses that between 1922 and 1928 practically every other nation in the world was engaged in the operation of increasing its tariff duties. It discloses that the general duties were raised almost as much as once a year by some governments. It discloses, moreover, that special duties were increased almost as often as every year by other nations.

Austria, for instance, increased her duties in 1923, 1924, 1925, 1926, and 1927. Those were general acts; and by special acts on special items they made increases in 1922, 1924, 1925, and 1926.

Poland offers another good example.

They made general increases in a great number of rates in 1924, 1925, 1926, 1927, and 1928. They increased special rates on one or more particular items in 1926, 1927, and 1928. At a time when we were standing still with respect to tariff increases the people of the continental European area and other parts of the world were increasing their duties almost annually in a great trade war among themselves, reflecting, I believe, to some extent the antipathies which grew out of the World War, and the desire to make themselves self-sufficient and independent. Those people were adding item upon item, and duty upon duty, almost every year.

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

Mr. STEIWER. I yield.

Mr. FESS. While in each of the tariff bills there were increases on individual articles above the rates that then existed, is the Senator aware that, taking the average of the increases, the successive bills have contained lower rates than the preceding bills?

Mr. STEIWER. In America I think that is true.

Mr. FESS. That is what I mean.

Mr. STEIWER. Oh, yes; in America I think that is true, but it is not at all true as to most of the great foreign nations.

Mr. FESS. Oh, no; but in the case of our country, as to the duties that are being complained of, it is true that on some items they have been increased; but on the average there has been a decrease.

Mr. STEIWER. I think that is true, Mr. President.

In furtherance of what I am saying, let me point out that according to a recent compilation based upon the 1933 year book of foreign commerce published by the United States Department of Commerce, the customs revenue per capita in the United States was $2.24. Now, let us make a comparison with some of the other countries that are running these competitive races in the matter of duties and trade restrictions and the commercial warfare in which the world has been engaged. While our per capita customs revenue was $2.24, that of Great Britain and Northern Ireland was $17.70; in Canada, $9.33; in Austria, $13.48; in New Zealand, $19.67; and in various other countries, including the continental European countries, we find per capita customs revenues varying from $12.95 down to, in some exceptional cases, a very small amount.

In this list we find that the United States is lower than the other countries of the world, with a very limited number of exceptions, including the Asiatic countries, and including Peru, Mexico, Bolivia, and I think one or two others. Outside of those relatively minor countries, the United States was collecting at the customhouse less per capita revenue by many multiples than the great competing commercial nations of the world.

Mr. President, that is not all. At the same time we were refraining from tariff increases, we were refraining from the enactment of those restrictions which operate more effectually than tariffs to prevent foreign trade. I am talking about devices like quota restrictions, import permits, restrictions on foreign-exchange transactions, and things of that kind.

I read now for a moment from a book, entitled "Regulation of Tariffs in Foreign Countries by Administrative Action," compiled by the United States Tariff Commission, under date of March 1934.

Quotas or import permits are generally established and regulated by the Executive, either under special legislative authorization or under general executive powers. These permits may be used to control trade balances or to apply retaliatory measures, and the apportionment of imports under quotas may also be used to conclude and enforce reciprocal trade arrangements. Among the countries where import quotas are used for one purpose or another are:

Austria, Belgium, Chile, Czechoslovakia, Estonia, France, Germany, Greece, Hungary, Italy, Latvia, Netherlands, Poland, Rumania, Spain, Switzerland, Turkey, and the United Kingdom.

I quote further:

Restrictions on foreign-exchange transactions are applied in many countries, almost necessarily by the Executive. In several European and Latin American countries control of foreign-exchange transactions is officially exercised through the central banking system. Among the countries applying restrictions for control of foreign exchange are:

Argentina, Austria, Bolivia, Brazil, Bulgaria, Chile, Colombia, Costa Rica, Czechoslovakia, Denmark, Ecuador, Estonia, Greece, Germany, Hungary, Italy, Latvia, Norway, Paraguay, Spain, Turkey, Uruguay, Yugoslavia.

Without reading further from the summary, the fact appears that almost all the nations of the earth have offended against the free movement of foreign trade and the interchange of commodities in trade by resorting to various quota and exchange restrictions—almost every country in the world save one, and that is the country which did not increase its tariff duties from 1922 to 1928.

In this summary is the outline of the various actions taken by several countries of the world in establishing this superstructure of extraordinary restrictive requirements, which have had something to do with the break-down of international trade.

I shall not take time to read further from this compilation. I have noted 16 different nations, including some of the leading nations of the world. It is fair to say that the material set forth in this report, and which I will omit reading, shows that in practically every year from 1923 up to 1933 these countries were applying progressively, more and more, various kind of barriers upon trade, more and more were they subjecting international trade not only to the necessity of paying duties at the customhouse, but they were applying these artificial, absolute barriers, amounting in many cases to embargoes, under which, by governmental action, they limited that which the other nations might bring within their borders.

Mr. President, an interesting thing is the effort of some of the nations to relieve themselves from the enormous burden of these restrictions.

Mr. WALSH. Mr. President, what the Senator has just cited is one of the principal arguments urged in favor of the pending bill.

Mr. STEIWER. That is quite correct, it is an argument advanced in behalf of the bill, but, as will presently appear, the United States has never resorted to this kind of barrier against imports. We have not set up these restrictions. We have dealt only in duties, and we maintained our duty level from 1922 to 1928, and again from 1928 until 1932, except for a very little application, as the Senator knows, of the flexible provision, and except for the excise taxes of 1932.

I was saying that a very interesting chapter is the effort of foreign nations to relieve themselves from these restrictive influences. I have in my hand a summary of a number of the trade treaties entered into by foreign governments. Let us see what one or two of them show.

Take, for instance, the arrangement between France and Spain. In the arrangement France granted specified quotas on imports from Spain of certain livestock, certain fruits, fresh vegetables, canned tomatoes, certain hides, certain frozen, dried, and conserved fish, wines, and a few other products.

Spain granted specified import quotas on a list of products from France, including charcoal, certain internal-combustion engines, toilet soaps, motorcycles, salted codfish, and fresh eggs.

In addition, Spain granted reduced rates of duty for specified quotas of a list of products of French origin, including telephone line insulators, saws, oak and chestnut extracts.

We find that the German Nation, by German Government decree of March 4, 1934, in its effort to conciliate other nations and to tear down these barriers, had entered orders affecting numerous items, and I read them because of their importance:

Item 28. Raw or cleaned cotton, flax, hemp, ramie, jute, manila hemp, and other vegetable textile materials; items 438 to 443, worked cotton and cotton yarns; items 144 to 146, sheep's wool, raw or washed, horsehair and other animal hair; items 413 to 425, wool and other animal hair, worked, including yarns thereof; items 470 to 482, other vegetable textile materials, worked, including yarns thereof; and item 453, unbleached cotton fabrics, weighing 80 grams or more per square meter.

In this great story of the reciprocal-trade arrangements made between nations, and their efforts, by concessions and mutual agreements, to break down the barriers erected against them and against their trade, we find almost the complete category of items which are covered in international commerce. We find so complete a list of items that it is substantially correct to say that it is the whole category, it is the whole list, with some little exception, of all the goods that nations sell to and buy from each other.

Mr. President, when we think in terms of restrictions, and when we are talking about the part the United States has played in restrictions upon international trade, I think it well worth while to read from what was said by the Tariff Commission in response to Senate Resolution 325. I quote as follows:

Accordingly, and because the United States has had in effect no reciprocity treaty which caused serious discriminations against European countries, those countries (except France) have generally been content to accord to the United States all their lowest rates of duty, even when not under treaty obligation to do so.

But that is not all, Mr. President. I find in a recent report from the Tariff Commission this language attributed to the French Foreign Office:

In consideration of the fact that on the one hand the American Government has not instituted any special measure in restriction of imports, and considering on the other hand, in a spirit of particular amity toward the United States, that there is reason for not altering Franco-American commercial relations at a time when the American Government is itself occupied in solving serious economic problems, the French Government has decided not to denounce the arrangement of May 31, 1932.

And thus, Mr. President, the Tariff Commission, by its report, acquits the United States of the charge of having erected tariff barriers against the importation of goods from foreign nations. The French Foreign Office acquits the United States of responsibility on that score. There is not any room for argument about it. Of all the nations in the world the one that has offended the least is our own country of America.

The one, Mr. President, that has abstained from excesses with respect to the creation of tariff walls and with respect to these so-called "restrictions", like exchange quotas and limitations on imports, by license or otherwise—the Nation that above all others has dealt fairly with her neighbors is the United States of America.

I call attention to this record because, as I say, one of the arguments offered in behalf of this bill is that the trade of

the world has been destroyed by the trade restrictions, and I quote again the argument that "the United States has been one of the most serious offenders in this commercial warfare." It simply is not true. It is a defamatory statement against the great name of our great country. This statement would have surprised had it been made by a representative or high official of a foreign nation. It is doubly surprising when this statement is written into the RECORD of the Congress of the United States by an outstanding, responsible Member of this body.

A little while ago I was asked by the Senator from Wyoming what there was in the situation that indicated that the Democratic Party was renouncing its own traditions, abandoning its own position, that it is faithless to its own policy, and that it is turning this important subject over to the President to be handled in a way different from the declarations made in the various platforms and by the great leaders of the Democratic Party. One source of information concerning this bill and its purpose is found in the message of the President of the United States when the bill was transmitted to us for our consideration. The President said:

> The exercise of the authority which I propose must be carefully weighed in the light of the latest information, so as to give assurance that no sound and important American interest will be injuriously disturbed.

I invite attention to that language. Inasmuch as there is no formula governing the conduct of the President under the authority delegated by this bill, who is to determine what constitutes a sound interest in America? What is to determine that save the judgment of the President himself? Who is to determine what constitutes an important interest in America, and what is to determine that save the opinion of the President himself?

Mr. President, in my mind the statement just read implies that the President has in mind, in order to work out his planned economy or some new scheme of social reform, that there will be modifications of tariff duties which will be injurious to some of the elements of our society. It is obviously implied that the President in explaining the injury to result from the application of the proposed treaties is trying to assure us that the injury will not fall upon those industries which he regards as sound, nor upon those interests which he regards as important.

I am mindful in this regard of what was said by the President upon another occasion. In his message of May 10, when he transmitted the economy bill to the Congress, he included this assuring statement. I read:

> When a great danger threatens our basic security it is my duty to advise the Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you. If the Congress chooses to vest me with this responsibility, it will be exercised in the spirit of justice to all, of sympathy to those who are in need and of maintaining inviolate the basic welfare of the United States.

Mr. President, it would be distasteful to me to characterize unpleasantly the President or his conduct under the authority of the bill that he obtained by the language which I have just read. I shall not, therefore, characterize it, but I will say that before 3 months passed this Congress passed Public, No. 78, which changed some of the rules that the President had made under the Economy Act, and declared that to that extent the Congress did not regard those rules as sympathetic or as reflecting a spirit of justice to all. And within a year or a little over a year, two-thirds of both bodies of Congress, by another act, made another solemn declaration that they were dissatisfied with the President's administration of the great powers that had been delegated to him by the Economy Act.

And so, Mr. President, we ought to have been warned when the President said to us, "In so doing I must be fair not only to the few but to the many"; we ought to have been warned that the President had in mind to make drastic cuts and to apply the kind of treatment that we might not approve in order to serve what he regarded as the welfare of the great body of our people; and we ought now, by the same token, to be warned here, because now the President says to us:

> The exercise of the authority which I propose must be carefully weighed in the light of the latest information so as to give assurance that no sound and important American interest will be injuriously disturbed.

Thus we have presented a proposal under which the President very frankly tells the Congress that in order to expand our foreign trade he will take steps that will not injuriously disturb sound investment or important elements of our society; but the inevitable implication is that the acts which he will perform will disturb the unimportant and the unsound, and we write no formula to determine what the President shall do in playing with a great toy which is built and painted and delivered to him under this bill.

Mr. President, I have said the Democratic Party is delegating an authority which will permit departure from its traditional historical position; that it will permit every theory of tariff that has ever been maintained by that party to be violated either by the President or by someone acting for him. Who will advise the President in this regard? One body that will advise him, no doubt, is the Tariff Commission, and the amiable Mr. O'Brien, who has intimated that he will do whatever the President wants him to do with respect to tariff matters. Another adviser will be the Secretary of Agriculture. Another adviser, no doubt, will be Dr. Tugwell.

Earlier in the afternoon there was a statement read, attributed to Dr. Tugwell, in which he announced that he was against protection in its entirety.

Let us see about Secretary Wallace, one of the other advisers of the President, who is helping to formulate the program, and to lead America into its new theory—he is helping also to lead the Democratic Party away from its traditions, and helping to commit that party to a new venture and to a new experiment as a part of the new deal. Mr. Wallace, in his book, America Must Choose, said this:

> A truly practical readjustment of our own tariff policy would involve the careful examination of every product produced in the United States or imported, and the determination of just which of our monopolistic or inefficient industries we are willing to expose to real foreign competition. This problem should be approached from the point of view of a long-time national plan which we are willing to follow for at least 20 or 30 years, even if some of our friends get hurt, and howl continuously to high heaven.

Those are deliberate words; words deliberately chosen by one of those who is to be an adviser of the President of the United States in making the new program in carrying forward the new experiment under the new power to be delegated by the pending bill.

In the same book, at page 18, Mr. Wallace said, and I quote further:

> Traditionally the Democratic Party is the party of low tariffs. Actually Democratic administrations have never made changes in the tariff structure great enough to increase foreign purchasing power to the extent demanded by the present world dilemma. If we are going to increase foreign purchasing power enough to sell abroad our normal surpluses of cotton, wheat, and tobacco at a decent price, we shall have to accept nearly a billion dollars more goods from abroad than we did in 1929. We shall have to get that much more in order to service the debts that are coming to us from abroad and have enough left over to pay us a fair price for what we send abroad.

Mr. President, at this point I observe that when Mr. Wallace estimated that we must import $1,000,000,000 more than in a certain year, he took the year 1929, which, of course, is the peak year of importation in the whole history of the Republic. He would have us go back to that basis of importation. Then he would have us add $1,000,000,000 to it in order to benefit somebody else and to enable foreigners to buy some of our goods.

I quote further:

> This will involve a radical reduction in tariffs. That might seriously hurt certain industries, and a few kinds of agricultural businesses, such as sugar-beet growing and flax growing. It might also cause pain for a while to woolgrowers, and to farmers who supply material for various edible oils. I think we ought to face that fact. If we are going to lower tariffs radically, there may have to be some definite planning whereby certain industries or

businesses will have to be retired. The Government might have to help furnish means for the orderly retirement of such businesses, and even select those which are thus to be retired.

When Mr. Wallace refers to certain farmers who supply materials for various edible oils he obviously is referring to farmers engaged in the great dairying industry.

In March of this year Mr. Wallace was quoted in the New York Times. I read from a statement appearing March 6, 1934, in that paper, as follows:

Similarly, Mr. Wallace pointed out, lower tariffs and the removal of artificial trade barriers would leave some weak and inefficiently managed American industries at the mercy of foreign competition. Agreeing that this might lead to added unemployment, especially in the Massachusetts mill towns, he said this increase would not exceed 10 percent.

Think of it, Mr. President. A responsible officer of our Government talking brazenly about a course of procedure that will bring injury to our business, that will curtail our employment, saying it is not so bad because the increase in unemployment will not exceed 10 percent. I do not know what he would call a serious blow to the American Nation and to the laborers of the country under the conditions which obtain in this year of our Lord 1934. I am glad he has made no proposal here that he would call an important reduction in employment or a substantial increase of unemployment.

Mr. President, in the message of the President with respect to the pending legislation there is another argument offered in behalf of the bill. It is as follows:

If the American Government is not in a position to make fair offers for fair opportunities, its trade will be superseded. If it is not in a position at a given moment rapidly to alter the terms on which it is willing to deal with other countries, it cannot adequately protect its trade against discrimination and against bargains injurious to its interests. Furthermore, a promise to which prompt effect cannot be given is not an inducement which can pass current at par in commercial negotiations.

This argument, Mr. President, might be summarized as an argument of expedition. In effect it amounts to this, that it is impossible for the President or the representatives of our Government to act successfully in behalf of American industry unless they can act with dispatch. The argument is offered that they must proceed expeditiously, the President suggesting that he must have an unrestrained power, to make their foreign-trade agreements.

The purpose, of course, is to get away from necessity of ratification by the Senate. The argument of expedition is an argument to sustain the idea that the President should have the power, free and unrestrained, to do whatever he may please to do in furtherance of his own judgment and in accordance with his own opinion as to what should be done in promoting the foreign trade of the United States.

It is not a fair or valid argument to say, under present conditions and in this administration, that there is any lack of dispatch or expedition in getting congressional support for the important measures which the President submits.

If we can cooperate with the Executive in matters of gravest import, involving the fundamental existence of the Nation, and trenching upon the basic constitutional powers of Congress; in matters that pertain to the happiness and welfare of all the people of the land; if, with respect to that kind of legislation, we can act within a month or two, how easily, how readily we would be able to deal with a mere trade agreement made by the President if there were no valid or substantial objection to it.

The history of trade agreements in this country has not disclosed so much that the Senate was not expeditious in its action as it has disclosed that the Senate, reflecting the will of the people, in very many instances refused outright to give approval to the treaty. The thing involved in this controversy is not expedition; it is the question of whether or not approval is going to be had at all.

I read from the letter of the Chairman of the United States Tariff Commission in response to Senate Resolution 325, in which he refers to the history of reciprocity treaties. From pages 11 and 12 I read as follows:

It appears therefore that in a period of some 60 years, 10 reciprocity treaties were negotiated under the general treaty powers which did not become effective. Out of the 10, two were rejected by the foreign country, two were negotiated by one President but not accepted by his successor, and the other six were suppressed by congressional action or inaction—four were rejected by the Senate, one failed for lack of the necessary legislation, and one because amendment by the Senate had made it unacceptable to the other country.

On the same page, at another place, I quote as follows:

It may be seen that it has been a matter of some difficulty and delicacy to obtain reciprocity treaties which would satisfy both parties to the treaty. During the last century with three exceptions, all attempts on the part of the United States to complete reciprocity treaties have been abortive. The scattered successes have been with near neighbors and have been enacted perhaps as much for political as for economic reasons. Out of 21 abortive treaties, 16 failed because of opposition in the Senate—a two-thirds majority being required for ratification—being either rejected or allowed to die without a vote.

Thus, Mr. President, I conclude my remarks in connection with this argument of expedition. In my judgment, it is no sounder than the conception entertained by foreign interests, and by internationalists in this country, and by some of the sponsors of this bill, that America is one of the most serious offenders in the matter of the erection of trade barriers.

Now let us look at the third argument.

In the House report, which is one of the most authoritative statements made in behalf of this bill, we find the contention that world trade has shrunk 30 percent in volume from the 1929 level, and the further statement that one of the primary causes for this great shrink in volume is the almost universal existence of high trade barriers. First, Mr. President, they wrongfully blame the United States for the existence of the high trade barriers. Having done that, they contend that the high trade barriers are one of the primary causes of this shrink.

We know something of the causes of the shrink in trade. We know what happened in the year 1929 and the years following that year. We know the great chaotic condition that developed in the world. We know, moreover, that the peak of foreign trade in 1929 had been attained under these same very severe trade restrictions. It had surmounted the difficulties of the so-called "trade barriers"; and then in 1929, without a substantial change in the trade barriers, all at once we found ourselves headed for chaos. Some of the economists assign one reason and some another.

I shall not attempt at this late hour to analyze the reasons for the world depression. Undoubtedly the excessive expansion of credit, the assumption of debts that could not be paid, the load of interest, excessive speculation, and all the other causes, including monetary disorders and dislocation of exchanges, were factors. The mechanization of industry, antipathies between nations, the ill feeling following the Treaty of Versailles, the desire of all the nations to make themselves independent and to abstain from trade—these and a dozen other forces were the great factors that brought about the chaotic condition during and following the year 1929.

I shall not deny that the trade barriers were a factor. I have no doubt they contributed to some extent. I wish the European nations had not engaged in the competitive race in which they did engage to establish the excessively high tariffs and the trade barriers that I discussed earlier in these remarks. I am happy to concede, for the sake of the argument, that those barriers were a factor operating against the free exchange of commerce in the trade between the nations; but to say that they are the primary cause is to overstate the case, and to present a misleading argument in behalf of this bill. I should rather regard them as effects. They flow from antipathies between peoples, from the desire to remain independent and self-sufficient. They are an effect more than a cause; but as a cause they are a secondary and not a primary cause, and they are not the dominant reason why the great depression came upon the world in the year 1929.

I have in my hand a statement by the Secretary of State made in April of this year, and made, I believe, as a press release in behalf of the enactment of this measure. In that statement the Secretary of State, among other things, is quoted as follows:

When the processes of exchange and distribution collapsed in 1929, a world-wide decline of commodity prices and of values rapidly resulted in some localities and gradually in others. International trade collapsed, while production in our own country precipitately declined 45 percent and domestic trade substantially over 50 percent.

There, Mr. President, is the answer to the argument that the trade barriers were the primary cause of the collapse in world trade. Not even the Secretary of State believes that the argument is sound; and he points out that there was a collapse of practically 50 percent in the domestic trade of our own country, where there were no trade barriers in the commerce among the several States. So it is obvious that that contention, like others, is a misdirected effort and a misleading argument in behalf of the bill.

Mr. President, Mr. Wallace, in his book, America Must Choose, made this statement:

The failure to adopt any nationally approved plan during the post-war years has, of course, been disastrous for all of our major producing groups, but it has been most disastrous in its effect on agriculture. The loss of billions of dollars of agricultural income can be charged directly to this cause. The foreign loans we made to sustain our expanded productive capacity after the war, merely concealed the true nature of our situation. When the loans ended—as they were sure to, since we refused to accept sufficient goods in payment—our artificial market for the surplus disappeared overnight.

Here is one statement made by the Secretary of Agriculture which has my cordial approval. The fact of the entire matter was that we were extending excessive credit to the nations of the world in the years prior to 1929. By that extension of credit, we built up a great international trade, to the peak of 1929, and when we withdrew the credit, naturally our trade levels subsided. Who, therefore, in the face of the record, would be justified in saying that the great disaster which came upon our country came because of the trade barriers, which, after all, existed chiefly in the foreign countries operating one against the other, and only to a very slight degree operated against us in our trade with those countries.

It would be interesting, if time permitted, to analyze our trade loss. It has been argued in the House report and the argument was made here by the Senator from Mississippi that we lost more than our share; that is to say, that we have not retained our proportionate share of the diminishing world market. That statement is found, I think, on page 3 of the House committee report.

Without analyzing that contention in detail, let us deal with it in a few sentences. American international trade, greater than that of any other nation in the world, consists of trade in crude commodities. It is disclosed by examination of figures as to the loss of trade that there has been a greater loss in the crude commodities than in manufactured commodities in value. Therefore, our trade, which showed a very high percentage of crude commodities, or raw materials, in the very nature of things was to suffer more than the trade of some other nations.

Moreover, we were injuriously affected by the adverse exchange rate, because until the fall of 1933 we had taken no steps to correct the inequalities in exchange rates, and, of all the nations in the world, our adherence to the gold standard and to our monetary value made us the greatest sufferers. For that reason we were seriously affected in our attempt to compete in world trade by the fact that other nations, with their depreciated currencies, were able to undersell us, to take our markets, and to destroy our trade.

I submit that this factor of international exchange, and this other factor of the withdrawal of credit, and other factors, economic or monetary in nature, were the causes which reduced our proportionate share of the trade of the world, and that it was not due to import restrictions on our trade, nor was it due to certain trade restrictions which operated against us in other quarters of the world.

Further, we find a certain degree of error in the statement contained in the House report. Even if it be admitted that trade restrictions were responsible, and that our tariff policy brought about a greater proportion of loss in the diminishing trade of the world, a comparison of the share of world trade held by the leading countries of the world for the years 1913 and 1932 is very revealing.

Let us leave out the abnormal year 1929; let us lay aside for a moment the great peak year, during which we had increased our foreign trade far above normal by our lending policy. Let us go back to the long-time period, and compare the fairly normal year 1913 with the year 1932.

We find, in amount of change as between the years 1913 and 1932, that the United States had suffered a loss of 0.23 of 1 percent of its share of the world trade, the United Kingdom had lost 1.85 percent of its share of the world trade, and Germany, in the same period, due, I have no doubt, to the influence of the war, had suffered a loss of 3.83 percent of its share of the world trade. So, if we take a normal comparison between the year 1913 and the year 1932, we find that the loss of world trade as suffered by the United States was not disproportionate; that, in fact, it was less than the loss of Germany, of the United Kingdom, and of the other great industrial nations of the world.

An additional argument is made that the world trade can be regained only by taking away the trade restrictions, and that becomes the excuse or apology for the pending bill. I want to analyze briefly the proposition as to whether the difficulty can be overcome by the means prescribed in the bill.

We have had one recent experience in the matter of administering quotas. We attempted, when the prohibition law was repealed, to put the importation of foreign liquors on a quota basis and to expand our foreign trade by means of a quota system with respect to liquor.

I wish to read from the New York Times of March 10 in order to disclose something of the results of that limited experiment.

Mr. President, it is needless to add that, compared with the possibilities under the pending bill, this experiment with the liquor quotas was a primitive, simple experiment, and it was undertaken in a very limited way.

I read from the paper referred to:

The set-up by which the quotas were granted and questions in connection with them were settled was apparently to complicated and led to unreasonable delays.

The State Department was visited by streams of disgruntled diplomats almost daily seeking to know why their countries had not received larger quotas, why their quotas were being delayed, and so on.

At least one country, Germany, seriously raised the question of violation of the most-favored-nation clause in its trade treaty signed by this country in 1925.

Originally adopted in the belief that handsome trade concessions could be obtained by bargaining liquor quotas against import allowances for American products the system has been a disappointment from that point of view.

Outside of an increased quota on apples and pears into France and American tobacco into Spain, hardly any concessions of importance have been obtained in the 4 months the liquor system has been in effect.

And we all know that the system was discontinued.

Mr. President, I am not qualified to speak in connection with our sales of tobacco into Spain, but I happen to know something about our efforts to increase our apple sales abroad by the use of the liquor quota. I have in my hand a letter written by a responsible officer of the International Apple Association. The letter was written to me, because it concerns some of the apple products in the Pacific Northwest. I read briefly from the letter:

While the French Ambassador gave written assurance to our Department of State that the import quota of 200,000 quintals would be effective, it is difficult to see how those assurances can be enforced.

Right now time is the essence of the apple and pear deals. The quarter January 1 to April 1 is of vital importance.

The negotiations as concluded have paralyzed the deal both in France and the United States so far as exports to France are concerned.

If the French assurances are thrown into the field of diplomatic negotiations to persuade the French Government to make the 200,000 quintals effective, the exporting season will be over.

The way the matter now stands the apple and pear industries are apparently worse off than before the negotiations.

I am advised, Mr. President, in connection with this subject, that large cargoes of apples and pears that were admitted into France under the quotas were nevertheless not

purchased by the consumers, and they rotted at the docks and the warehouses, and the American shippers suffered very great losses in this experiment to offset agricultural allowances against liquor import quotas.

On this point we must bear in mind one fact that has never been denied, namely, that the great industrial nations do not sell always one to the other. In the highest sense they are competitive. They are manufacturing and selling the same thing.

Whether we take machinery, automobiles, cotton manufactures, woolen manufactures, or a half a dozen others of the leading products of the great nations of the world, we find that we are not shipping one to the other. We are manufacturing these articles and exporting them abroad, but we are all engaged in selling in a common competitive territory to people of other nations.

This argument, I think, has not been developed in these debates, but it appears very clearly from the records which have been accumulated by our Bureau of Foreign and Domestic Commerce and by the Federal Tariff Commission and by other agencies of our Government.

Because we are competitively engaged with the other industrial and agricultural nations of the world, we and they have nothing to trade. America and the United Kingdom are still competitively selling in common territories to the peoples of other nations the same article, of much the same character, at a competitive price. If we were selling to each other, we might bargain our markets into a better position by making a deal with the United Kingdom that they take a certain proportion of our product in return for our taking a certain proportion of theirs, or if they make a certain concession with respect to their tariffs in return for our making a concession with respect to ours. But where we are engaged in a competitive enterprise under which we both try to sell in a common territory to other peoples, how can we hope to gain by concessions between ourselves and the United Kingdom. We might by agreement get Britain to withdraw from the other markets. We might get them to abstain from competition.

But we would have to go that far—no less—before we could hope to obtain any trade agreements dealing with competitive enterprises in which we are all engaged. Unfortunately, the great nations of the world with which we compete produce and sell the bulk of the world's goods. They supply the bulk of the world's consumption. They leave very little in the field fairly within the operations of foreign-trade agreements. It will be found that a great portion of all the production of the world is clear outside the possibility of negotiating trade agreements with other competing nations.

I shall not detain the Senate with the development of that argument, but I wish to say with very complete confidence that the record of our trade and the trade of Germany, France, Japan, and England sustains the statement, and will convince any person willing to consider the subject that there is a very limited field in which the proposed agreements could operate.

One final argument made in behalf of the bill is that the executive branch of virtually all the other important trading countries has the power under the existing law to make these trade agreements, and therefore that we, in order to compete with the other countries, must give to our executive branch the same flexible and completely dominant authority. I answer that by making just one reference. I turn to the report on this bill as made by the House Committee on Ways and Means, and at page 5 of that report we find that argument developed. The statement is as follows:

> In most European countries agreements can be made by the executive and put into force at once. In some countries no parliamentary ratification of any kind is necessary. In the majority of countries parliamentary ratification is necessary, but the agreements can be made operative at once and parliamentary ratification is largely a matter of form.

In connection with this subject Mr. Sayre, of the State Department, appeared before the committee, and in the record of the hearings he indulged in a statement, to which I call attention because to me it completely refutes the whole argument and shows that with the exception of three countries the statement upon which the argument is advanced is unsound in fact and unsound in effect. He said among other things, as follows:

> Practically all of the countries of continental Europe, as well as England and the major dominions and a few of the countries of Latin America, have authority vested in the executive branch of the Government for negotiating duties below those in the general or maximum tariff schedules, in the course of reciprocal negotiations with other countries.
>
> In a few cases (notably France, Spain, Portugal, Canada, and South Africa), the Parliament has actually established in advance the minimum scale of duties, part or all of which may be granted to other countries by agreements, although in practice rates below the so-called "minimum" have sometimes been granted by France and Spain. The more common practice is to start with a general tariff and authorize the executive branch of the Government to grant reductions in the course of negotiations, without prescribing in advance the amount of the reductions, such rates established by treaty then constituting the second or conventional column of the country's tariff.
>
> In a limited number of countries the Executive has the authority to make definitely effective the reductions granted in the course of reciprocal negotiations, without requiring the approval of the Parliament. (This is the case principally in Canada, British India, with Hungary requiring simple notification to the Parliament. * * *)

This, Mr. President, is an answer to the argument. After all is said to the effect that the other nations are practicing a system something equivalent to that set up in this bill, we find upon examination of the facts that of all the nations in the world there are only three in which the executive enjoys the unbounded power given to the President in this bill.

Either there is a legislative definition or a limit upon what may be done, or else there is a requirement for ratification by the legislative branch of the Government. So I say that argument also falls along with the rest.

Now to summarize: The various arguments presented with some rather minor exceptions, are the only arguments that have been advanced; they are the only arguments that appear in the House report or the Senate report, in the statement of the Senator from Mississippi [Mr. HARRISON], and other authoritative statements in behalf of the bill. All combined do not begin to justify the enactment of this legislation.

Nor is the legislation necessary. We can in other ways solve our trade problems if we have the will to do so. We can proceed under the Constitution and under existing law. Our President can negotiate all the agreements that will be of any substantial benefit to the people of the United States, and ratification can be had by the Senate. It is not necessary to resort to the expedients which are created in the proposed statute. It is not necessary to rely upon arguments of doubtful validity, committing us to a doubtful course, sending us out upon an uncharted sea, involving us in commitments of a nature which we cannot know or evaluate in advance.

Mr. President, I submit that it is wholly unnecessary to create in this country the uncertainty and the doubt that would come to the business minds of the people of America if the President were clothed with these extraordinary and unlimited powers. It is unnecessary and unwise to leave our charted course for this new and novel experiment.

I said in the beginning that I knew my remarks would have no influence upon the action to be taken here, and I expressed the hope that some faint echo of my utterances might be heard by people elsewhere. Let me say now, in conclusion, that if the American people will give the subject the attention which its importance deserves, they will come to the conclusion very promptly that in this legislation there is a threat against their welfare and against their security.

I prophesy the day will come when they, in the assertion of their rights as free citizens, will demand of the Congress that we recall the extraordinary powers which we are delegating to others, and that we thus restore to the people's representatives the functions of government which are rightfully performed by the Congress. Compliance with that demand will bring us back to the Constitution under which our country has grown so great.

NATIONAL ARCHIVES COMMISSION

Mr. McKELLAR. Mr. President, today the Committee on the Library ordered reported a bill establishing a commission for the new Department of Archives. The House had previously passed a bill and the Senate passed a substitute bill relating to the same subject. I think it is one of the most important matters that has been before the Senate for some time. For the convenience of Senators, the matter being of such great importance, I ask unanimous consent that the two bills may be printed in parallel columns in the RECORD.

Mr. WALSH. The Senator is not asking for action on the bill at this time?

Mr. McKELLAR. Oh, no.

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

HOUSE BILL 8910 AS PASSED THE HOUSE

[H.R. 8910]

An act to establish a National Archives of the United States Government, and for other purposes

Be it enacted, etc., That there is hereby established a commission to be known as the "National Archives Commission", to be composed of the Secretaries of each of the executive departments of the Government (or an alternate from each department to be named by the Secretary thereof), the Chairman of each of the Senate and House Committees on the Library, the Librarian of Congress, the Secretary of the Smithsonian Institution, and the Archivist of the United States.

SEC. 2. There is hereby created and established the National Archives, which is hereafter to be known as the "National Archives of the United States", for the purpose of receiving, preserving, and supervising the use of certain Government papers and records as set out in sections 3 and 4 of this act. The head of the National Archives shall be known as the "Archivist of the United States", who shall be appointed by the President of the United States, by and with the advice and consent of the Senate. The archivist is authorized to appoint, solely on their fitness and aptitude for their duties, such assistants, officers, and other employees as he may deem necessary.

SEC. 3. The source of material to be transferred to the National Archives of the United States (hereinafter referred to as the "National Archives") shall consist of records, documents, and manuscripts now in the custody of or having their origin in the executive departments, independent offices, and any and all other agencies of the Federal Government.

SEC. 4. The National Archives Commission (hereinafter referred to as the "commission") shall define the classes of material which may be transferred to the National Archives and establish rules and regulations governing such transfer. The executive departments, independent offices, and other governmental agencies shall, in all cases, submit in advance to the archivist descriptive lists, or inventories, of the records to be transferred to the National Archives.

SEC. 5. All materials and records within the definition of

HOUSE BILL 8910 AS REPORTED TO THE SENATE

[H.R. 8910]

An act to establish a National Archives of the United States Government, and for other purposes

Be it enacted, etc., That there is hereby created the Office of Archivist of the United States, the archivist to be appointed by the President of the United States, by and with the advice and consent of the Senate.

SEC. 2. The salary of the archivist shall be $8,000 annually. All persons to be employed in the National Archives Establishment shall be appointed by the archivist solely with reference to their fitness for their particular duties and without regard to civil service law; and the archivist shall make rules and regulations for the government of the National Archives; but any official or employee with salary of $5,000 or over shall be appointed by the President, by and with the advice and consent of the Senate.

SEC. 3. All archives or records belonging to the Government of the United States (legislative, executive, judicial, and other) shall be under the charge and superintendence of the archivist to this extent: He shall have full power to inspect personally or by deputy the records of any agency of the United States Government whatsoever and wheresoever located, to secure the full cooperation of any and all persons in charge of such records in such inspections and in the execution of such measures as may be deemed necessary for the better preservation of the material, and to requisition for transfer to the National Archives Establishment such archives, or records as the National Archives Commission, hereafter provided shall approve for such transfer, and he shall have authority to make regulations for the arrangement, custody, use, and withdrawal of material deposited in the National Archives Building.

SEC. 4. The immediate custody and control of the National Archives Building and such other buildings, grounds, and equipment as may from time to time become a part of the National Archives Establishment (except as the same is vested by law in the Director of National Buildings, Parks, and Reservations) and their contents shall be vested in the Archivist of the United States.

HOUSE BILL 8910 AS PASSED THE HOUSE—continued

the commission may, subject to the approval of the departments, offices, and agencies from which it is to be drawn, be transferred at any time and without regard to the date of such material and records, on requisition of the archivist: *Provided*, That after 5 years from the beginning of this commission the approval of the departments, offices, and agencies from which such material is to be drawn shall not be necessary, except in the case of material bearing dates within 50 years prior to the then dates, and thereafter within 50 years prior to the date of requisition.

SEC. 6. (a) The archivist shall store, classify, arrange, list, index, or catalog all matter received by him, repair and bind the same when needed, and perform all other activities judged needful for the proper administration of his office and the preservation and service of the record property in his custody. In consultation with the commission, the archivist shall prescribe rules and regulations governing examination and consultation of the record property in his custody as he may deem wise: *Provided*, That any head of an executive department, independent office, or other agency of the Government may, for limited periods, not exceeding in duration his tenure of that office, exempt from examination and consultation by officials, private individuals, or any other persons such confidential matter transferred from his department or office, as he may deem wise.

(b) The National Archives may also accept, store, and preserve motion-picture films and sound recordings pertaining to and illustrative of historical activities of the United States and in connection therewith maintain a projecting room for showing such films and reproducing such sound recordings for historical purposes and study.

SEC. 7. (a) The commission is hereby authorized to appoint a committee to advise on publishing historical material, such committee to be known as the "Committee on National Historical Publications." The membership of this committee shall consist of the Archivist of the United States (who shall be chairman); the Historical Adviser of the Department of State; the Chief of the Historical Section of the War Department, General Staff; the Superintendent of Naval Records in the Navy Department; the Chief of the Division of Manuscripts in the Library of Congress; the Curator, Division of History, of the Smithsonian Institution; the president of the American Historical Association; and, in addition thereto, two other members, selected from among persons recognized as of high attainment in American history, to serve for a period of 4 years.

(b) The functions of the Committee on National Historical Publications (hereinafter referred to as the "committee") shall be to examine material in the custody of the National

HOUSE BILL 8910 AS REPORTED TO THE SENATE—continued

SEC. 5. That there is hereby created also a National Historical Publications Commission which shall make plans, estimates, and recommendations for such historical works and collections of sources as seem appropriate for publication at the public expense, said commission to consist of the Archivist of the United States, who shall be its chairman; the historical adviser of the Department of State; the chief of the historical section of the War Department, General Staff; the superintendent of naval records in the Navy Department; the Chief of the Division of Manuscripts in the Library of Congress; and two members of the American Historical Association appointed by the president thereof from among those persons who are or have been members of the executive council of the said association: *Provided*, That the preparation and publication of annual and special reports on the archives and records of the Government, guides, inventory lists, catalogs, and other instruments facilitating the use of the collections shall have precedence over detailed calendars and textual reproductions. This commission shall meet at least once a year, and the members shall serve without compensation except repayment of expenses actually incurred in attending meetings of the commission.

SEC. 6. That there is hereby further created a National Archives Council composed of the Secretaries of each of the executive departments of the Government (or an alternate from each department to be named by the Secretary thereof), the Chairman of the Senate Committee on the Library, the Chairman of the House Committee on the Library, the Librarian of Congress, the Secretary of the Smithsonian Institution, and the Archivist of the United States. The said Council shall define the classes of material which shall be transferred to the National Archives Building and establish regulations governing such transfer; and shall have power to advise the archivist in respect to regulations governing the disposition and use of the archives and records transferred to his custody.

SEC. 7. That the National Archives shall have an official seal which will be judicially noticed.

SEC. 8. That the archivist shall make to Congress, at the beginning of each regular session, a report for the preceding fiscal year as to the national archives, the said report including a detailed statement of all accessions and of all receipts and expenditures on account of the said establishment. He shall also transmit to Congress the recommendations of the Commission on National Historical Publications, and, on January 1 of each year, with the approval of the council, a list or description of the papers, documents, etc. (among the archives and records of the Government), which appear to have no permanent value or historical inter-

HOUSE BILL 8910 AS PASSED THE HOUSE—continued

Archives, advise on the propriety and need for its publication, and submit plans and costs governing such publications as it may deem necessary.

(c) The committee shall also examine available historical material, governmental in origin and character, suitable for motion pictures, for radio broadcast, for sound recording, for lecture, or for any other method of disseminating information, and advise as to plans and costs of preparing such material for the end sought.

(d) The committee shall report to the archivist, who is authorized, with the consent of the commission, to prepare, print, publish, and/or record such material: *Provided*, That the annual expenditures for such purposes shall not exceed the sum of $20,000.

SEC. 8. The archivist shall receive a salary of $10,000 a year. The members of the commission and members of the committee shall receive no salary, but their transportation expenses and expenses incident to not more than two meetings of not more than 6 days' duration each in any 1 year shall be paid out of such funds as are available.

SEC. 9. The National Archives shall have an official seal which shall be judicially noticed.

SEC. 10. There is hereby authorized such appropriations as may be necessary for the purpose of carrying out the provisions of this act.

SEC. 11. The archivist shall submit annually to Congress a report for the preceding fiscal year covering accessions, publications, and recordings, and a detailed statement covering all receipts and expenditures.

SEC. 12. All acts or parts of acts relating to the custody, preservation, and disposition of official papers and documents of executive departments and other governmental agencies inconsistent with the provisions of this act are hereby repealed.

HOUSE BILL 8910 AS REPORTED TO THE SENATE—continued

est, and which, with the concurrence of the Government agency concerned, and subject to the approval of Congress, shall be destroyed or otherwise effectively disposed of.

SEC. 9. That there are hereby authorized such appropriations as may be necessary for the maintenance of the National Archives Building and the administration of the collections, the expenses, and work of the Commission on National Historical Publications, the supply of necessary equipment and expenses incidental to the operations aforesaid, including transfer of records to the Archives Building; printing and binding; personal services in the District of Columbia and elsewhere; travel and subsistence and per diem in lieu of subsistence, notwithstanding the provisions of any other acts; stenographic services by contract or otherwise as may be deemed necessary; purchases and exchange of books and maps; purchase, exchange, and operation of motor vehicles; and all absolutely necessary contingent expenses, all to be expended under the direction of the archivist, who shall annually submit to Congress estimates therefor in the manner prescribed by law.

SEC. 10. All acts or parts of acts relating to the charge and superintendency, custody, preservation, and disposition of official papers and documents of executive departments and other governmental agencies inconsistent with the provisions of this act are hereby repealed.

THE N.R.A.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent to have printed in the RECORD an interview published in the New York Times of May 27, attributed to Mr. William R. Hearst; also a statement appearing in the New York Times under date of May 28 entitled "Give the N.R.A. a Chance", signed by the United States Plywood Co., Inc.; and another article appearing in the same paper having relationship to the regulation of the service industries and the code labor rule.

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

[From the New York Times, May 27, 1934]

HEARST, SAILING, SHIFTS TO THE N.R.A.—PUBLISHER, URGING SUPPORT OF PRESIDENT, NOTES RISE IN NATION'S BUSINESS—CITES ADVERTISING GAIN—BELIEVES IN NEW DEAL SO LONG AS "YOU ARE NOT TOLD TO DO SOMETHING YOU CAN'T DO"

William Randolph Hearst, publisher, sailed yesterday on the Italian liner *Rex*, expressing optimism about conditions in the country and the progress of recovery.

In a virtual reversal of his former attitude, the publisher said he felt that everyone should support the N.R.A. and recovery measures so long as the measures did not "tell you to do something you can't do." He said he was in sympathy with President Roosevelt.

With Mr. Hearst were his three sons, William R., Jr., John, and George, the wives of his sons and 11 of his friends.

The publisher said he believed the United States was well on the way to recovery, citing increases in newspaper advertising as a reliable barometer of conditions throughout the Nation.

HE NOTES GAIN IN TRADE

When asked for his views on the Recovery Act, Mr. Hearst, who talked in Chicago recently with General Johnson, head of the N.R.A., and visited the President in Washington, said:

"It is much better than it was. General Johnson seemed to have a very judicious and admirable attitude. He said that the codes were satisfactory to many industries, which preferred to have them rather than not."

Speaking of his visit to Washington, he said:

"I have sympathy for the National Recovery Act, and all is right with it so long as they don't tell you to do something you can't do. I think we are going to get along, and all should help as much as they can. I am entirely in sympathy with the President."

[From the New York Times, May 28, 1934]

GIVE THE N.R.A. A CHANCE

Unless the citizens of our beloved country support our President and the Congress no plan—social or economic—can succeed.

In other countries, notably England and Russia, the people have sustained their governments during the crisis with an enthusiasm amounting to religious fervor. Both of these countries are well on their way toward complete recovery.

We lay claim to no knowledge of political or social economics qualifying us to judge the wisdom of the plan of our Government, but we subscribe to the opinion that no plan can succeed without the unselfish and intelligent support of the whole people—that any plan, capable of modification by experience, can succeed if honestly and intelligently supported.

The N.R.A. has revivified the lumber industry in all of its complex phases. It has raised the wages of workmen from as little as nothing, save rude board and keep, to a minimum of 42½ cents an hour. It has benefited the "little man" by protecting him against the dumping of overproduction in his markets; by teaching him the cost of doing business and by stabilizing his market with due consideration to his activities.

Even in this industry the chiselers are at work undermining, for selfish reasons of temporary gain, the structure which has saved them from destruction.

Give the N.R.A. a chance to succeed by giving it your wholehearted, patriotic support. Do not be a traitor to your own interests, for it inevitably means a return to the chaos of 1933 or the lash of the dictator. Your Government has made mistakes, but it has set us on the road to recovery, and has passed many laws to prevent abuses of the past.

The man who will not support his Government in this crisis is beneath contempt.

UNITED STATES PLYWOOD CO., INC.,
LAWRENCE OTTINGER, *President*.

[From the New York Times, May 28, 1934]

ROOSEVELT ENDS REGULATION OF THE SERVICE INDUSTRIES BUT KEEPS CODE LABOR RULE—N.R.A. DRASTICALLY REVISED—BUT LOCAL FAIR-PRACTICE PACTS ARE AUTHORIZED IN EXECUTIVE ORDER—85 PERCENT MUST AGREE—OTHERWISE BLUE EAGLE IS PERMITTED IF FOUR BASIC RULES OF THE LAW ARE MET—PRICE CONTROL WAS SNAG—STATEMENT BY PRESIDENT CITES HANDICAPS TO NATIONAL CODES FOR SALE OF SERVICES

WASHINGTON, May 27.—President Roosevelt, in an Executive order today, authorized the exemption of the service industries from some of the fair-trade practices of N.R.A. codes.

The exemption does not apply to minimum wages and maximum working hours, child labor, and collective bargaining.

The Executive order empowers Recovery Administrator Johnson to cease attempting to enforce open-price systems, price fixing, and other devices on hundreds of thousands of cleaners, dyers, and pressers, barber shops, beauty shops, and the like.

In a statement, the President defined service industries as those "engaged in the sale of services rather than goods."

The statement said that "a trial period of some months has shown that while most industries after organization for this work and a little experience with it can secure uniform national results, there are others in which a greater degree of autonomous local self-government is desirable."

Among these are "some but not all" of the service industries, the statement added.

MUCH DIFFICULTY IN FIELD

This latest step toward a changed N.R.A. was taken after General Johnson and his aides had found mounting difficulty in the service-industries field.

The cleaners and dyers code accounted for more than half the Blue Eagles removed. Under the code, a complicated system of minimum prices was set up for various areas in the country.

Wide-spread violation prompted General Johnson to say that he never should have attempted to write fair-trade practice provisions into the pact.

Under the Executive order of today, however, fair-trade practice provisions for a service industry in a given area may be provided when 85 percent of the industry in the area agrees to them and they are approved by the N.R.A.

No member of any service industry may fly the Blue Eagle unless he is living up to the present code provisions governing child labor, maximum hours, minimum wages, and collective bargaining. In areas where a local code has been promulgated, the members of the industry, to fly the Blue Eagle, must, in addition, live up to the local code.

SIGNING DELAYED BY PRESIDENT

The decision on whether an industry is eligible for exemption is left to General Johnson and his aides.

While the step was forecast by General Johnson 3 weeks ago, it is known that the Executive order, presumably drafted by the N.R.A., had been unsigned on the President's desk for almost a week. Some N.R.A. officials had doubted whether he would sign it at all, involving as it does a major change in N.R.A. policy.

Forecasting of the order by General Johnson brought a storm of protest from cleaners and dyers throughout the country.

Since the basic principle of the N.R.A. contemplates meeting the increased production costs of higher wages and shorter working hours with savings by elimination of destructive price cutting and of other practices, much interest in how the new policy would work out was expressed in N.R.A. circles.

N.R.A. officials have for some time recognized a grave problem in handling such codes as come within the scope of today's Executive order. They feel there is little that a code can offer in this field in return for the higher production costs under the N.R.A.

LIST OF GROUPS AFFECTED NOT READY

WASHINGTON, May 27.—The Recovery Administration was not prepared tonight to announce the industries to come under the new order.

Virtually the only service industry operating under a national price schedule is that of cleaning and dyeing.

The hotel code has been suspended for perfection by the code authority. The restaurant group is operating under a national code based mainly on wage and hour provisions.

The laundry and barber-shop groups are operating under codes with fair-trade practice provisions.

THE PRESIDENT'S STATEMENT

WASHINGTON, May 27.—Following are the texts of the President's statement announcing changes in the N.R.A. as it affects service industries and of the Executive order promulgating the changes:

"Most industries have a national community of economic interests, even though the operation of some of their units is local. There are others which, notwithstanding their having national trade associations, do not actually integrate themselves nationally. Whether an industry can govern and police itself under the fair-trade provisions of a national code depends on its degree of actual economic integration on a national scale and on the organization and solidarity within the whole industry.

"A trial period of some months has shown that while most industries, after organization for this work and a little experience with it, can secure uniform national results, there are others to whom a greater degree of autonomous local self-government is desirable. Among these are some, but not all, of the so-called "service industries"—that is, industries engaged in the sale of services rather than of goods.

"No industry would give up the gains we have made in the elimination of child labor and in the establishment of minimum wages and maximum hours of labor and, of course, under the law, we cannot give up collective bargaining and the right of the President to cancel or modify codes, orders, and agreements.

I am signing an order today which carries these principles into effect as to some of the so-called "service industries."

To put it simply: No matter where he is located, no member of any such service industry, as shall have previously been designated by the Administrator, may fly the Blue Eagle unless he is living up to the present code provisions governing child labor, maximum hours, minimum wages, and collective bargaining.

But trade practices shall be required as a condition of flying the Blue Eagle in these designated service industries only in particular localities in which at least 85 percent of the members there have proposed as a local code of fair-trade practice a schedule of such practices in respect of which they all seek to agree with me to comply with their own proposal.

If the Administrator approves any such proposed local code, then no member in that locality may fly the Blue Eagle unless, in addition to complying with the code provisions governing child labor, maximum hours, maximum wages, and collective bargaining, he also is complying with this local compact on trade practices.

The display of the Blue Eagle by any employer is notice to the people of the United States that he is dealing fairly with his workers in accordance with the letter and spirit of the recovery program, that he is not taking advantage of child labor and that he is living up to the prescribed high responsibility to the public and to his competitors.

The absence of a Blue Eagle indicates that the employer has omitted or refused to adopt some of these standards and to cooperate with the Government and his economic and actual neighbors in trying to bring about a better day.

TEXT OF EXECUTIVE ORDER

The Executive order follows:

Pursuant to authority vested in me by title I of the National Industrial Recovery Act, I, Franklin D. Roosevelt, President of the United States, do hereby direct that all provisions in codes of such service trades or industries as shall hereafter be designated by the Administrator for National Recovery be hereby suspended until further orders, except provisions governing child labor, maximum hours of work and minimum rates of pay and the mandatory provisions of sections 7 (a) and 10 (b).

Each member of any such trade or industry, so designated, shall be entitled to display the appropriate insignia of the National Recovery Administration so long, and only so long, as he is complying with the aforesaid nonsuspended provisions; provided, however, that in any locality in which 85 percent of the members of any such designated trade or industry shall propose to agree with the President to abide by any local code of fair-trade practices suggested by them for that locality, which schedule shall have been approved by the Administrator, the Administrator is authorized to make such agreement and thereafter no member of such industry in such locality shall be entitled to display the appropriate insignia of the National Recovery Administration unless, in addition to the aforesaid nonsuspended provisions of the code, he is complying with all terms of such agreement.

The Administrator may supplement this order by such rules, regulations, exceptions, modifications, conditions, and determinations as, in his opinion, shall effectuate the purposes of this order and of said act.

RECEIVERS IN BANKRUPTCY

Mr. WAGNER. Mr. President, I present a supplemental petition of the special committee of the New York County Lawyers Association in the matter of rules XIV, XXXIX, and XLVI of the General Orders in Bankruptcy and of bankruptcy rules XXVII, XXII, VIII, and XXX of the southern district of New York, relative to the matter of bankruptcy receiverships, together with an exhibit, being House Report No. 1104, Seventy-third Congress, second session, entitled "Receivers in Bankruptcy", which I ask may be printed in the RECORD.

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

IN THE SUPREME COURT OF THE UNITED STATES

IN THE MATTER OF RULES XIV, XXXIX, AND XLVI OF THE GENERAL ORDERS IN BANKRUPTCY AND OF BANKRUPTCY RULES XXVII, XXII, VIII, AND XXX OF THE SOUTHERN DISTRICT OF NEW YORK. ON PETITION OF THE SPECIAL COMMITTEE OF THE NEW YORK COUNTY LAWYERS' ASSOCIATION

To the honorable the CHIEF JUSTICE AND ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE UNITED STATES:

On May 24, 1933, the special committee of the New York County Lawyers' Association, appointed by resolution dated January 12, 1933, thereto annexed, filed a petition herein praying for a change in the present practice of appointing a sole standing receiver, as receiver in bankruptcy, and in a multiplicity of equity cases, for a change of rules and orders of this Court respecting the same, and for other relief as therein set forth. Since then many things have happened which further strengthen the said petition and show that equity and sound public policy dictate that there should be such change and that the petitioner is entitled to relief.

RESOLUTION OF THE BAR ASSOCIATIONS

The following bar associations, represented at a joint meeting held on January 22, 1934, in the building of the Downtown Athletic Club, in the city of New York, passed a resolution disapproving the selection of a standing receiver in the southern district of New York, the appointment of a trust company as a sole standing receiver, the solicitation of claims and powers of attorney by referees in bankruptcy for the election of the standing receiver as trustee in bankruptcy, to wit, New York County Lawyers Association, Federal Bar Association of the State of New York, New Jersey, and Connecticut, Bronx County Bar Association, Nassau County Bar Association, Brooklyn Bar Association, Queens County Bar Association, Yonkers Bar Association, Westchester County Bar Association, Richmond County Bar Association, Kings County Lawyers Association, Kings County Criminal Bar Association, Suffolk County Bar Association, Middletown Bar Association, Harlem Lawyers Association, and Women's Bronx County Bar Association.

The resolution is as follows:

"*Be it resolved*, That we, as representatives of the bar associations here assembled, unqualifiedly oppose the appointment by the United States District Court, Southern District of New York, of a corporate standing receiver or any standing receiver in bankruptcy, and the solicitation of powers of attorney by Federal referees for the election of the Irving Trust Co. as trustee, for the following reasons:

"First. That the court's appointment of such standing receiver creates a dangerous monopoly over all classes of business and is inimical to the best interests of the country and the administration of justice.

"Second. A standing receiver or trustee with unlimited discretion in the appointment of counsel and distribution of legal business, acquires and exercises insidious and sinister power to dominate the bar and distribute its legal business to small groups of its favorites, distribute patronage, as it were, and subvert freedom of the bar.

"Third. A free, independent, and untrammeled bar is just as essential to public welfare as a free press.

"Fourth. The investigation by a congressional committee of the Irving Trust Co. receiverships—even though limited, due to lack

of funds—clearly establishes that the Irving Trust Co. was not more efficient than individual receivers, that certain charges made by the Irving Trust Co. for services as receiver or trustee were contrary to law, and that it greatly profited by the deposits of the funds of bankrupt estates with itself.

"And be it further

"*Resolved*, That we respectively urge the United States Supreme Court to act favorably on the petition of the New York County Lawyers Association to abolish the practice of appointing a standing receiver in bankruptcy, and of soliciting powers of attorney by the referees for the election of the Irving Trust Co. as trustee in bankruptcy."

In addition to the joint resolution of said 15 bar associations, attached to and made a part of this supplemental petition, and the resolution passed by the New York County Lawyers Association (under which our original petition was presented, and which was made a part thereof), we respectfully refer to the following certified copy of the resolution of the New York State Bar Association, which is as follows:

"At a meeting of the New York State Bar Association held in the rooms of the Association of the Bar of the City of New York on the 16th and 17th of January 1931, among other matters, the following resolution was passed:

"'*Resolved*, That the United States judges sitting in the District Court of the United States for the Southern District of New York be respectfully requested to resume the practice of the appointing of individual receivers.'"

NEW YORK STATE BAR ASSOCIATION,
CHARLES W. WALTON, *Secretary*.

A true copy, March 21, 1934.

The Legislature of the State of New York at its present session of 1934, by a vote of 120 to 17 in the assembly and 43 to 3 in the senate, voted for laws intended to make impossible corporation receiverships.

In spite of the Governor's veto specifically stated by him as made not on the merits of the bill, but because he held it was a Federal question, the State senate thereafter, on April 18, 1934, resolved to amend the civil practice act to the same effect by a vote of 45 to 3.

The congressional Bankruptcy Investigating Committee, sitting in New York and hearing voluminous testimony, though representing in its personnel all sections and both major political parties, and after hearing counsel for the said trust company standing receiver, unanimously condemned its continuance as such corporation receiver, and monopoly.

CONGRESSIONAL INVESTIGATION ON RECEIVERS IN BANKRUPTCY—REPORT OF COMMITTEE

In the fall of 1933 the subcommittee of the congressional Committee on the Judiciary, conducted an investigation of the conditions relating to bankruptcy and equity receiverships and the selection of trustee, in the southern district of New York. Although hampered by limited funds to conduct a more thorough investigation, 1,364 pages of testimony were taken, in which are included numerous exhibits. Various witnesses, including the officials of the Irving Trust Co. and Hon. John C. Knox, senior United States district judge, testified. The committee made its report on the said investigation on March 29, 1934, to the House of Representatives, which is attached as exhibit A. We quote from same:

"The district judges of the southern district of New York some time ago adopted a rule setting up the Irving Trust Co., of the city of New York, as a standing receiver in all cases, and since that order, said Irving Trust Co. has supplanted the legal profession in the administration of receiverships in bankruptcy."

A few years ago there had occurred some scandals in the city of New York concerning the appointment of receivers. The United States judges of the southern district of New York, however, were not without blame, since they had in some cases themselves appointed incompetent and dishonest officials. Of course, it must be stated that considering the tremendous amount of work the judges must perform, to pass accurately in all cases upon the competency and honesty of their appointees is ofttimes difficult, if not impossible. Yet, as a result of the order of the judges, setting up the Irving Trust Co. as a standing receiver, there has been set up a monopoly in the Irving Trust Co. with power to appoint attorneys for the receiver, the appraisers, custodians, auctioneers, etc. Referees are also instructed by the judges in notices to creditors, in as persuasive and forceful language as possible, to suggest voting the Irving Trust Co. as trustee. This is contrary to the spirit of the Bankruptcy Act, which provides for creditor control over bankrupt estates. In almost every instance where the Irving Trust Co. has been appointed receiver it has been elected trustee.

Conflict of interest has often arisen. One bankruptcy estate often has claims against another estate. Since the Trust Co. is receiver or trustee in all cases, it has found itself making claims against itself. There are cases in the southern district of New York entitled "Irving Trust Co. as receiver against Irving Trust Co. as receiver."

In justification of their attitude, in setting up the bank as standing receiver, some of the judges had explained that formerly they were importuned at their homes, upon streets, and at public gatherings by those who sought to be appointed as receivers in bankruptcy cases. They claim they now have great peace of mind because they are no longer bothered with these insistent demands for appointments. It must be remembered, however, that the bankruptcy statute was not enacted for the convenience of judges or their peace of mind. Judges must be able to steel themselves against the improper importunities of friends. They must render themselves impervious to such demands and requests. If the judges complained of such political patronage in the appointment of receivers, it must be remembered that there has been set up another kind of patronage, namely, the Irving Trust Co. Doubtlessly, the one who confers the most favors and brings the most business to the Irving Trust Co. will in the long run receive lucrative appointments. The appointment of lawyers may not be exclusively upon merit or efficiency. Certainly, officials of the bank are just as human as the judges. They are subject to the same demands and importunities.

Furthermore, upon the suggestion of the judges of the southern district of New York, the Supreme Court adopted a rule permitting the Irving Trust Co. to deposit with itself bankrupt estate funds. This is most unusual. Nowhere else do we have a situation where a receiver or trustee can keep his or its own funds in his or its possession.

A subcommittee of the Judiciary Committee investigating conditions concerning the Irving Trust Co. brought out the fact that last summer there was $19,000,000 that the Irving Trust Co. held on deposit in the form of bankrupt estate funds.

Senior Circuit Judge Martin T. Manton, of the Circuit Court of Appeals embracing the southern district of New York, has this to say on the subject:

"All integrity, honesty, and understanding have not left the bar just because of the so-called 'bankruptcy scandal.' Lawyers give to bankruptcy cases their individual, personal attention—their humane consideration. They are efficient and competent, and I believe can handle the exigencies of bankruptcy situations more satisfactorily than a banking corporation."

The appointment of the Irving Trust Co. as a standing receiver was opposed by the New York State Bar Association, the Brooklyn Bar Association, the New York County Lawyers Bar Association, the Nassau County Bar Association, the Queens County Bar Association, the Richmond County Bar Association, the Bronx County Bar Association, and the Federal Bar Association of New York, New Jersey, and Connecticut. The Irving Trust Co. was receiver, for example, in the following cases: United Cigars, Lerner Dress, Owl Drug, Whelan Drug Stores, Wallack Bros. (haberdashery), Savoy Plaza Hotel, Hotel Pierre, McCory Stores, etc. It has under its control all manner and kinds of business and industries, retail, wholesale, manufacturing. It runs railroads, restaurants, trolley lines, hotels, and supervises the operation of 60 match corporations in Denmark, Finland, Guatemala, Yugoslavia, Norway, the Philippine Islands, Poland, Turkey, Austria, Czechoslovakia, Estonia, Hungary, Latvia, and Italy, and the United States. By the appointment of itself as ancillary receiver of many chain-store bankrupts, it functions in scores of congressional districts.

In the beginning, it set up its own collection agency, called the "Estate Collection Service", and in addition to its own fees as receiver, said Irving Trust Co. charged collecting fees. It took court proceedings to preclude the Irving Trust Co. from indulging in this practice.

The Irving Trust Co. issued a report to its stockholders January 17, 1934. It contains certain information as to the profitable operation of its bankruptcy-receivership department. There is a statement in the report to the effect that $100,000 a year is estimated as its profit as the trustee of bankruptcy funds. If such profit had been made by an individual trustee and not the Irving Trust Co., it would belong to the creditors who share in the dividends. This is not the case, however, with the Irving Trust Co.

The Irving Trust Co. and its defenders, including numerous trade associations, maintain that creditors have received more dividends and are far better off under the old system of appointing individual attorneys and entities as receivers. There is considerable dispute as to this.

The Federal Bar Association of New York, New Jersey, and Connecticut, however, says as follows:

"A careful examination and analysis of one of the reports filed by the Irving Trust Co. shows this bank to be of no practical advantage to the creditors over the administration by the creditors themselves under the bankruptcy law and no improvement for the public interest."

The representative of the Brooklyn Bar Association stated that his investigation demonstrated (1) that the Irving Trust Co. administration is not more economical, and (2) that the creditors are not receiving a larger percentage of the dividends by reason of the Irving Trust Co. acting as administrator.

The Irving Trust Co. has seen fit to appoint as its attorneys in various receiverships, a coterie of favorite attorneys. The fees received by these attorneys are staggering in amount. In the investigation conducted by the special committee of the Judiciary Committee at New York, it was disclosed that four law firms, out of 84 bankruptcy cases distributed among them, had received in fees a total, up to the time of the investigation in October 1933, of $1,043,584, and that there were numerous cases still pending in those offices for which no compensation had yet been paid. The stupendous fees paid to several of these law firms under the Irving Trust Co. arrangement is shocking. One firm, in particular, will have earned doubtlessly upward of three-quarters of a million dollars when the pending cases are concluded.

The continuing of the Irving Trust Co. as receiver will tend toward a monopoly that will give this corporation tyrannical control over the bar, because the amount of legal work it passes out is incalculable.

The New York State Legislature last year and the New York State Legislature recently passed what is known as the "McNaboe

bill", which intended to prevent the Irving Trust Co. from exercising a virtual monopoly in receiverships. Although the measure did not mention that corporation by name, it provided that no corporation could act, directly or indirectly, as receiver or trustee in bankruptcy or as receiver in equity. The bill recently and the bill last year went through both houses of the legislature by wide margin. Governor Lehman last year and on March 24 of this year vetoed the bill, and said:

"The veto of this bill is not to be construed as an approval of the system existing in that district. The fact is, however, that the judges of the Federal court of the southern district, pursuant to the power vested in them, adopted the rule centering receiverships and trusteeships in bankruptcy in the hands of one corporation.

"If a change is desired, the judges of that court may make the change, or the change may be made by action of the Congress. It is not for this State to change by indirect means a rule made by a Federal court for the discharge of bankruptcy cases coming before it.

"As I said in my veto message of last year, interference by the State would not only be an unwarranted intrusion into what is primarily a judicial function, but it would carry that intrusion into Federal courts which are in no sense subject to State legislative control and into the field of bankruptcy which by the Constitution of the United States is vested in the Federal Government.

"We thus have an overwhelming expression of sentiment on the part of the New York State Legislature, representing the sentiment of the people of the State of New York, that it does not wish the continuance of the Irving Trust Co. as monopoly receiver in the Federal courts. The Governor of the State of New York says that it is not within the province of the State to act."

BANKRUPTCY AND EQUITY RECEIVERSHIP

Funds carried by bank at one-half percent interest since June 1931. Originally rate paid was 2 percent.

1930: February $653,146.49. From that amount the fund progressively rose to $8,378,293.97, during that year.

1931: January $10,740,410.55, and was in December $12,530,616.69.

1932: January $11,940,693.72, and was in December $13,617,862.95.

1933: January $17,866,416.46, February $20,930,159.52, March $21,130,815.95, April $21,758,509.49, May $21,758,509.49, June $22,158,273.23, July $22,410,260.34, August $21,107,658.80.

At the time of the investigation this fund was approximately $23,000,000.

Mr. Ward, the president of the Irving Trust Co., testified that before accepting the receivership he emphasized as a condition that the trust company should be given the right to carry all the funds on deposit with itself and that he considered that as an element of profit.

In a report issued by the Irving Trust Co. to stockholders in January 1934, it was stated that the trust company made an annual profit of $100,000 on those funds. Such profits should properly go to creditors and not to the bank.

The Irving Trust deposited with the court from time to time Liberty bonds paying 4½-percent interest to equal the funds on hand, that is of about $21,000,000. This would be tantamount to using the funds for the purchase of the Liberty bonds and drawing the interest at 4¼ percent which would go to the trust company.

The annual interest on $21,000,000 at 4 percent would amount to $840,000 net to the bank.

AS TO SOLICITATION OF CLAIMS AND POWERS OF ATTORNEY

In re *Mayflower Hat Co., Inc.* (65 Fed. (2d) 330) the Second Circuit Court of Appeals held that it is proper for laymen to solicit claims against a bankrupt, unless solicitation is done in the interest of bankrupt or to enable someone other than a general creditor to control trustee's election, and that an agent of bankrupt's creditor may obtain a power of attorney by solicitation and vote for himself as trustee.

Irresponsible collection agencies or trade associations may so solicit such claims. Referees in bankruptcy may solicit powers of attorney for the election of the Irving Trust Co. as trustee. But lawyers are prohibited from soliciting claims and powers of attorney, and may not be retained by the receiver or trustee, if they acted as attorneys for petitioning creditors.

The supplemental report of the Irving Trust Co. shows that during the whole period of their administration their payment of dividends were 0.71 of 1 percent less than bankruptcy proceedings administered by others in this district, and the payment of dividends would be still less, were it not for the fact that many of the old bankruptcy cases are being wound up.

A trust company of the dimensions of the Irving Trust Co. has great interests on its own account, many of which must necessarily be conflicting. Such a monopolistic fiduciary must frequently be required to serve two masters. In our original petition we illustrated how the bankrupt trusteeships of the standing receiver and trustee conflicted in specific cases. This is confirmed by the congressional report.

Rule XIV of the General Orders in Bankruptcy reads as follows:

"XIV. NO OFFICIAL OR GENERAL TRUSTEE

"No official trustee shall be appointed by the court nor any general trustee act in classes of cases."

If there should be no standing or official trustee, for the same reasons, there should be no standing or official receiver. In addition, the solicited powers of attorney by referees in practice makes official trustees.

"The judges of the southern district of New York in enacting a rule appointing the Irving Trust Co. as standing receiver went directly against the spirit of the bankruptcy rules of the Supreme Court as existing from the beginning of the law. It is the intent of that rule that there should be an absolute right in creditors to choose the trustee in each case; and it is contrary to the spirit, if not the letter, of the Bankruptcy Act to have the Irving Trust Co. imposed upon the creditors as trustee in bankruptcy by the solicitation of the claims and powers of attorney by the referees to elect the Irving Trust Co. as such trustee. Whether directly or indirectly, the present practice in the southern district of New York in effect takes away the right of creditor control in the selection of a trustee."

A banking corporation, or trust company, as a part of the conscience of the Court is to us inconceivable.

The fact that a corporation, particularly a banking corporation, including the Irving Trust Co., is controlled by various stock interests, and stock ownership can shift and change from time to time, as the stock is publicly owned and bought and sold on the stock exchange (and the bank's officers and employees may be changed); and stock ownership is subject to transfer without the knowledge of anyone, including the judges, placing the domination of the officers of the corporation under such new ownership control, makes it improper that a corporation should be an officer of a court.

We submit to your honors that the local rules in bankruptcy for the southern district of New York, nos. 22 and 8 violate a fundamental canon of a judicial officer. The referee in bankruptcy is a judicial officer, and is the nisi prius court. He should be impartial. He should not be the proxy in an election upon the validity of which he himself, as such judicial officer, must pass judgment.

Reaffirming, therefore, our original petition and its recommendations, and continuing to voice our objection to any return to the old method of the frequent appointment of receivers from lists of names provided by political leaders, and to aid such creditor control, we suggest the following additional paragraph to the last part of our recommendation no. 14 (A of local rule 27 (see pp. 17 and 18 of original petition)) to wit—

"And for the purpose of aiding the court in estimating such majority of the creditors, the bankrupt shall, or any interested party may, file in court, within 2 days after the filing of a bankruptcy petition, or within such other period of time as the court may designate, a list of the names and addresses of all said bankrupt's creditors so far as the same are known to him. And the court may require such notice to them as it may deem reasonable by mail, telegram, or otherwise, unless such creditor has waived notice in writing."

We respectfully therefore request and pray this honorable court to amend its general orders in bankruptcy in accordance with our petitions.

And for such other and further relief as to this honorable court may seem just and proper.

Respectfully submitted.

NEW YORK COUNTY LAWYERS ASSOCIATION.

JOINING IN PETITION

Federal Bar Associations of the States of New York, New Jersey, and Connecticut, Harold Remington, chairman; Bronx County Bar Association, Meyer Levy, president; Nassau County Bar Association, B. Elliot Burston, chairman; Brooklyn Bar Association, Nicholas H. Pinto, chairman; Queens County Bar Association, Julius F. Newman, chairman; Yonkers Bar Association, Alexander K. Perlman, chairman; Westchester County Bar Association, Frank J. Lamb, chairman; Richmond County Bar Association, Daniel G. McGrath, president; Kings County Lawyers Association, Harrison C. Glore, president; Kings County Criminal Bar Association, Joseph A. Solovei, president; Suffolk County Bar Association, Ralph J. Hawkins, president; Middletown Bar Association, Charles E. Taylor, president; Harlem Lawyers Association, Alan L. Dingle, president; Women's Bronx County Bar Association, Agnes Craig, chairman; New York County Lawyers Association, Henry Ward Beer (chairman), Hugh Gordon Miller, Nathan Burkan, Samuel C. Duberstein, Charles H. Hyde, Samuel Leavitt, Harold Remington, I. Maurice Wormser, Harry Weinberger; Hugh Gordon Miller, chairman subcommittees of special and joint committee, Harry Weinberger, secretary; Eugene Garey, chairman joint committee of supporting bar associations, Samuel Leavitt, secretary.

EXHIBIT A

(H.Rept. No. 1104, 73d Cong., 2d sess.)

RECEIVERS IN BANKRUPTCY

MARCH 29, 1934.—REFERRED TO THE HOUSE CALENDAR AND ORDERED TO BE PRINTED

Mr. CELLER, from the Committee on the Judiciary, submitted the following report (to accompany H.R. 8832):

The Committee on the Judiciary, to whom was referred the bill (H.R. 8832), to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, after consideration, report the same favorably to the House with the recommendation that the bill do pass.

This bill provides that Federal courts shall make according to their discretion such an equitable distribution of appointments as receiver in bankruptcy as will prevent any persons, firms, or

corporations from having a monopoly of such appointments in any district.

The district judges of the southern district of New York some time ago adopted a rule setting up the Irving Trust Co. of the city of New York as a standing receiver in all cases, and since that order, said Irving Trust Co. has supplanted the legal profession in the administration of receiverships in bankruptcy.

A few years ago there had occurred some scandals in the city of New York concerning the appointment of receivers. The United States judges of the southern district of New York, however, were not without blame, since they had in some cases themselves appointed incompetent and dishonest officials. Of course, it must be stated that considering the tremendous amount of work the judges must perform to pass accurately in all cases upon the competency and honesty of their appointees is ofttimes difficult, if not impossible. Yet, as a result of the order of the judges, setting up the Irving Trust Co. as a standing receiver, there has been set up a monopoly in the Irving Trust Co. with power to appoint attorneys for the receiver, the appraisers, custodians, auctioneers, etc. Referees are also instructed by the judges in notices to creditors, in as persuasive and forceful language as possible, to suggest voting the Irving Trust Co. as trustee. This is contrary to the spirit of the Bankruptcy Act, which provides for creditor control over bankrupt estates. In almost every instance where the Irving Trust Co. has been appointed receiver it has been elected trustee.

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In justification of their attitude, in setting up the bank as standing receiver, some of the judges had explained that formerly they were importuned at their homes, upon the streets, and at public gatherings by those who sought to be appointed as receivers in bankruptcy cases. They claim they now have great peace of mind because they are no longer bothered with these insistent demands for appointments. It must be remembered, however, that the bankruptcy statute was not enacted for the convenience of judges or their peace of mind. Judges must be able to steel themselves against the improper importunities of friends. They must render themselves impervious to such demands and requests. If the judges complained of such political patronage in the appointment of receivers, it must be remembered that there has been set up another kind of patronage, namely, the Irving Trust Co. Doubtlessly the one who confers the most favors and brings the most business to the Irving Trust Co. will in the long run receive lucrative appointments. The appointment of lawyers may not be exclusively upon merit or efficiency. Certainly officials of the bank are just as human as the judges. They are subject to the same demands and importunities.

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"The veto of this bill is not to be construed as an approval of the system existing in that district. The fact is, however, that the judges of the Federal court of the southern district, pursuant to the power vested in them, adopted the rule centering receiverships and trusteeships in bankruptcy in the hands of one corporation.

"If a change is desired, the judges of that court may make the change, or the change may be made by action of the Congress. It is not for this State to change by indirect means a rule made by a Federal court for the discharge of bankruptcy cases coming before it.

"As I said in my veto message of last year, interference by the State would not only be an unwarranted intrusion into what is primarily a judicial function but it would carry that intrusion into Federal courts which are in no sense subject to State legislative control and into the field of bankruptcy, which by the Constitution of the United States is vested in the Federal Government.

"We thus have an overwhelming expression of sentiment on the part of the New York State Legislature, representing the sentiment of the people of the State of New York, that it does not wish the continuance of the Irving Trust Co. as monopoly receiver in the Federal courts. The Governor of the State of New York says that it is not within the province of the State to act. It is the duty of Congress to act."

In compliance with clause 2a of rule XIII, there follows in roman section 74 of the Bankruptcy Act, with the new matter added by H.R. 8832 in italics:

"SEC. 74. Compositions and extensions: (a) Any person excepting a corporation may file a petition, or, in an involuntary proceeding before adjudication, an answer within the time limited by section 18 (b) of this act, accompanied in either case, unless further time is granted, by his schedules, stating that he is insolvent or unable to meet his debts as they mature, and that he desires to effect a composition or an extension of time to pay his debts. The term 'debt' for the purposes of an extension proposal under this section shall include all claims of whatever character against the debtor or his property, including a claim for future rent, whether or not such claims would otherwise constitute provable claims under this act. Upon the filing of such a petition or answer the judge shall enter an order either approving it as properly filed under this section, if satisfied that such petition or answer complies with this section and has been filed in good faith, or dismissing it. If such petition or answer is approved, an order of adjudication shall not be entered except as provided in subdivision (1) of this section: *Provided, however*, That in staying the action for adjudication in an involuntary proceeding the court shall make such stay conditional upon such terms for the protection and indemnity against loss by the estate as may be proper, and that in any other proceeding under this section the court may, as the creditors at the first meeting may direct, impose

similar terms as a condition of delaying the appointment of a trustee and the liquidation of the estate. Any person by or against whom a petition is filed shall be referred to in the proceedings under this section as 'debtor.' The term 'creditor' shall include for the purposes of an extension proposal under this section all holders of claims of whatever character against the debtor or his property, including a claim for future rent, whether or not such claims would otherwise constitute provable claims under this act. A claim for future rent shall constitute a provable debt and shall be liquidated under section 63 (b) of this act.

"(b) After the filing of such petition or answer, the court may upon reasonable notice to creditors and attorneys of record appoint a custodian or receiver, who shall inventory the debtor's estate and exercise such supervision and control over the conduct of the debtor's business as the creditors at any meeting or the court shall direct.

"(c) The custodian or receiver, or if none has been appointed, the court shall promptly call the first meeting of creditors, stating in the notice that the debtor proposes to offer terms of composition or extension, and enclosing with the notice a summary of the inventory, a brief statement of the debtor's indebtedness as shown by the schedules, and a list of the names and addresses of the secured creditors and the 15 largest unsecured creditors, with the amounts owing to each as shown by the schedules. Any creditor may appear at or before the first meeting and controvert the facts alleged in the petition. In such case the court shall determine as soon as may be the issues presented, without the intervention of a jury, and unless the material allegations are sustained by the proofs shall dismiss the petition.

"(d) At the first meeting (1) the debtor may be examined; (2) the creditors may nominate a trustee, who shall thereafter be appointed by the court in case it becomes necessary to liquidate the estate as provided in subdivision (1) of this section; and (3) the court shall, after hearing the parties in interest, fix a reasonable time within which application for confirmation shall be made. The court may later extend such time for cause shown, and may require, as a condition of such extension, additional terms for the protection of and indemnity against loss by the estate as may be proper.

"(e) An application for the confirmation of a composition or extension proposal may be filed in the court of bankruptcy after, but not before, it has been accepted in writing by a majority in number of all creditors whose claims if unsecured have been allowed, or if secured are proposed to be affected by an extension proposal, which number must represent a majority in amount of such claims; and the money or security necessary to pay all debts which have priority unless waived and the costs of the proceedings, and in case of a composition the consideration to be paid by the debtor to his creditors, have been deposited in such place as shall be designated by and subject to the order of the court.

"(f) A date and place, with reference to the convenience of the parties in interest, shall be fixed for a hearing upon each application for the confirmation of the composition or extension proposal, and such objections as may be made to its confirmation.

"(g) The court shall confirm the proposal, if satisfied that (1) it includes an equitable and feasible method of liquidation for secured creditors whose claims are affected and of financial rehabilitation for the debtor; (2) it is for the best interests of all creditors; (3) that the debtor has not been guilty of any of the acts, or failed to perform any of the duties, which would be a ground for denying his discharge; and (4) the offer and its acceptance are in good faith, and have not been made or procured except as herein provided, or by any means, promises, or acts herein forbidden. In application for extensions, the court shall require proof from each creditor filing a claim that such claim is free from usury as defined by the laws of the place where the debt is contracted.

"(h) The terms of an extension proposal may extend the time of payment of either or both unsecured debts and secured debts the security for which is in the actual or constructive possession of the debtor or of the custodian or receiver, and may provide for priority of payments to be made during the period of extension as between secured and unsecured creditors. It may also include specific undertakings by the debtor during the period of the extension, including provisions for payments on account, and may provide for supervisory or other control over the debtor's business or affairs during such period by a creditors' committee or otherwise, and for the termination of such period under certain specified conditions: *Provided*, That the provisions of this section shall not affect the allowances and exemptions to debtors as are provided for bankrupts under title 11, chapter 3, section 24, of the United States Code, and such allowances and exemptions shall be set aside for the use of the debtor in the manner provided for bankrupts.

"(i). Upon its confirmation an extension proposal shall be binding upon the debtor and his unsecured and secured creditors affected thereby: *Provided, however*, That such extension or composition shall not reduce the amount of or impair the lien of any secured creditor, but shall affect only the time and method of its liquidation.

"(j) Upon the confirmation of a composition the consideration shall be distributed as the court shall direct, and the case dismissed: *Provided*, That the debts having priority of payment under title 11, chapter 7, section 104, of the United States Code, for bankrupt estates, shall have priority of payment in the same order as set forth in said section 104 under the provisions of this section in any distribution, assignment, composition, or settlement herein provided for. Upon the confirmation of an extension proposal the court may dismiss the proceeding or retain jurisdiction of the debtor and his property during the period of the extension in order to protect and preserve the estate and enforce the terms of the extension proposal.

"(k) The judge may, upon the application of the parties in interest, filed at any time within 6 months after the composition or extension proposal has been confirmed, set the same aside and reinstate the case, if it shall be made to appear upon a trial that fraud was practiced in the procuring of such composition or extension, and that knowledge thereof has come to the petitioners since the confirmation thereof.

"(l) If (1) the debtor shall fail to comply with any of the terms required of him for the protection of and indemnity against loss by the estate; or (2) the debtor has failed to make the required deposit in case of a composition; or (3) the debtor's proposal has not been accepted by the creditors; or (4) confirmation has been denied; or (5) without sufficient reason the debtor defaults in any payment required to be made under the terms of an extension proposal when the court has retained jurisdiction of the debtor or his property, the court may appoint the trustee nominated by the creditors at the first meeting, and if the creditors shall have failed to so nominate, may appoint any other qualified person as trustee to liquidate the estate. The court shall in addition adjudge the debtor a bankrupt if satisfied that he commenced or prolonged the proceeding for the purpose of delaying creditors and avoiding an adjudication in bankruptcy, or if the confirmation of his proposal has been denied. No order of liquidation or adjudication shall be entered in any proceeding under this section instituted by or against a wage earner or a person engaged chiefly in farming or the tillage of the soil unless the wage earner or a person engaged chiefly in farming or the tillage of the soil consents.

"(m) The filing of a debtor's petition or answer seeking relief under this section shall subject the debtor and his property, wherever located, to the exclusive jurisdiction of the court in which the order approving the petition or answer as provided in subdivision (a) is filed. In proceedings under this section, except as otherwise provided therein, the jurisdiction and powers of the court, the title, powers, and duties of its officers and, subject to the approval of the court, their fees, the duties of the debtor, and the rights and liabilities of creditors, and of all persons with respect to the property of the debtor, and the jurisdiction of appellate courts shall be the same as if a voluntary petition for adjudication had been filed and a decree of adjudication had been entered on the day when the debtor's petition or answer was filed and any decree of adjudication thereafter entered shall have the same effect as if it had been entered on that day.

"(n) In addition to the provisions of section 11 of this act for the staying of pending suits, the court, on such notice and on such terms, if any, as it deems fair and equitable, may enjoin secured creditors who may be affected by the extension proposal from proceeding in any court for the enforcement of their claims until the extension has been confirmed or denied by the court.

"(o) The judges of the courts of bankruptcy shall appoint sufficient referees to sit in convenient places to expedite the proceedings under this section.

"(p) Involuntary proceedings under this section shall not be taken against a wage earner.

"(q) In the administration of the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, as amended, the district court or any judge thereof shall make in its or his discretion such an equitable distribution of appointments as receiver as will prevent any persons, firms, or corporations from having a monopoly of such appointments within such district."

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. VAN NUYS, from the Committee on the Judiciary, reported adversely the nomination of Frank S. Bergin, of Connecticut, to be United States attorney, district of Connecticut, to succeed John Buckley, term expired.

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of Leo J. Hickey, of New York, to be United States attorney, eastern district of New York, to succeed Howard W. Ameli, term expired.

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the nomination of Augustine V. Long, of Florida, to be United States district judge, northern district of Florida, to succeed William B. Sheppard, deceased.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers in the Navy and Marine Corps.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. BONE in the chair). The reports will be placed on the calendar.

INTERNATIONAL COPYRIGHT CONVENTION

On motion of Mr. DUFFY, the injunction of secrecy was removed from Executive E, Seventy-third Congress, second session, being the International Convention of the Copyright Union as revised and signed at Rome on June 2, 1928.

The convention was made public, as follows:

[Senate, Executive E, 73d Cong., 2d sess.]

INTERNATIONAL COPYRIGHT CONVENTION

ARTICLE 1

The Countries to which the present Convention applies shall be constituted into a Union for the protection of the rights of authors in their literary and artistic works.

ARTICLE 2

(1) The term "literary and artistic works" shall include all productions in the literary, scientific, and artistic domain, whatever the mode or form of expression, such as: books, pamphlets, and other writings; lectures, addresses, sermons and other works of like nature; dramatic or dramatico-musical works; choreographic works and pantomimes, the staging (mise en scène) of which is fixed in writing or otherwise; musical compositions with or without words; drawings, paintings; works of architecture and sculpture; engravings and lithographs; illustrations; geographical charts; plans, sketches, and plastic works relating to geography, topography, architecture, or the sciences.

(2) Translations, adaptations, arrangements of music and other reproductions transformed from a literary or artistic work, as well as compilations from different works, shall be protected as original works without prejudice to the rights of the author of the original work.

(3) The countries of the Union shall be bound to secure protection in the case of the works mentioned above.

(4) Works of art applied to industry shall be protected so far as the domestic legislation of each country allows.

ARTICLE 2 BIS

(1) The authority is reserved to the domestic legislation of each country of the Union to exclude, partially or wholly, from the protection provided by the preceding Article political discourses or discourses pronounced in judicial debates.

(2) There is also reserved to the domestic legislation of each country of the Union authority to enact the conditions under which such lectures, addresses, sermons and other works of like nature may be reproduced by the press. Nevertheless, the author alone shall have the right to bring such works together in a compilation.

ARTICLE 3

The present convention shall apply to photographic works and to works obtained by any process analogous to photography. The countries of the Union shall be bound to guarantee protection to such works.

ARTICLE 4

(1) Authors within the jurisdiction of one of the countries of the Union shall enjoy for their works, whether unpublished or published for the first time in one of the countries of the Union, such rights, in the countries other than the country of origin of the work, as the respective laws now accord or shall hereafter accord to nationals, as well as the rights specially accorded by the present Convention.

(2) The enjoyment and the exercise of such rights shall not be subject to any formality; such enjoyment and such exercise are independent of the existence of protection in the country of origin of the work. Consequently, apart from the stipulations of the present Convention, the extent of the protection, as well as the means of redress guaranteed to the author to safeguard his rights, shall be regulated exclusively according to the legislation of the country where the protection is claimed.

(3) The following shall be considered as the country of origin of the work: for unpublished works, the country to which the author belongs; for published works, the country of first publication, and for works published simultaneously in several countries of the Union, the country among them whose legislation grants the shortest term of protection. For works published simultaneously in a country outside of the Union and in a country within the Union, it is the latter country which shall be exclusively considered as the country of origin.

(4) By "published works" (oeuvres publiées) must be understood, according to the present Convention, works which have been issued (oeuvres éditées). The representation of a dramatic or dramatico-musical work, the performance of a musical work, the exhibition of a work of art and the construction of a work of architecture shall not constitute publication.

ARTICLE 5

Authors within the jurisdiction of one of the countries of the Union who publish their works for the first time in another country of the Union, shall have in this latter country the same rights as national authors.

ARTICLE 6

(1) Authors not within the jurisdiction of any one of the countries of the Union, who publish their works for the first time in one of the Union countries, shall enjoy in such Union country the same rights as national authors, and in the other countries of the Union the rights accorded by the present Convention.

(2) Nevertheless, when a country outside of the Union does not protect in an adequate manner the works of authors within the jurisdiction of one of the countries of the Union, this latter Union country may restrict the protection for the works of authors who are, at the time of the first publication of such works, within the jurisdiction of the non-Union country and are not actually domiciled in one of the countries of the Union.

(3) Any restriction, established by virtue of the preceding paragraph, shall not prejudice the rights which an author may have acquired in a work published in one of the countries of the Union before the putting into effect of this restriction.

(4) The countries of the Union which, by virtue of the present article, restrict the protection of the rights of authors, shall notify the fact to the Government of the Swiss Confederation by a written declaration indicating the countries in whose case protection is restricted, and indicating also the restrictions to which the rights of authors within the jurisdiction of such country are subjected. The Government of the Swiss Confederation shall immediately communicate this fact to all the countries of the Union.

ARTICLE 6 BIS

(1) Independently of the author's copyright, and even after assignment of the said copyright, the author shall retain the right to claim authorship of the work, as well as the right to object to every deformation, mutilation or other modification of the said work, which may be prejudicial to his honor or to his reputation.

(2) It is left to the national legislation of each of the countries of the Union to establish the conditions for the exercise of these rights. The means for safeguarding them shall be regulated by the legislation of the country where protection is claimed.

ARTICLE 7

(1) The duration of the protection granted by the present Convention shall comprise the life of the author and fifty years after his death.

(2) In case this period of protection, however, should not be adopted uniformly by all the countries of the Union, its duration shall be regulated by the law of the country where protection is claimed, and it can not exceed the term fixed in the country of origin of the work. The countries of the Union will consequently not be required to apply the provision of the preceding paragraph beyond the extent to which it agrees with their domestic law.

(3) For photographic works and works obtained by a process analogous to photography; for posthumous works; for anonymous or pseudonymous works, the term of protection shall be regulated by the law of the country where protec-

tion is claimed, but this term shall not exceed the term fixed in the country of origin of the work.

ARTICLE 7 BIS

(1) The term of copyright protection belonging in common to collaborators in a work shall be calculated according to the date of the death of the last survivor of the collaborators.

(2) Persons within the jurisdiction of countries which grant a shorter period of protection than that provided in paragraph 1 can not claim in the other countries of the Union a protection of longer duration.

(3) In any case the term of protection shall not expire before the death of the last survivor of the collaborators.

ARTICLE 8

Authors of unpublished works within the jurisdiction of one of the countries of the Union, and authors of works published for the first time in one of these countries, shall enjoy in the other countries of the Union during the whole term of the right in the original work the exclusive right to make or to authorize the translation of their works.

ARTICLE 9

(1) Serial stories, tales and all other works, whether literary, scientific, or artistic, whatever may be their subject, published in newspapers or periodicals of one of the countries of the Union, may not be reproduced in the other countries without the consent of the authors.

(2) Articles of current economic, political, or religious discussion may be reproduced by the press if their reproduction is not expressly reserved. But the source must always be clearly indicated; the sanction of this obligation shall be determined by the legislation of the country where the protection is claimed.

(3) The protection of the present Convention shall not apply to news of the day or to miscellaneous news having the character merely of press information.

ARTICLE 10

As concerns the right of borrowing lawfully from literary or artistic works for use in publications intended for instruction or having a scientific character, or for chrestomathies, the provisions of the legislation of the countries of the Union and of the special treaties existing or to be concluded between them shall govern.

ARTICLE 11

(1) The stipulations of the present Convention shall apply to the public representation of dramatic or dramatico-musical works and to the public performance of musical works, whether these works are published or not.

(2) Authors of dramatic or dramatico-musical works shall be protected, during the term of their copyright in the original work, against the unauthorized public representation of a translation of their works.

(3) In order to enjoy the protection of this article, authors in publishing their works shall not be obliged to prohibit the public representation or public performance of them.

ARTICLE 11 BIS

(1) The authors of literary and artistic works shall enjoy the exclusive right to authorize the communication of their works to the public by broadcasting.

(2) It belongs to the national legislatures of the countries of the Union to regulate the conditions for the exercise of the right declared in the preceding paragraph, but such conditions shall have an effect strictly limited to the country which establishes them. They can not in any case adversely affect the moral right of the author, nor the right which belongs to the author of obtaining an equitable remuneration fixed, in default of an amicable agreement, by competent authority.

ARTICLE 12

Among the unlawful reproductions to which the present Convention applies shall be specially included indirect, unauthorized appropriations of a literary or artistic work, such as adaptations, arrangements of music, transformations of a romance or novel or of a poem into a theatrical piece and vice-versa, etc., when they are only the reproduction of such work in the same form or in another form with non-essential changes, additions or abridgements and without presenting the character of a new, original work.

ARTICLE 13

(1) Authors of musical works shall have the exclusive right to authorize: (1) the adaptation of these works to instruments serving to reproduce them mechanically; (2) the public performance of the same works by means of these instruments.

(2) The limitations and conditions relative to the application of this article shall be determined by the domestic legislation of each country in its own case; but all limitations and conditions of this nature shall have an effect strictly limited to the country which shall have adopted them.

(3) The provisions of paragraph 1 shall have no retroactive effect, and therefore shall not be applicable in a country of the Union to works which, in that country, shall have been lawfully adapted to mechanical instruments before the going into force of the Convention signed at Berlin, November 13, 1908; and, in the case of a country which has acceded to the Union since that date, or shall accede to it in the future, then when the works have been adapted to mechanical instruments before the date of its accession.

(4) Adaptations made by virtue of paragraphs 2 and 3 of this article and imported, without the authorization of the parties interested, into a country where they would not be lawful, shall be liable to seizure there.

ARTICLE 14

(1) Authors of literary, scientific or artistic works shall have the exclusive right to authorize the reproduction, adaptation, and public representation of their works by means of the cinematograph.

(2) Cinematographic productions shall be protected as literary or artistic works when the author shall have given to the work an original character. If this character is lacking, the cinematographic production shall enjoy the same protection as photographic works.

(3) Without prejudice to the rights of the author of the work reproduced or adapted, the cinematographic work shall be protected as an original work.

(4) The preceding provisions apply to the reproduction or production obtained by any other process analogous to cinematography.

ARTICLE 15

(1) In order that the authors of the works protected by the present Convention may be considered as such, until proof to the contrary, and be admitted consequently before the courts of the various countries of the Union to proceed against infringers, it shall suffice that the author's name be indicated upon the work in the usual manner.

(2) For anonymous or pseudonymous works, the publisher whose name is indicated upon the work shall be entitled to protect the rights of the author. He shall, without other proof, be considered the legal representative of the anonymous or pseudonymous author.

ARTICLE 16

(1) All infringing works may be seized by the competent authorities of the countries of the Union where the original work has a right to legal protection.

(2) Seizure may also be made in these countries of reproductions which come from a country where the copyright on the work has terminated, or where the work has not been protected.

(3) The seizure shall take place in conformity with the domestic legislation of each country.

ARTICLE 17

The provisions of the present Convention may not prejudice in any way the right which belongs to the Government of each of the countries of the Union to permit, to supervise, or to forbid, by means of legislation or of domestic police, the circulation, the representation or the exhibition of every work or production in regard to which competent authority may have to exercise this right.

ARTICLE 18

(1) The present Convention shall apply to all works which, at the time it goes into effect, have not fallen into the public domain of their country of origin because of the expiration of the term of protection.

(2) But if a work by reason of the expiration of the term of protection which was previously secured for it has fallen into the public domain of the country where protection is claimed, such work shall not be protected anew.

(3) This principle shall be applied in accordance with the stipulations to that effect contained in the special Conventions either existing or to be concluded between countries of the Union, and in default of such stipulations, its application shall be regulated by each country in its own case.

(4) The preceding provisions shall apply equally in the case of new accessions to the Union and where the protection would be extended by the application of Article 7 or by the abandonment of reservations.

ARTICLE 19

The provisions of the present Convention shall not prevent a claim for the application of more favorable provisions which may be enacted by the legislation of a country of the Union in favor of foreigners in general.

ARTICLE 20

The governments of the countries of the Union reserve the right to make between themselves special treaties, when these treaties would confer upon authors more extended rights than those accorded by the Union, or when they contain other stipulations not conflicting with the present Convention. The provisions of existing treaties which answer the aforesaid conditions shall remain in force.

ARTICLE 21

(1) The international office instituted under the name of "Bureau of the International Union for the Protection of Literary and Artistic Works" ("Bureau de l'Union internationale pour la protection des oeuvres littéraires et artistiques") shall be maintained.

(2) This Bureau is placed under the high authority of the Government of the Swiss Confederation, which controls its organization and supervises its working.

(3) The official language of the Bureau shall be French.

ARTICLE 22

(1) The International Bureau shall bring together, arrange and publish information of every kind relating to the protection of the rights of authors in their literary and artistic works. It shall study questions of mutual utility interesting to the Union, and edit, with the aid of documents placed at its disposal by the various administrations, a periodical in the French language, treating questions concerning the purpose of the Union. The governments of the countries of the Union reserve the right to authorize the Bureau by common accord to publish an edition in one or more other languages, in case experience demonstrates the need.

(2) The International Bureau must hold itself at all times at the disposal of members of the Union to furnish them, in relation to questions concerning the protection of literary and artistic works, the special information of which they have need.

(3) The Director of the International Bureau shall make an annual report on his administration, which shall be communicated to all the members of the Union.

ARTICLE 23

(1) The expenses of the Bureau of the International Union shall be shared in common by the countries of the Union. Until a new decision, they may not exceed one hundred and twenty thousand Swiss francs per year. This sum may be increased when needful by the unanimous decision of one of the Conferences provided for in Article 24.

(2) To determine the part of this sum total of expenses to be paid by each of the countries, the countries of the Union and those which later adhere to the Union shall be divided into six classes each contributing in proportion to a certain number of units to wit:

	Units
1st class	25
2nd class	20
3rd class	15
4th class	10
5th class	5
6th class	3

(3) These coefficients are multiplied by the number of countries of each class, and the sum of the products thus obtained furnishes the number of units by which the total expense is to be divided. The quotient gives the amount of the unit of expense.

(4) Each country shall declare, at the time of its accession, in which of the above-mentioned classes it demands to be placed, but it may always ultimately declare that it intends to be placed in another class.

(5) The Swiss Administration shall prepare the budget of the Bureau and superintend its expenditures, make necessary advances and draw up the annual account, which shall be communicated to all the other administrations.

ARTICLE 24

(1) The present Convention may be subjected to revision with a view to the introduction of amendments calculated to perfect the system of the Union.

(2) Questions of this nature, as well as those which from other points of view pertain to the development of the Union, shall be considered in the Conferences which will take place successively in the countries of the Union between the delegates of the said countries. The administration of the country where a Conference is to be held shall, with the cooperation of the International Bureau, prepare the agenda of the same. The Director of the Bureau shall attend the meetings of the Conferences and take part in the discussions without a deliberative voice.

(3) No change in the present Convention shall be valid for the Union except by the unanimous consent of the countries which compose it.

ARTICLE 25

(1) The countries outside of the Union which assure legal protection of the rights which are the object of the present Convention, may accede to it upon their request.

(2) Such accession shall be communicated in writing to the Government of the Swiss Confederation and by the latter to all the others.

3. The full right of adhesion to all the clauses and admission to all the advantages stipulated in the present Convention shall be implied by such accession and it shall go into effect one month after the sending of the notification by the Government of the Swiss Confederation to the other countries of the Union, unless a later date has been indicated by the adhering country. Nevertheless, such accession may contain an indication that the adhering country intends to substitute, provisionally at least, for Article 8 concerning translations, the provisions of Article 5 of the Convention of the Union of 1886, revised at Paris in 1896, it being of course understood that these provisions relate only to translations into the language or languages of the country.

ARTICLE 26

(1) Each of the countries of the Union may, at any time, notify in writing the Government of the Swiss Confederation that the present Convention shall be applicable to all or to part of its colonies, protectorates, territories under mandate or all other territories subject to its sovereignty or to its authority, or all territories under suzerainty, and the Convention shall then apply to all the territories designated in the notification. In default of such notification, the Convention shall not apply to such territories.

(2) Each of the countries of the Union may, at any time, notify in writing the Government of the Swiss Confederation that the present Convention shall cease to be applicable to all or to part of the territories which were the object of the notification provided for by the preceding paragraph, and the Convention shall cease to apply in the territories designated in such notification twelve months after receipt of the notification addressed to the Government of the Swiss Confederation

(3) All the notifications made to the Government of the Swiss Confederation, under the provisions of paragraphs 1 and 2 of this article, shall be communicated by that Government to all the countries of the Union

ARTICLE 27

(1) The present Convention shall replace in the relations between the countries of the Union the Convention of Berne of September 9, 1886 and the acts by which it has been successively revised. The acts previously in effect shall remain applicable in the relations with the countries which shall not have ratified the present Convention.

(2) The countries in whose name the present Convention is signed may still retain the benefit of the reservations which they have previously formulated on condition that they make such a declaration at the time of the deposit of the ratifications.

(3) Countries which are at present parties to the Union, but in whose name the present Convention has not been signed, may at any time adhere to it. They may in such case benefit by the provisions of the preceding paragraph.

ARTICLE 28

(1) The present Convention shall be ratified, and the ratifications shall be deposited at Rome not later than July 1, 1931.

(2) It shall go into effect between the countries of the Union which have ratified it one month after that date. However, if, before that date, it has been ratified by at least six countries of the Union it shall go into effect as between those countries of the Union one month after the deposit of the sixth ratification has been notified to them by the Government of the Swiss Confederation and, for the countries of the Union which shall later ratify, one month after the notification of each such ratification.

(3) Countries that are not within the Union may, until August 1, 1931, enter the Union, by means of adhesion, either to the Convention signed at Berlin November 13, 1908, or to the present Convention. After August 1, 1931, they can adhere only to the present Convention.

ARTICLE 29

(1) The present Convention shall remain in effect for an indeterminate time, until the expiration of one year from the day when denunciation of it shall have been made.

(2) This denunciation shall be addressed to the Government of the Swiss Confederation. It shall be effective only as regards the country which shall have made it, the Convention remaining in force for the other countries of the Union.

ARTICLE 30

(1) The countries which introduce into their legislation the term of protection of fifty years provided for by Article 7, paragraph 1, of the present Convention, shall make it known to the Government of the Swiss Confederation by a written notification which shall be communicated at once by that Government to all the other countries of the Union.

(2) It shall be the same for such countries as shall renounce any reservations made or maintained by them by virtue of Articles 25 and 27.

In faith whereof, the respective Plenipotentiaries have signed the present Convention.

Done at Rome, the second of June, one thousand nine hundred and twenty-eight, in a single copy, which shall be deposited in the archives of the Royal Italian Government. One copy, properly certified, shall be sent through diplomatic channels to each of the countries of the Union.

For Germany:
C. von Neurath.
Georg Klauer.
Wilhelm Mackeben.
Eberhard Neugebauer.
Maximilian Mintz.
Max von Schillings.

For Austria:
Dr. August Hesse.

For Belgium:
Cte. della Faille de Leverghem.
Wauwermans.

For the United States of Brazil:
F. Pessoa de Queiroz.
J. S. da Fonseca Hermes Jr.

For Bulgaria:
G. Radeff.

For Denmark:
I. C. W. Kruse.
F. Graae.

For the Free City of Danzig:
Stefan Sieczkowski.

For Spain:
Francisco Alvarez-Ossorio.

For Estonia:
K. Tofer.

For Finland:
Emile Setälä.
Rolf Thesleff.
George Winckelmann.

For France:
Beaumarchais.
Marcel Plaisant.
P. Grunebaum-Ballin.
Cn. Drouets.
Georges Maillard.
André Rivoire.
Romain Coolus.
A. Messager.

For Great Britain and Northern Ireland:
S. J. Chapman.
W. S. Jarratt.
A. J. Martin.

For Canada:
Philippe Roy.

For Australia:
W. Harrison Moore.

For New Zealand:
S. G. Raymond.

For the Irish Free State:
[No signature.]

For India:
G. Graham Dixon.

For the Hellenic Republic:
N. Mavroudis.

For Hungary:
Andre de Hory.

For Italy:
Vittorio Scialoja.
E. Piola Caselli.
Vicenzo Morello.
Amedeo Giannini.
Domenico Barone.
Emilio Venezian.
A. Jannoni Sebastianini.
Mario Ghiron.

For Japan:
M. Matsuda.
T. Akagi.

For Luxemburg:
Bruck.

For Morocco:
Beaumarchais.

For Monaco:
R. Sauvage.

For Norway:
Arnold Raestad.

For The Netherlands:
A. van der Gols.

For Poland:
Stefan Sieczkowski.
Frédéric Zoll.

For Portugal:
Enrique Trindade Coelho.

For Rumania:
Theodore Solacolo.

For Sweden:
E. Marks von Würtemberg.
Erik Lidforss.
For Switzerland:
Wagnière.
W. Kraft.
A. Streuli.
For Syria and Great Lebanon:
Beaumarchais.
For Czechoslovakia:
Dr. V. Mastny.
Prof. Karel Hermann-Otavsky.
For Tunis:
Beaumarchais.
A true copy
For The Minister of Foreign Affairs of Italy
Fani

FRANK S. BERGIN

Mr. LONERGAN. Mr. President, I ask unanimous consent that the Senate take action at this time on the unfavorable report from the Judiciary Committee of the nomination of Frank S. Bergin to be United States attorney, District of Connecticut, and I hope the Senate will vote to reject the nomination.

The PRESIDING OFFICER (Mr. BONE in the chair). The clerk will state the nomination.

The legislative clerk read the nomination of Frank S. Bergin of Connecticut to be United States attorney, District of Connecticut, reported adversely from the Committee on the Judiciary.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Connecticut if the report of the committee was unanimous?

Mr. LONERGAN. It is a unanimous report of all members of the committee present.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination? The Chair hears none. The question is, Will the Senate advise and consent to the nomination?

The nomination was rejected.

The PRESIDING OFFICER. The calendar is in order.

NOMINATION OF JOHN WARD STUDEBAKER—RECOMMITTED

The legislative clerk read the nomination of John Ward Studebaker, of Iowa, to be Commissioner of Education.

Mr. WALSH. Mr. President, I ask unanimous consent that the nomination be recommitted to the Committee on Education and Labor for further consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 27 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, May 29, 1934, at 11 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 28, 1934

APPOINTMENT IN THE REGULAR ARMY

ASSISTANT TO THE CHIEF OF THE AIR CORPS

Lt. Col. James Eugene Chaney to be assistant to the Chief of the Air Corps, with the rank of brigadier general.

PROMOTIONS IN THE REGULAR ARMY

Ployer Peter Hill to be captain, Air Corps.

Robert James Dwyer, to be first lieutenant, Air Corps.

John Honeycutt Hinrichs to be first lieutenant, Field Artillery.

Frederick Lewis Anderson, Jr., to be first lieutenant, Air Corps.

John Berwick Anderson to be lieutenant colonel, Medical Corps.

Walter Paul Davenport to be lieutenant colonel, Medical Corps.

Austin James Canning to be lieutenant colonel, Medical Corps.

Lanphear Wesley Webb, Jr., to be lieutenant colonel, Medical Corps.

Leigh Cole Fairbank to be lieutenant colonel, Dental Corps.

Terry P. Bull to be lieutenant colonel, Dental Corps.

Frank Marion Lee to be major, Veterinary Corps.

APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES

TO BE MAJOR GENERALS

David Prescott Barrows
Albert Hazen Blanding
Erland Frederick Fish
William Nafew Haskell
Benson Walker Hough
John Augustus Hulen
Roy Dee Keehn
Charles Irving Martin
Morris Benham Payne
Milton Atchison Reckord
Henry Dozier Russell
Edward Caswell Shannon
Mathew Adrian Tinley
Alexander MacKenzie Tuthill
Robert Henry Tyndall
George Ared White
Guy Merrill Wilson

TO BE BRIGADIER GENERALS

Samuel Garrison Barnard
Claude Vivian Birkhead
Robert Morris Brookfield
Harold Montfort Bush
John James Byrne
Edgar Hugh Campbell
Ellerbe Winn Carter
Paul Bernard Clemens
Ludwig Shaner Conelly
Herbert Reynolds Dean
Henry Herman Denhardt
Daniel Wray DePrez
Arthur William Desmond
Nathaniel Hillyer Egleston
Park Alfonso Findley
Irving Andrews Fish
Albert Greenlaw
Louis Francis Guerre
William Ernest Guthner
James Ambrose Haggerty
Thomas Stevens Hammond
Alvin Horace Hankins
Dudley Jackson Hard
Frank David Henderson
William Shaffer Key
James Craig McLanahan
William Swan McLean, Jr.
Charles E. McPherren
Trelawney Eston Marchant
Edward Martin
Wallace Ashton Mason
John Van Bokkelen Metts
Daniel Needham
John Cecil Persons
John James Phelan
William Richard Pooley
Winfield Scott Price
George Perry Rains
Frank Elisha Reed
Thomas Edward Rilea
David St. Clair Ritchie
Oscar Edwin Roberts
Lloyd Denison Ross
William Frederick Schohl
Frank Rudolph Schwengel
Edmund Justin Slate
Edward James Stackpole, Jr.
Edward Moses Stayton
Walter Perry Story
Amos Thomas
John Sylvester Thompson
Robert Jesse Travis
Samuel Gardner Waller
George Henderson Wark
William Gray Williams
Jacob Franklin Wolters
John Henry Agnew
Joseph Homer Ballew
Carlos Emerson Black
Lindley Wayland Camp
Vivian Bramble Collins
Ebenezer L. Compere
Raymond Hartwell Fleming
Charles Harry Grahl
James Walter Hanson
William Aloysius Higgins
Seth Edwin Howard
Ralph Maxwell Immell
William Ferson Ladd
Milton Robbins McLean
Maurice Thompson
Franklin Wilmer Ward

POSTMASTERS

ARKANSAS

William I. Fish, Dumas.
Byron P. Jarnagin, Waldo.

CALIFORNIA

Harry A. Hall, Bigpine.
John G. Carroll, Calexico.
Lula G. Watson, Canoga Park.
Frank Emerson, Corona.
George W. Richards, Culver City.
Ralph W. Dunham, Greenfield.
Josephine M. Costar, Greenville.
Marvin S. Wick, Hermosa Beach.
Lewis J. Renshaw, Hilmar.
Otto G. Simon, Lancaster.
Anthony F. Sonka, Lemongrove.
Miriam I. Paine, Mariposa.
Joseph T. McInerny, Merced.
Julia M. Ruschin, Newark.
Lindsey L. Burke, Norwalk.
James B. Stone, Redlands.
James R. Wilson, Sacramento.

DELAWARE

Oliver G. Melvin, Frederica.
Florence H. Carey, Milton.

HAWAII

Harry K. Ching, Ewa.
John M. Fernandez, Hana.
Robert E. Lee, Olaa.

ILLINOIS

Roy L. Campbell, Athens.
James E. Muckian, Calumet City.
William S. Westermann, Carlyle.
Thomas O'Donnell, Grafton.
Anna E. Sullivan, Grand Tower.
Porter Campbell, Hardin.
Charles H. Knodel, Hull.
Charles M. McCoy, Hutsonville.
William H. Woodard, North Chicago.
William A. Reeds, Oakland.
Michael E. Sullivan, Park Ridge.
Thomas J. Cody, Peoria.
William C. Dufrenne, Prairie du Rocher.
Samuel T. Duncan, Tamaroa.
Curtis E. Veach, Valier.

MARYLAND

William A. Strohm, Annapolis.
Herbert L. Diamond, Gaithersburg.
John M. Pearce, Monkton.

MICHIGAN

Henry I. Bourns, Adrian.
Arthur Little, Cass City.
John G. Watson, Colon.
T. Theodore Hurja, Crystal Falls.
William De Kuiper, Fremont.
Edward J. Talbot, Manistee.
Edwin C. Kraft, Nashville.
Hallie C. Bunting, Port Hope.
William M. Zeitler, Republic.
Mildred E. Walsh, St. Charles.
Floyd H. Leach, Scotts.
Gordon W. Huffman, Tustin.
Leo M. Neubecker, Weidman.

MISSISSIPPI

Rex R. Ray, Canton.
Beula P. Herrington, Mount Olive.

NEBRASKA

Walter O. Troxel, Elsie.
David S. Simms, Hastings.
Dorothy A. Crawford, Maxwell.

NEVADA

Mary C. McNamara, Elko.
Pauline H. Hjul, Eureka.
Juanita M. Johnson, Gardnerville.
Karl C. Berg, Round Mountain.
Edward D. Gladding, Virginia City.

NEW YORK

Edward J. Seagert, Attica.
Luke E. Burns, Black River.
Mae Nolan, Clark Mills.
Charles Bruno, East Williamson.
Jennie W. Jewell, Fishkill.
George S. Hart, Freeville.
Flora A. M. Humes, Great Bend.
Fred S. Tripp, Guilford.
Katherine A. Colligan, Halesite.
George Eaton Dean, Highland.
Joseph N. Peck, Honeoye Falls.
Frederick B. Pulling, Lagrangeville.
John W. Clark, Mahopac.
Frank J. Baltzel, Newark.
Henry H. Gaff, Niagara University.
William F. McNichol, Nyack.
Joseph J. Cruse, Poland.
Olivia L. McGowan, Roosevelt.
Claude A. Bierman, St. Johnsville.
John F. Maher, Woodridge.

NORTH CAROLINA

Wythe M. Peyton, Asheville.
William E. Hooks, Ayden.
William C. Stockton, Ellenboro.
John F. Lynch, Erwin.
Harry L. Ward, Gatesville.

RHODE ISLAND

Fred Beauchaine, Warren.

TENNESSEE

Cyril W. Jones, Athens.
Thomas D. Walker, Kerrville.
Raymond C. Townsend, Parsons.

TEXAS

Nat Shick, Big Spring.
Earnest N. Sowell, Elgin.
Milton L. Burleson, El Paso.
Robert W. Klingelhoefer, Fredericksburg.
John M. Sharpe, Georgetown.
Swanee E. Willis, Monahans.
Walter E. Shannon, North Zulch.
John W. Waide, Paint Rock.
Oran W. Cliett, San Marcos.
Willie R. Goodwin, Stinnett.
Hugh D. Burleson, Streetman.
Paul E. Jette, Wink.

VIRGINIA

Kathryn C. Ross, Accomac.
John H. Bowdoin, Bloxom.
Hugh H. Adair, Bristol.
Norma H. Fulton, Drakes Branch.
James H. Shiner, Front Royal.
Charles B. Hogan, Heathsville.
Andrew W. Cameron, Hot Springs.
Richard S. Jackson, Ivanhoe.
Thomas E. Simmerman, Jr., Max Meadows.
Robert P. Holt, Newport News.
Kemp Plummer, Portsmouth.
Samuel F. Atwill, Sr., Reedville.
John E. Pace, Ridgeway.
Wallace P. Ashburn, Virginia Beach.

WISCONSIN

Albert Hess, Arcadia.
Andrew J. Osborne, Barron.
Edward R. Kranzfelder, Bloomer.
Carl Whitaker, Chetek.

William L. Lee, Drummond.
Carl J. Mueller, Jefferson.
Louis O. Mueller, Portage.
Helen T. Donalds, St. Croix Falls.
Bethel W. Robinson, Superior.
Thomas J. Kelley, Tomahawk.
Edward A. Peters, Waterloo.

WYOMING

William Thomas Scott, Gebo.

REJECTION

Executive nomination rejected by the Senate May 28, 1934

UNITED STATES ATTORNEY

Frank S. Bergin to be United States attorney, district of Connecticut.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 28, 1934

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

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

God, be merciful unto us and bless us; and cause His face to shine upon us; that Thy way be known upon the earth, Thy saving health among all nations. Let the people praise Thee, O God; let all the people praise Thee. O let the nations be glad and sing for joy, for Thou shalt judge the people righteously and govern the nations upon earth. Let the people praise Thee, O God; let all the people praise Thee. Then shall the earth yield her increase, and God, even our God, shall bless us. God shall bless us and all the ends of the earth shall fear Him. We pray in the name of our Savior. Amen.

The Journal of the proceedings of Thursday, May 24, 1934, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1158. An act for the relief of Annie I. Hissey;
H.R. 1933. An act for the relief of Philip F. Hambsch;
H.R. 1943. An act for the relief of A. H. Powell;
H.R. 1977. An act for the relief of R. A. Hunsinger;
H.R. 2054. An act for the relief of John S. Cathcart;
H.R. 2322. An act for the relief of C. K. Morris;
H.R. 2433. An act for the relief of Anna H. Jones;
H.R. 2438. An act for the relief of Ruby F. Voiles;
H.R. 2837. An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes;
H.R. 3056. An act for the relief of James B. Conner;
H.R. 3300. An act for the relief of George B. Beaver;
H.R. 3302. An act for the relief of John Merrill;
H.R. 4690. An act for the relief of Eula K. Lee;
H.R. 5477. An act to fix the rates of postage on certain periodicals exceeding 8 ounces in weight;
H.R. 6179. An act to amend an act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes";
H.R. 6803. An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes;
H.R. 7168. An act for making compensation to the estate of Nellie Lamson;
H.R. 7289. An act for the relief of H. A. Soderberg;
H.R. 7343. An act to remove inequities in the law governing eligibility for promotion to the position of chief clerk in the Railway Mail Service;
H.R. 8241. An act to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.;
H.R. 8494. An act to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on the Quinault Indian Reservation when it is in the interest of the Indians so to do;
H.R. 8714. An act to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S.C.;
H.R. 8937. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River, at or near Delphi, Ind.;
H.R. 8938. An act to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act", and acts supplementary thereto;
H.R. 8951. An act authorizing the city of Shawneetown, Ill., to construct, maintain, and operate a toll bridge across the Ohio River at or near a point between Washington Avenue and Monroe Street in said city of Shawneetown and a point opposite thereto in the county of Union and State of Kentucky;
H.R. 9000. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Holtwood, Lancaster County;
H.R. 9065. An act granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at Turners Falls, Mass.;
H.R. 9257. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Bainbridge, Lancaster County, and Manchester, York County;
H.R. 9271. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Millersburg, Dauphin County, Pa.; and
H.R. 9502. An act authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N.Dak.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. WAGNER, Mr. BARKLEY, Mr. WALCOTT, and Mr. TOWNSEND to be conferees on the part of the Senate.

The measure also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy, and for other purposes; insists upon its amendments, and requests a conference with the House thereon, and appoints Mr. WALSH, Mr. TYDINGS, and Mr. HALE to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to 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, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FLETCHER, Mr. GLASS, Mr. BULKLEY, Mr. WALCOTT, and Mr. TOWNSEND to be the conferees on the part of the Senate.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing 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 on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 24, 1934:

H.R. 211. An act for the relief of John A. Rapelye.

On May 25, 1934:

H.R. 4533. An act for the relief of the widow of D. W. Tanner for expense of purchasing an artificial limb;

H.R. 9092. An act to authorize the Secretary of War to lend to the housing committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16- by 80- by 40-foot assembly tents; thirty 11- by 50- by 15-foot hospital-ward tents; 10,000 blankets, olive drab, no. 4; 5,000 canvas cots; 20 field ranges, no. 1; 10 field bake ovens; to be used at the encampment of the United Confederate Veterans, to be held at Chattanooga, Tenn., in June 1934;

H.R. 9394. An act to authorize the Federal Radio Commission to purchase and enclose additional land at the radio station near Grand Island, Nebr.; and

H.J.Res. 345. Joint resolution to provide funds to enable the Secretary of Agriculture to carry out the purposes of the acts approved April 21, 1934, and April 7, 1934, relating, respectively, to cotton and to cattle and dairy products, and for other purposes.

On May 26, 1934:

H.R. 328. An act for the relief of E. W. Gillespie;

H.R. 916. An act for the relief of C. A. Dickson;

H.R. 1197. An act for the relief of Glenna F. Kelley;

H.R. 1211. An act for the relief of R. Gilbertsen;

H.R. 1212. An act for the relief of Marie Toenberg; and

H.R. 7306. An act to amend section 10 of the act entitled "An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes", approved May 14, 1898, as amended.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the business on Calendar Wednesday of this week be dispensed with.

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

There was no objection.

FEDERAL AID TO EDUCATION—CANNOT UNCLE SAM AFFORD AT LEAST HALF AS MUCH FOR SAVING THE SCHOOLS AS FOR BUILDING ROADS?

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CHRISTIANSON. Mr. Speaker, since I became a Member a little over a year ago, I have voted "no" on more than $6,000,000,000 of expenditures that got by the House. While I was Governor I watched appropriations so closely that I became known throughout the State as a "tightwad." I mention these facts, not to invite either praise or blame, but to indicate that when I favor increased spending for any purpose it is only because I am convinced that increased spending for that purpose is true economy.

The gentleman from Massachusetts [Mr. DOUGLASS] has introduced a bill for Federal aid to schools that I shall support. I shall go farther than supporting it; I shall insist that the appropriation be increased from $75,000,000 to $225,000,000. Surely if we can afford $400,000,000 for roads, we can spare a little more than half as much for education. The gentleman comes from a State which has not only always fostered education but has always stood for thrift and economy. It is a pleasure for me, coming from a State which got many of its first school teachers from New England, to back him in his present effort to get the Federal Government to acknowledge in a substantial way its responsibility for education; for I am convinced that by appropriating funds to help the States keep their schools open during this emergency we are saving money as well as values that are worth more than money.

It must be admitted that voting Federal funds for schools is a departure from past practices. That, however, is not a good reason for refusing to do it. While it is not wise to abandon the old ways of doing things just in order to do something new, neither is it sensible to refuse to adopt new expedients when it is necessary to do so to meet new conditions. The ways of doing things which we now call old were once new. There was a time when it was an innovation to support schools by local taxation; the education of the child was the responsibility of its parents, not of the whole neighborhood. Our forefathers, in spite of objections that were then made, adopted the principle that hiring teachers and paying them was the obligation of all the people. When State aid to schools was first proposed, protests came from those who said that education was the responsibility of the school districts and not of the State. Now, when it is proposed that the Federal Government shall use its taxing power to help pay the cost of what is admittedly a national concern, some consider the proposal as dangerous and even revolutionary. But as we seem to have survived the shock of past efforts to broaden the base of educational support, so we shall escape the dire consequences which some see following in the wake of the passage of the Douglass bill.

Let me consider some of the trends and conditions which make it necessary to enact this measure. There was a time when taxable wealth and income were distributed throughout the country in about the same proportion as population. Then Federal aid would not have accomplished any useful purpose. That condition no longer exists. The business that used to go to the little flour mill at Prairie City has gone to Buffalo, N.Y., and the taxable income of the mill has gone with it, but there are still as many school children in Prairie City as there used to be. Not only the milling of flour but every other business and industry has gravitated toward a relatively few cities, where the income-producing wealth of the country is now to a large extent centered. The concentration of income has proceeded more rapidly than the concentration of population, and, as a result, while some communities can support their essential institutions without much sacrifice, others cannot support them at all. Out of this situation has arisen the necessity for legislation of the kind embodied in the Douglass bill.

Let me call your attention to some conditions which exist today in my own State. School tax levies run as high as 157 mills, tax delinquencies as high as 90 percent. In many districts bond obligations exceeding 50 percent of the assessed valuation have piled up interest charges that make it impossible to meet current expenses. In some of the distressed districts, teachers' salaries run as low as $25 a month, and in a few instances teachers have to "board around", receiving $15 or less a month in actual cash. Sixty percent of the teachers in distressed districts have been paid in warrants which are either unnegotiable or negotiable only at a discount. Outstanding warrants constitute an ever-growing obligation and in many cases have accumulated in such amounts that the banks have stopped cashing them. Some districts have paid their teachers with money from the sinking fund, defaulting interest and amortization payments on their bonds in order to do so. These facts, contained in a statement submitted by the Honorable E. M. Phillips, commissioner of education for the State of Minnesota, present a picture that challenges attention.

Continued drought, disappearing industry, unemployment, shrinking valuations, increasing tax delinquency, have brought about a situation which is not pleasant to contemplate, but which we must face courageously. Unless Federal relief is provided, one-half of the Minnesota school districts that have received aid from the Federal Emergency Relief Administration this year will not be able to open their schools in September, and other districts will open them without knowing how long they can keep them open.

Although the situation is most acute in some of the rural counties, the larger cities also are sorely distressed. In Minneapolis, where I live, expenditures for personnel have been reduced 20 percent, other expenditures 24 percent, and still there is a deficit of $1,142,000. In the neighboring city of St. Paul, a budget smaller than that of 10 years ago by

$105,800, will have to provide education for 8,000 more pupils.

That the situation I have set forth is not peculiar to Minnesota is shown by figures presented by the Honorable G. F. Zook, United States Commissioner of Education. He recently reported that the cities of the country, with an enrollment 250,000 greater than in 1930, are operating their schools with 18,000 fewer teachers and $133,000,000 less money. Inasmuch as the city schools are probably much better off than those of the rural communities, it is apparent that the $75,000,000 Federal aid provided for in the Douglass bill is inadequate.

Mr. Speaker, there never was a time when trained intelligence was needed more than now. The problems confronting the Nation are increasing in number, complexity, and importance. We dare not face those problems with an uninformed electorate. I am not one of those who believe that schooling alone makes a good citizen, but I am sure that without schooling no citizen can meet adequately the responsibilities of the present and the future. During the last months there has been much concern expressed, here and elsewhere, for the future of democracy. "Revolution" and "dictatorship" are words that have been heard with disconcerting frequency. I tell you that revolution and dictatorship come to a people only when that people has become incapable of self-government. Freedom is the condition of those who know how to use it. Let us therefore guard well the foundation of democracy; let us preserve the institutions that make men fit to be free.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, we have been trying at various times to have a call of the Private Calendar. It is important that we have an early call on House bills. Later on we will ask that the House consider the Senate bills. I ask unanimous consent that it be in order today to take a recess until 7:30 o'clock, and that at the evening session bills on the Private Calendar only, unobjected to, beginning where the House left off on the previous call, be in order.

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

Mr. TRUAX. I object.

Mr. BYRNS. Mr. Speaker, I renew my request for tomorrow night.

Mr. BLANTON. Reserving the right to object, and, of course, if the majority leader insists on it, I shall not object, because I shall not oppose anything that the leader wants done. He is such a splendid leader that we all ought to follow him, but we are going to have time on our hands waiting on the Senate, so why cannot we have a call of the Private Calendar in a day session on Wednesday or Thursday or Friday or Saturday?

Mr. BYRNS. I will say that the reason I proposed tonight or tomorrow night is the fact that many Members have House bills on the calendar and would like to have them disposed of and have plenty of time to get them through the Senate. If the gentleman from Texas objects to tomorrow night, I will renew my request for Wednesday night.

Mr. BLANTON. I do not propose to interpose an objection to the gentleman's request, if our leader insists on it, for I shall be here tomorrow night and every night.

Mr. BYRNS. We have had now 3 days' rest.

Mr. BLANTON. Rest? With 16 hours a day at work each day in our offices.

Mr. BYRNS. I mean rest from legislative duties. None of us have rested from other labors.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee that the House tomorrow take a recess until 7:30 o'clock tomorrow night, and at the evening session only bills on the Private Calendar unobjected to shall be considered, beginning at the start.

There was no objection.

RELIEF OF ALFRED HOHENLOHE AND OTHERS BY REMOVING CLOUD ON TITLE

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 6099) for the relief of Alfred Hohenlohe, Alexander Hohenlohe, Conrad Hohenlohe, and Viktor Hohenlohe by removing cloud on title.

Mr. BLANTON. Will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. BLANTON. In order to have an understanding that we can all work together, it is understood, is it not, that what is known as the "District of Columbia old-age pension bill" will not be called up today?

Mr. PALMISANO. I do not intend to call up the House bill on old-age pensions. I might say that we have a considerable number of important bills here which it is very important should be passed today.

Mr. BLANTON. I am sure of that; but in order to expedite the passage of noncontroversial bills having to do with the District of Columbia, the old-age pension bill for the District of Columbia will not be called up today?

Mr. PALMISANO. No; it will not be called up today.

Mr. TREADWAY. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. TREADWAY. Will the automobile responsibility bill be called up today? Does the gentleman expect to call that bill up today?

Mr. PALMISANO. Is that the code bill?

Mr. TREADWAY. It is the bill with regard to responsibility of automobile drivers in the District; the same bill as many States have in operation. I do not know the number of it. It is the A.A.A. bill.

Mr. PALMISANO. There is a code bill, if the gentleman has reference to that. The only insurance bill I intend to call up—there is one with reference to industrial life insurance with reference to contracts.

Mr. TREADWAY. No; that is not the bill.

Mr. PALMISANO. The last bill I intend to call up will be the taxicab liability bill. That will be the last one.

Mr. TREADWAY. I think there are two of those automobile bills.

Mr. PALMISANO. I do not intend to take up the other.

Mr. TREADWAY. What is the title of the other?

Mr. PALMISANO. Does the gentleman mean the auto liability bill?

Mr. TREADWAY. Yes.

Mr. PALMISANO. I do not intend to take that up.

Mr. TREADWAY. The gentleman does not intend to call up that bill?

Mr. PALMISANO. No; but the taxicab liability I expect to bring up.

Mr. TREADWAY. The taxicab automobile liability insurance bill will be taken up?

Mr. PALMISANO. Yes. That will be the next to the last bill which I have on the list. There are about 20 bills all told.

Mr. TREADWAY. Does the gentleman expect to reach that bill?

Mr. PALMISANO. Yes; I expect to reach it.

Mr. Speaker, I ask unanimous consent to consider the bill in the House as in the Committee of the Whole.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by appropriate quitclaim deed to Alfred Hohenlohe for life, with remainder to Alexander, Konrad, and Viktor Hohenlohe, their heirs and assigns, all the right, title, and interest of the United States in and to lots 68 and 69 in Abner B. Kelly trustee's subdivision of part of square 628, as per plat recorded in liber W.B.M., folio 273, of the records of the office of the surveyor of the District of Columbia. The true intent of this act is to relinquish and abandon, grant, give, and concede any and all right, interest, and estate, in law or equity, which the United States is or is supposed to be entitled to in part of said land by escheat because of the death of Catharine B. Hohenlohe, an Austrian citizen, unto her husband, Alfred Hohenlohe, and her minor children, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe, all Austrian citizens: *Provided, however*, That said Alfred Hohenlohe, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe, as such aliens, shall sell or otherwise dispose of said interest within 10 years, as provided by the United States Code, title 8, section 73, or such further period as shall be secured to them by any treaty between the United States and the Republic of Austria, or be subject to the same liabilities of escheat proceedings on behalf of the United States as are provided by title

8 of the United States Code or as shall hereafter be provided by law, said period of 10 years to commence to run from the date on which said quitclaim deed shall have been executed by the Secretary of the Interior pursuant hereto.

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

MISREPRESENTATION IN THE DISTRIBUTION OF MILK IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 6130) to prevent misrepresentation and deception in the sale of milk and cream in the District of Columbia.

The Clerk read as follows:

Be it enacted, etc., That section 14 of the act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes", approved March 3, 1921, is hereby amended to read as follows:

"SEC. 14. (a) That bottles or other measures or containers used for the sale of milk or cream shall be of the capacity of 1 gallon, a multiple of 1 gallon, one-half gallon, 3 pints, 1 quart, 1 pint, 1 gill, or one-half gill, when filled to the bottom of the cap seat, stopple, or other designating mark. Such bottles or other measures or containers shall have clearly blown or otherwise permanently marked in the side of each such bottle or other measure or container or printed on the cap or stopple thereof, in plain bold-face gothic type, not smaller than 10 point, the name and address of the person who or the firm or corporation which shall have bottled said milk or cream. The name of no other person, firm, or corporation shall be blown or otherwise marked on such bottle or other measure or container or printed on the cap or stopple thereof. No person, firm, or corporation, for the purpose of bottling, selling, offering for sale, or delivering milk or cream, shall use caps or stopples, bottles, or other measures or containers which do not comply with the provisions of this section.

"(b) No person, firm, or corporation, in connection with the sale or delivery of milk or cream in any of the bottles or other measures or containers provided for in this section shall use any vehicle unless, on both sides of said vehicle there shall be conspicuously displayed the name and address of the person who or the firm or corporation which shall have bottled said milk or cream, and the name of no other person, firm, or corporation shall appear on any portion of any such vehicle: *Provided, however,* That the name of the manufacturer of such vehicle, other than a person who or a firm or corporation which may be engaged in the business of bottling or selling milk or cream, may appear on same: *And provided further,* That a person who or a firm or corporation which is engaged in the sale of foods in general may place the name of such person, firm, or corporation on such vehicle as may be actually employed by such person, firm, or corporation in the delivery of foods in general.

"(c) No person, firm, or corporation, in the conduct of his or its business, shall designate said business by the term 'dairy' or represent himself or itself as engaged in the dairy business unless engaged in the business of producing or bottling milk or cream."

With the following committee amendments:

Page 1, line 9, after the figures "14", insert "(a)."

On page 2, line 17, before the word "No", insert "(b)"; on line 19, after the word "in", strike out the word "this"; on line 20, after the figures "14", insert "(a)."

On page 3, beginning in line 4, after the word "further", strike out the remainder of the paragraph and insert: "That the requirements of this subsection shall not apply to a person who, or a corporation which, is engaged chiefly in the sale of foods or merchandise in general, and who is not engaged in the business of bottling milk or cream"; on line 14, page 3, before the word "No", insert "(c)."

The committee amendments were agreed to.

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

PROMOTIONS IN THE NAVY

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant, to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON of Georgia, DREWRY, and BRITTEN.

FIRE ESCAPES ON BUILDINGS IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 7209) to amend an act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906 (34 Stat. 70), as amended by the act of March 2, 1907 (34 Stat. 1247).

The Clerk read as follows:

Be it enacted, etc., That sections 1, 3, 4, 8, 9, 10, 11, 12, and 13 of an act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906, as amended by the act of March 2, 1907, are hereby amended as follows:

Amend section 1 so as to read:

"SECTION 1. That it shall be the duty of the owner entitled to the beneficial use, rental, or control of any building three or more stories in height, or over 30 feet in height, constructed or used or intended to be used as an apartment house, tenement house, flat, rooming house, lodging house, hotel, hospital, seminary, academy, school, college, institute, dormitory, asylum, sanitarium, hall, place of amusement, office building, or store, or of any building three or more stories in height, or over 30 feet in height, other than a private dwelling, and in which sleeping quarters for the accommodation of 10 or more persons are provided above the first floor, not hereinafter exempted from the provisions of section 1 of this act, to provide and cause to be erected and fixed to every such building, connecting with each floor above the first floor by easily accessible and unobstructed openings, one or more suitable fire escapes, in such location and numbers and of such material, type, and construction as the Commissioners of the District of Columbia may determine: *Provided,* That buildings designed and built as single-family dwellings, and converted to use as apartment houses, in which not more than three families reside, including the owner or lessee, or rooming houses in which sleeping accommodations are provided for less than 10 persons not including the family of the owner or lessee, not more than three stories, nor more than 40 feet in height, and having a total floor area not more than 3,000 square feet above the first floor, shall be exempted from the provisions of sections 1 and 3 of this act: *And provided further,* That buildings used solely as apartment houses, not more than three stories, nor more than 40 feet in height, so arranged that not more than five apartments per floor open directly, without an intervening hall or corridor, on a fire-resistive stairway, three feet or more in width, enclosed with masonry walls in which fire-resistive doors are provided at all openings, shall be excluded from the provisions of this section.

"That when used in this act—

"(a) An apartment house shall mean a building in which rooms in suites are provided for occupancy by three or more families.

"(b) A tenement house shall mean the same as an apartment house.

"(c) A flat shall mean the same as an apartment house.

"(d) A rooming house shall mean a building in which rooms are rented and sleeping quarters provided to accommodate 10 or more persons, not including the family of the owner or lessee.

"(e) A lodging house shall mean a building in which sleeping quarters are provided to accommodate 10 or more transients.

"(f) A hotel shall mean a building in which meals are served and rooms are provided for the accommodation of 10 or more transients.

"(g) An elevator shaft shall be construed to include a dumbwaiter shaft.

"(h) A fire escape shall mean an exterior open stairway or arrangement of ladders constructed entirely of incombustible materials and of approved design, or an interior or exterior stairway of fire-resistive construction with enclosing walls of masonry with fire-resistive doors and windows.

"(i) A standpipe shall mean a vertical iron or steel pipe provided with hose connections and valves, so arranged to supply water for fire-fighting purposes.

"(j) Fireproof shall mean the same as fire resistive as defined in the Building Code of the District of Columbia.

"(k) Fire resistive shall mean the same as fireproof."

Amend section 3 so as to read:

"SEC. 3. That it shall be the duty of the owner entitled to the beneficial use, rental, or control of any building used or intended to be used as set forth in section 1 of this act where fire escapes are required, or any building in which 10 or more persons are employed, as set forth in section 2 of this act where fire escapes are required; also to provide, install, and maintain therein proper and sufficient guide signs, guide lights, exit lights, hall and stairway lights, standpipes, fire extinguishers, and alarm gongs and striking stations in such location and numbers and of such type and character as the Commissioners of the District of Columbia may determine: *Provided,* That in buildings less than six stories in height standpipes will not be required when fire extinguishers are installed in such numbers and of such type and character as the Commissioners of the District of Columbia may determine."

Amend section 4 so as to read:

"SEC. 4. That the Commissioners of the District of Columbia are hereby authorized and directed to issue such orders, adopt and enforce such regulations not inconsistent with law as may be necessary to accomplish the purposes and carry into effect the provisions of this act, and to require any alterations or changes

that may become necessary in buildings now or hereafter erected, in order to properly locate or relocate fire escapes or to afford access to fire escapes and to require any changes or alterations in any buildings that may be necessary in order to provide for the erection of additional fire escapes, or for the installation of other appliances required by this act, when in the judgment of said Commissioners such additional fire escapes or appliances are necessary."

Section 8 is hereby repealed.

Section 9 is hereby renumbered as section 8; the words "fire hose" are omitted and the word "standpipe" is substituted therefor in the first sentence. The words "or regulations promulgated hereunder" are hereby inserted after the word "act" in the second sentence.

Section 10 is hereby renumbered as section 9.

Section 11 is hereby renumbered as section 10, and the period at the end of the first sentence is changed to a comma and the words "or if delivered to the agent, trustee, executor, or other legal representative of the estate of such person" are inserted.

Section 12 is hereby renumbered as section 11.

Section 13 is hereby renumbered as section 12.

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

BOARD OF INDETERMINATE SENTENCE AND PAROLE, DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 8987) to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

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

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the act of Congress entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932, be, and the same hereby is, amended by adding a new section to be numbered 10 and to read as follows:

"SEC. 10. The Board of Parole created by the act of Congress entitled 'An act to amend an act providing for the parole of United States prisoners, approved June 25, 1910, as amended', approved May 13, 1930, shall have and exercise the same power and authority over prisoners convicted in the District of Columbia of crimes against the United States and now or hereafter confined in any United States penitentiary or prison (other than the penal institutions of the District of Columbia) as is vested in the Board of Indeterminate Sentence and Parole over prisoners confined in the penal institutions of the District of Columbia."

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

DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9007) to amend section 11 of the District of Columbia Alcoholic Beverage Control Act, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

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

Mr. O'CONNOR. Reserving the right to object, just what does this bill do? This is not the bill which we amended and sent over to the other body, and which is still over there, which prohibits drug stores from selling outside of prescriptions, is it?

Mr. PALMISANO. Oh, no. This bill simply changes the license law for a common carrier by water, giving them the same license as a common carrier by rail.

Mr. O'CONNOR. It affects hotels, I see.

Mr. PALMISANO. No. It simply amends the law to give steamboat companies which navigate within 100 miles the same right as a railroad, as far as licenses are concerned.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That section 11, paragraph (g), be amended to read as follows:

"(g) Retailer's license, class C: Such a license shall be issued only for a bona fide restaurant, hotel, or club, or a passenger-carrying marine vessel serving meals, or a club car or a dining car on a railroad. It shall authorize the holder thereof to keep for sale and to sell spirits, wine, and beer at the place therein described for consumption only in said place. Except in the case of clubs, hotels, and passenger-carrying marine vessels serving meals in interstate commerce of 100 miles or more, no beverage shall be sold or served to a customer in any closed container. In the case of restaurants and passenger-carrying marine vessels and club cars or dining cars on a railroad, said spirits and wine, except light wines, shall be sold or served only to persons seated at public tables, and beer and light wines shall be sold and served only to persons seated at public tables or at bona fide lunch counters, except that spirits, wine, and beer may be sold or served to assemblages of more than six individuals in a private room when such room has been previously approved by the Board. In the case of hotels, said beverages may be sold and served only in the private room of a registered guest or to persons seated at public tables or to assemblages of more than six individuals in a private room, when such room has been previously approved by the Board. Beer and light wines may also be sold and served to persons seated in bona fide lunch counters. And in the case of clubs, said beverages may be sold and served in the private room of a member or guest of a member or to persons seated at tables. No license shall be issued to a club which has not been established for at least 3 months immediately prior to the making of the application for such license.

"The fee for such a license shall be for a restaurant, $500 per annum; for a hotel, under 100 rooms, $500 per annum; for a hotel of 100 or more rooms, $1,000 per annum; for a club, $250 per annum; for a marine vessel serving meals in interstate commerce of 100 miles or more and for each railroad dining car or club car, $2 per month or $20 per annum; for all other passenger-carrying marine vessels serving meals, $50 per month or $500 per annum."

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

EDUCATIONAL OPPORTUNITIES FOR CHILDREN OF SOLDIERS, SAILORS, AND MARINES KILLED IN ACTION

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9143) providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

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

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from funds to the credit of the District of Columbia in the Treasury of the United States not otherwise appropriated, the sum of $3,600, annually, for the fiscal years 1935 to 1943, inclusive, for aid in the education of children (between the ages of 16 and 21 years, inclusive, who have had their domicile in the District of Columbia for at least 5 years) of those who lost their lives during the World War as a result of service in the military or naval forces of the United States, including tuition, fees, maintenance, and the purchase of books and supplies: *Provided*, That not more than $200 shall be available for any one child: *Provided further*, That appropriations made in accordance with this act shall be expended only for such children while attending educational institutions of a secondary or college grade under rules and regulations prescribed by the Board of Education.

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

COLUMBUS UNIVERSITY

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9180) relating to the incorporation of Columbus University, of Washington, D.C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia.

The Clerk read the bill, as follows:

Be it enacted, etc., That the incorporation of the Columbus University of Washington, District of Columbia, under chapter 18 of the Code of Laws of the District of Columbia, be, and the same is hereby, approved and confirmed, except as herein specifically altered.

SEC. 2. The number of trustees for the management of said corporation shall be not more than 14 and not less than 12 and at least two of whom shall be members of each existing council of the Knights of Columbus, each of whom shall be a member of the District of Columbia branch of the fraternal organization known and designated as the "Knights of Columbus"; that J. Fred Brady, John E. Burns, W. Francis Delaney, John P. Dunn, William G. Feely, G. E. Herring, George F. Howell, Harold Francis Jones, William E. Leahy, James P. McKeon, Walter I. Plant, T. J. Quirck, and M. J. Willcoxon shall constitute the original board of trustees under this act; that the board of trustees shall elect, from among themselves, 1 member to be president, 1 member to be vice

president, 1 member to be treasurer, and 1 member to be secretary of said corporation; that the board of trustees shall elect, from among themselves, 1 member to be chairman, 1 member to be vice chairman, and 1 member to be secretary of the board of trustees; that at the first meeting of the board subsequent to the passage of this act the trustees shall be divided into three classes, the members of the first class to serve for a period of 3 years, the members of the second class to serve for a period of 4 years, and the members of the third class, which class shall include the president, vice president, treasurer, and secretary of the corporation, to serve for a period of 5 years; that the said trustee shall serve for the periods mentioned and/or until their successors are designated, the power of designation being in the board of trustees; that the number of professorships which may be established by said corporation shall be left to the discretion of the board of trustees who shall have the power to establish ordinances and by-laws for the conduct of the business of the corporation, or to alter, repeal, and amend the same, and also power to frame laws and regulations to govern the faculty and students in all departments thereof and to designate such professors and lecturers as they shall deem necessary and with such salaries and duties as the said board of trustees shall deem proper: *Provided, however,* That no member of the board of trustees, except the president, shall serve in a teaching capacity in the university.

SEC. 3. The said corporation shall adopt a common seal, under and by which all deeds, diplomas, and acts of the said university or corporation shall pass and be authenticated, and the same seal at their pleasure to break and alter, or to devise a new one.

SEC. 4. Persons of every religious denomination shall be eligible to membership on the faculty and that no person shall be refused admittance to the university as a pupil, or denied any of the privileges, immunities, or advantages thereof, for or on account of his or her sentiments in matters of religion.

SEC. 5. The funds, moneys, and properties of the corporation shall be held in the name of Columbus University and that the funds or the income of the corporation, or any part thereof, shall be used for no purpose or object other than to promote and advance the best interests of Columbus University.

SEC. 6. No institution of learning hereafter incorporated in the District of Columbia shall use in or as its title, in whole or in part, the words "Columbus University."

SEC. 7. Nothing in this act contained shall be so construed as to prevent Congress from altering, amending, or repealing the same.

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

TENLEY SCHOOL

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9184) to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of St. Ann's Church of the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized to sell and convey to the duly constituted representative and agent of St. Ann's Roman Catholic Church, of the District of Columbia, located at or near the corner of Wisconsin Avenue and Yuma Street N.W., the following described real estate: The old Tenley School Building, and original site, known as parcels 35/130 and 131, parcel 130 containing 2,880 square feet, and parcel 131 containing 42,036 square feet, or a total of 44,916 square feet, being the same land and premises now leased to the pastor of St. Ann's Church by a certain lease signed by the Commissioners of the District of Columbia, dated October 16, 1933, and now included in parcel 35/260.

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

THE AMERICAN LEGION

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9400) to exempt from taxation certain property of the American Legion in the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the property situated in square 185 in the city of Washington, D.C., described as lots 32 and 33, owned, occupied, and used by the American Legion, is hereby exempt from all taxation so long as the same is so owned, occupied, and used, subject to the provisions of section 8 of the act of March 3, 1877, as amended and supplemented (D.C. Code, title 20, sec. 712), providing for exemptions of church and school property.

With the following committee amendment:

Page 1, line 7, strike out the word "owned" and insert in lieu thereof the words "owned and"; and in the same line, after the second word "and", insert the word "not", and after the word "used" insert "for commercial purposes."

The committee amendment was agreed to.

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

DISTRICT ALCOHOLIC BEVERAGE CONTROL ACT

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9622) to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

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

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, will the gentleman please explain this bill?

Mr. PALMISANO. This bill merely exempts from the payment of the 50 cents per gallon tax liquor which may be exported from the District.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection (a) of section 23 of the District of Columbia Alcoholic Beverage Control Act is amended so as to read as follows:

"SEC. 23. (a) There shall be levied, collected, and paid on all of the following-named beverages manufactured by a holder of a manufacturer's license and on all of the said beverages imported or brought into the District of Columbia by a holder of a wholesaler's license, except beverages as may be sold to a dealer licensed under the laws of any State or Territory of the United States and not licensed under this act, and on all beverages imported or brought into the District of Columbia by a holder of a retailer's license, a tax at the following rates to be paid by the licensee in the manner hereinafter provided: ".

SEC. 2. That subsection (e) of section 23 be amended by inserting the word "taxable" after the word "upon" in the beginning of the first sentence and by inserting the word "taxable" after the word "upon" in the beginning of the second sentence.

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

LIFE INSURANCE IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 195) respecting contracts of industrial life insurance in the District of Columbia.

The Clerk read the bill, as follows:

Be it enacted, etc., That policies of industrial weekly payment life insurance hereafter issued or delivered in the District of Columbia shall be subject to the following conditions, in addition to any other prescribed by law and not inconsistent with the provisions of this act.

GOOD FAITH

SEC. 2. If payment of such a policy shall be refused because of unsound health at or prior to the date of the policy, the good faith of both applicant and insured shall constitute a material element in determining the validity of the policy; and it shall not be held invalid because of unsound health unless the insurer shall prove that, at or before the date of issue of the policy, the insured or applicant had knowledge of, or reason to know, the facts on which the defense is based, or shall prove that the insurance was procured by the insured or applicant in bad faith or with intent to defraud the company, any provision, agreement, condition, warranty, or clause contained in said policy, or endorsed thereon, or added or attached thereto, to the contrary notwithstanding. Proof by the insurer of fraud, intent to deceive, unsound health, bad faith, breach or warranty or condition precedent, or other matter of defense, shall be subject to the provisions of section 657 of the act entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended (D.C. Code, title 5, sec. 183).

INCONTESTABILITY

SEC. 3. Every such policy shall be incontestable upon any ground relating to health after 2 years from its date of issue (notwithstanding a longer period may be named therein), provided the insured shall be alive at the end of said period. If the policy by its terms shall be incontestable after a shorter period than herein provided, the terms of the policy with regard to such period of limitation shall govern.

ASSIGNMENT

SEC. 4. Nothing contained in the terms of any such policy shall operate to prevent its valid assignment by the insured; but the company issuing the policy so assigned shall be discharged of all liability thereon by payment of its prcceeds in accordance with its terms, unless before such payment the company shall have written notice of such assignment.

BENEFICIARY

SEC. 5. Any individual designated with the consent of the insurer, evidenced by the signature of its president or secretary, or designated upon a form furnished by and filed with the insurer, as beneficiary of such a policy shall be entitled to the proceeds of such policy after the death of the insured in priority to all other claimants, and may sue in his own name for such proceeds if payment is refused by the insurer: *Provided*, That upon the expiration of 15 days after the death of the insured, unless proof of claim in the manner and form required by the policy, accompanied by the policy for surrender, has theretofore been made by or on behalf of such designated beneficiary, the insurer may pay to any other claimant permitted by the policy. A person specified as one to whom the insured desires payment made, but not formally designated as beneficiary, shall be deemed a beneficiary for the purposes of this section, provided such designation be made in writing and filed with the company during the lifetime of the insured.

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

A motion to reconsider was laid on the table.

ALLEY DWELLINGS

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 1780) to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replatting and development of squares containing inhabited alleys, in the interest of public health, comfort, morals, safety, and welfare, and for other purposes, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That to enable the President, in the interest of public health, comfort, morals, safety, and welfare, to provide for the discontinuance of the use as dwellings of buildings situated in alleys and to eliminate the hidden communities in inhabited alleys of the District of Columbia, and to carry out the policy declared in the act approved May 16, 1918, as amended, of caring for the alley population of the District of Columbia, the President is hereby authorized and empowered, within the limits of the amounts herein authorized—

(a) To purchase, or acquire by condemnation or gift, any land, buildings, or structures, or any interest therein, situated in or adjacent to any inhabited alley in the District of Columbia, and such other land, buildings, or structures, or any interest therein, within any square containing an inhabited alley as he may determine to be necessary for the replatting and improvement of said square pursuant to the provisions of this act;

(b) To replat any land acquired under this act; to pave or repave any street or alley thereon; to construct sewers and water mains therein; to install street lights thereon; to demolish, move, or alter any buildings or structures situated thereon and erect such buildings or structures thereon as deemed advisable: *Provided, however*, That the same shall be done and performed in accordance with the laws and municipal regulations of the District of Columbia applicable thereto;

(c) To lease, rent, maintain, equip, manage, exchange, sell, or convey any such lands, buildings, or structures upon such terms and conditions as he may determine: *Provided*, That if any such land as required for the purposes of the government of the District of Columbia such land may be transferred to the said government upon payment to the authority of the reasonable value thereof; and

(d) To aid in providing, equipping, managing, and maintaining houses and other buildings, improvements, and general community utilities on the property acquired under the provisions of this act, by loans, upon such terms and conditions as he may determine, to limited dividend corporations whose dividends do not exceed 6 percent per annum, or to home owners to enable such corporations or home owners to acquire and develop sites on the property: *Provided, however*, That no loan shall be made at a lower rate of interest than 5 percent per annum, and that all such loans shall be secured by reserving a first lien on the property involved for the benefit of the United States.

SEC. 2. (a) The President may designate, for the purpose of carrying out the provisions of this act, such official or agency of the Government of the United States or of the District of Columbia (hereinafter referred to as "the authority") as in his judgment is deemed necessary or advantageous, and the authority shall have or obtain all powers necessary or appropriate therefor, including the employment of necessary personal services; but (1) all plans for replatting and/or method of condemnation under the provisions of this act shall be submitted to and receive the written approval of the National Capital Park and Planning Commission and of the Board of Commissioners of the District of Columbia: *Provided, however*, That (a) failure of the National Capital Park and Planning Commission or of the Board of Commissioners of the District of Columbia to formally approve or disapprove in writing within 60 days after a plan has been submitted shall be equivalent to a formal approval, and (b) disapproval shall be accompanied by a written statement giving all the reasons for disapproval; and (2) any plan which shall involve action by any department, bureau, or agency of the United States or of the District of Columbia shall be made after consultation with such department, bureau, or agency.

(b) In the event condemnation proceedings are required to carry out the provisions of this act the same shall be conducted in accordance with the provisions of the act entitled "An act to provide for the acquisition of land in the District of Columbia for the use of the United States", approved March 1, 1929.

(c) If the authority determines in the case of any alley that it will be more advantageous to proceed in accordance with sections 1608 to 1610, inclusive, of the Code of Laws of the District of Columbia, the Commissioners of the District of Columbia shall be notified of such determination and proceedings shall then be had as provided in such sections for alleys and minor streets, except that if the total amount of damages awarded by the jury and the cost and expenses of the proceedings be in excess of the total amount of the assessment for benefits, such excess shall be borne and paid by the authority.

SEC. 3. (a) For the purpose of inaugurating the program contemplated by this act there is hereby made immediately available to the authority $500,000 of the unexpended balance of the corporate funds of the United States Housing Corporation, which sum together with all other sums received shall constitute a revolving fund to be known as the "Conversion of inhabited alleys fund" (hereinafter referred to as the "fund"). At the close of each fiscal year there shall be deducted from the fund and covered into the Treasury of the United States as miscellaneous receipts an amount equal to the interest at the rate of 4 percent per annum upon such net amounts as may be utilized for the purpose of the act during each fiscal year.

(b) All receipts from sales, leases, or other sources shall be deposited in the fund and shall be immediately available for the purposes of this act: *Provided, however*, That no interest shall be chargeable upon amounts on deposit in the said fund during any period that the same shall not be utilized for the purposes of this act.

(c) For the purposes of this act the authority is hereby authorized and empowered to borrow money from the Reconstruction Finance Corporation, or from other Government agencies empowered to provide funds for such purposes, secured by the property and assets acquired under the provisions of this act.

SEC. 4. (a) The objects set forth in section 1 of this act shall be accomplished as rapidly as feasible and to this end the Authority shall, in its report for the fiscal year ending June 30, 1934, set forth what it purposes to do during the next succeeding fiscal year. In each succeeding annual report it shall set forth its proposals for the next year.

(b) On and after July 1, 1944, it shall be unlawful to use or occupy any alley building or structure as a dwelling in the District of Columbia.

(c) No alley dwelling shall hereafter be constructed in the District of Columbia, nor shall any building or structure be moved, altered, or converted for use as an alley dwelling.

(d) Any person violating any of the provisions of this section shall, upon conviction thereof, be punished by a fine of not more than $500 or by imprisonment for not more than 6 months, or both. Each week of 7 days of the continuance of any such violation shall constitute a separate offense.

SEC. 5. (a) The Authority shall make a report to the President, which he shall transmit to Congress at the beginning of each regular session, giving a full and detailed account of all operations under the provisions of this act for the preceding fiscal year.

(b) Upon completion of the work contemplated by this act the President shall submit a complete report to Congress giving a full and detailed account of all operations for the entire period of operation. If such work is not completed by July 1, 1944, the President shall, on July 1, 1944, or at the opening of the next regular session of Congress after such date, make a report to Congress covering the operations under this act for the entire period to July 1, 1944, including a statement of what further work remains to be done, and recommendation for further legislation if in his opinion such legislation is necessary.

(c) It is hereby declared to be the purpose and intent of Congress that the objects set forth in section 1 of this act shall be accomplished, if possible, on or before July 1, 1944, except that loans made under this act may run for periods extending beyond such time.

SEC. 6. There shall be published three times each year during the month of January in a newspaper of general circulation published in the District of Columbia a notice to owners and tenants of alley dwellings and of other property in squares containing inhabited alleys, that alley dwellings in such squares may be demolished, removed, or vacated, and that the squares may be replatted on or before July 1, 1944.

SEC. 7. As used in this act—

(a) The term "alley" means (1) any court, thoroughfare, or passage, private or public, less than 30 feet wide at any point; and (2) any court, thoroughfare, or passage, private or public, 30 feet

or more in width, that does not open directly with a width of at least 30 feet upon a public street that is at least 40 feet wide from building line to building line.

(b) The term "inhabited alley" means an alley in or appurtenant to which there are one or more alley dwellings.

(c) The term "alley dwelling" means any dwelling fronting upon or having its principal means of ingress from an alley. This definition does not include an accessory building, such as a garage, with living rooms for servants or other employees; if the principal entrance to the living rooms of the accessory building is from the street property to which it is accessory.

(d) The term "dwelling" means any building or structure used or designed to be used in whole or in part as a living or a sleeping place by one or more human beings.

(e) The term "person" includes any individual, partnership, corporation, or association.

SEC. 8. If any provision of this act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the application thereof to other persons and circumstances shall not be affected thereby.

SEC. 9. All acts and parts of acts contrary to the provisions of this act or inconsistent therewith be, and the same are hereby, repealed.

SEC. 10. This act may be cited as the "District of Columbia Alley Dwelling Act."

With the following committee amendment:

Page 5, strike out "Sec. 3. (a)" and insert in lieu thereof the following:

"SEC. 3. (a) The President is hereby authorized, in his discretion, to make immediately available to the authority for its lawful uses and as needed, from the allocation made from the appropriation to carry out the purposes of the National Industrial Recovery Act, contained in the Fourth Deficiency Act, fiscal year 1933, now carried under the title 'National Industrial Recovery, Federal Emergency Administration of Public Works, Housing, 1933–35', symbol 03/5666, not to exceed $500,000 of any amount thereof dedicated for low-cost housing and slum-clearance projects in the District of Columbia, to be set aside in the Treasury and be known as 'Conversion of inhabited alleys fund' (hereinafter referred to as the 'fund').

"(b) The authority is hereby authorized and empowered to borrow such moneys from individuals or private corporations as may be secured by the property and assets acquired under the provisions of this act, and such moneys, together with all receipts from sales, leases, or other sources, shall be deposited in the fund and shall be available for the purposes of this act.

"(c) The fund shall remain available until June 30, 1935, and thereafter shall be available annually in such amount as may be specified in the annual appropriation acts.

"(d) The total amount paid for property or properties acquired in any square shall not exceed 30 percent over and above the present assessed value of all the property or properties acquired in any square to carry out the provisions of this act."

The committee amendment was agreed to.

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

NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 2508) authorizing the Secretary of the Interior, with the approval of the National Capital Park and Planning Commission and the Attorney General of the United States, to make equitable adjustments of conflicting claims between the United States and other claimants of lands along the shores of the Potomac River, Anacostia River, and Rock Creek in the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

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

Mr. BLANTON. Mr. Speaker, reserving the right to object, I wish to ask some questions.

This is another bill which grants additional power and authority to the National Park and Planning Commission. We are continually giving it authority and losing control over matters of this kind. I doubt the wisdom of this action.

It is well known that it has required urgent riders on appropriation bills to keep the authorities from tearing down three of the best buildings in Washington—the Municipal Building, the Southern Railway Building, and the old Post Office Department Building. There is no better-built office building in Washington today than the Southern Railway Building. Where will you find a more picturesque, splendid building anywhere in the country than the old Post Office Department? The Municipal Building is a valuable structure. Every year American citizens spend their money to go abroad to see old buildings, buildings over 100 years old, yet just as soon as we get a building with a little age on it, we have to tear it down.

I challenge any Member of the House to show any reason in the world why these three buildings should be torn down. If we do not watch matters closely, we are liable to find sometime, when the Members get away from Washington after an adjournment and we cannot stop these things, some way will be found to tear down these three buildings. It is outrageous; it is unthinkable.

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

Mr. BLANTON. I yield.

Mr. MAY. Does the bill which has just been called up authorize the National Park and Planning Commission, with the consent of the Attorney General, to do almost anything it wants to do about these buildings?

Mr. BLANTON. Oh, no. I was just calling attention to the action of Congress in delegating authority that ought to be retained by Congress.

Mr. MAY. The gentleman is discussing the principle involved.

Mr. BLANTON. Yes; and there is a principle involved. Here is a bill which gives the National Capital Park and Planning Commission authority to do something that only Congress has the right to do.

I doubt whether it is a wise proposition for us to pass bills of this kind.

Mr. MAY. This is just another delegation of the powers of the Congress to individuals.

Mr. BLANTON. I have an understanding with the gentleman from Maryland regarding some legislation he will not call up today, and I keep my agreements. Otherwise I would oppose this bill. I have done my duty by calling attention to the unwisdom of passing such bills. I wanted us to register our disapproval of the tearing-down of these buildings in such a way that they will not dare do it when Congress adjourns and we are away from here.

Mr. LOZIER. Will the gentleman yield?

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

Mr. LOZIER. Is it not a fact that on three occasions Congress has refused to appropriate funds which would have permitted the demolition of the Post Office Building and some other buildings?

Mr. BLANTON. Yes; and we have had to put an inhibition in appropriation bills to stop it. They ought to understand by this time that Congress is not going to stand for any demolition of these three buildings.

Mr. LOZIER. And in contemptuous indifference to the attitude of Congress, they have built around the Post Office Building in order to create a condition which they think will force ultimately the demolition of that building.

Mr. BLANTON. If any of them dare do it, we ought to make it hot for them and put them out of public office when we come back here.

Mr. TREADWAY. But in the meantime the buildings will be destroyed.

Mr. BLANTON. I do not think they will dare destroy any of these three buildings, because the House and the Senate have expressed their disapproval of that proposition many times; but I think we ought to keep the matter before them, and we ought to let them understand that Congress is not going to stand for it.

Mr. PALMISANO. Of course the gentleman does not mean that this bill should not be passed.

Mr. BLANTON. This bill is an extension of an unwise principle, but I am keeping my agreement with the gentleman from Maryland.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That for the purpose of establishing and making clear the title of the United States in and to any part or parcel of land or water in, under, and adjacent to the Potomac River, the Anacostia River, or Eastern Branch, and Rock Creek, including the shores and submerged or partly submerged land, as well as the banks of said waterways, and also the upland im-

mediately adjacent thereto, including made land, flat lands, and marsh lands, in which persons and corporations and others may have or pretend to have any right, title, claim, or interest adverse to the complete title of the United States as set forth in an act entitled "An act providing for the protection of the interest of the United States in lands and water comprising any part of the Potomac River, the Anacostia River, Eastern Branch, and Rock Creek, and adjacent lands thereto", approved April 27, 1912 (37 Stat. 93), and in order to facilitate the same, by making equitable adjustments of such claims and controversies between the United States of America and such adverse claimants, the Secretary of the Interior is authorized to make and accept, on behalf of the United States, by way of compromise, when deemed to be in the public interest, such conveyances, includes deeds of quitclaim and restrictive and collateral covenants, of the lands in dispute as shall be also approved by the National Capital Park and Planning Commission and the Attorney General of the United States.

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

HARBOR REGULATIONS OF THE DISTRICT OF COLUMBIA WATER FRONT

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 2714) to amend section 895 of the Code of Law of the District of Columbia.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, vested with authority to make harbor regulations for the entire water front of the city within the District of Columbia, to alter and amend the same from time to time as they may find necessary, and to fix penalties for the violation of such regulations, which, however, shall not exceed fines of $500 or imprisonment over 6 months, or both: *Provided*, That whenever these regulations affect navigable waters, channels, and anchorage areas or other interests of the United States, such regulations shall be subject to the approval of the Secretary of War: *And provided further*, That whenever said regulations affect the water front within the District of Columbia under the jurisdiction of the Director of National Parks, Buildings, and Reservations, or affect the interests and rights of the National Capital Park and Planning Commission, such regulations shall be subject to prior approval of the respective agencies.

Mr. PALMISANO. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PALMISANO: Page 1, line 7, after the word "necessary", strike out the comma and everything down to and including the word "both."

The amendment was agreed to.

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

CHANGE OF NAME OF STREET—DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 3257) to change the designation of Four-and-a-half Street SW. to Fourth Street.

The Clerk read the bill, as follows:

Be it enacted, etc., That the street designated as "Four-and-a-half Street" running south from the center of the Mall to P Street south be, and the same is hereby, changed to Fourth Street, thereby giving this street for its entire length from Pennsylvania Avenue NW. to P Street south the designation of Fourth Street.

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

MOUNT OLIVET CEMETERY CO.

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 1757) to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia", and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill as follows:

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

"The said corporation may use for burial purposes the tracts of land now owned by it and known, respectively, as the 'Hoover tract', designated for purposes of assessment and taxation as parcel 153/23, fronting on Bladensburg Road and the 'Merten's tract', designated for purposes of assessment and taxation as parcel 153/42, fronting on West Virginia Avenue, the said two tracts having an aggregate area of approximately 12.25 acres, and all of the provisions of the aforesaid act of the 10th day of June 1862 shall apply to both of the said tracts with like effect as if the provisions of this act had been included therein at the time of its enactment: *Provided*, That no part of parcel 153/23 lying within 120 feet of Bladensburg Road shall be used for burial purposes; the strip of land hereby exempted from use for burial purposes being the easterly 120 feet by full width of said parcel 153/23 fronting on Bladensburg Road."

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

ELLEN WILSON MEMORIAL HOMES

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 3442), to dissolve the Ellen Wilson Memorial Homes and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the body corporate and politic created under the act entitled "An act to incorporate the Ellen Wilson Memorial Homes", approved March 3, 1915, be, and the same is hereby, granted the right to dissolve under the supervision of the Supreme Court of the District of Columbia and to have its assets distributed among the persons determined by said court to be entitled thereto, all in the manner prescribed by subchapter 14 of the act entitled "An act to establish a code of law for the District of Columbia", approved March 3, 1901, as amended; and jurisdiction over said corporation for the purposes aforesaid is hereby conferred upon said court as fully and effectually as though said corporation had been created pursuant to the general incorporation provision contained in the last-mentioned act, as amended.

SEC. 2. That Congress reserves the right to repeal, alter, or amend this act.

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

NATIONAL SOCIETY UNITED STATES DAUGHTERS OF 1812

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 2580) to exempt from taxation certain property of the National Society United States Daughters of 1812 in the District of Columbia and ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

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

Mr. PATMAN. Mr. Speaker, reserving the right to object, what is the bill the gentleman is now taking up?

Mr. PALMISANO. Private Calendar 924.

Mr. PATMAN. That was not on the calendar, as I understood it, to be considered today. I reserve the right to object to inquire of the gentleman if he expects to take up the taxicab liability insurance bill later on?

Mr. PALMISANO. I have been requested to hold off the taxicab liability bill until we consider the auto liability bill.

TAXICAB INSURANCE BILL

Mr. PATMAN. Further reserving the right to object, may I have an agreement with the gentleman that he will divide the time of the opposition on this bill with me? I am the only member of the committee who will oppose the bill, and I should like to have an understanding that he will divide the time with me. Since the committee is composed of 21 members and I am the only one opposing the bill and will certainly have a hard fight in view of the custom of other members to follow the committee, I must insist on at least 30 minutes.

Mr. TREADWAY. Mr. Speaker, reserving the right to object, there seems to be considerable confusion as to the two different automobile bills that the gentleman has on his calendar. The one he is now referring to in colloquy with

the gentleman from Texas seems to be Report No. 1604, House Calendar 281.

Mr. PALMISANO. House Calendar No. 281.

Mr. TREAWAY. I understand the gentleman from Texas [Mr. PATMAN] objects to that bill. There is another bill, House Calendar No. 275, favorably reported, called the bill to promote safety on streets and highways, and so forth. Would it be possible to call up that bill instead of the objectionable bill first?

Mr. PALMISANO. As I stated to the gentleman from Texas, I have been requested to withhold calling up the taxicab liability bill and to consider the auto liability bill first.

Mr. PATMAN. Will the gentleman agree to divide the 1 hour's time on the bill?

Mr. PALMISANO. Unless a Member on the opposite side desires recognition, I have no objection.

Mr. PATMAN. The gentleman understands that I am the only one on the committee objecting to this bill.

Mr. PALMISANO. I have no objection.

Mr. PATMAN. The gentleman will divide the time with me?

Mr. PALMISANO. Yes.

Mr. TREADWAY. Will the gentleman call up House Calendar 275? That is the one I am speaking of now.

Mr. PALMISANO. I shall call that up in a moment.

Mr. TREADWAY. And before there is any argument raised about the other measure?

Mr. PALMISANO. Yes.

Mr. TREADWAY. I thank the gentleman very much.

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

There was no objection.

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

THE BLIND OF THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 8517) to provide for needy blind persons of the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

PENSIONS FOR THE BLIND

Mr. PATMAN. Mr. Speaker, reserving the right to object, the gentleman has changed his calendar entirely. I had a list of the bills that would be called up and the order in which they would be called up. This bill was supposed to be called up after the taxi liability insurance bill. I think the bill should be considered in the Committee of the Whole House on the state of the Union. This is a very far-reaching bill unless it has been materially amended. We should pass a law for the District of Columbia that would be a good model for the States to adopt. This bill involves a good principle, one that I approve and expect to vote for, but I think the legislation should be more carefully considered, unless it has been amended. I hope the gentleman will withhold the bill for the present, and I will help him pass it after I see the bill and the proposed amendments.

Mr. PALMISANO. Mr. Speaker, in view of the statement of the gentleman from Texas, I withdraw the request for the present.

OPERATION OF MOTOR VEHICLES IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 1646) to promote safety on the streets and highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes.

The Clerk read the bill as follows:

Be it enacted, etc., That this act shall in no respect be considered as a repeal of any of the provisions of the traffic acts for the District of Columbia, but shall be construed as supplemental thereto.

SEC. 2. The motor-vehicle operator's or chauffeur's license and all of the registration certificates of any person who shall by a final order or judgment have been convicted of or shall have forfeited any bond or collateral given for a violation of any of the following provisions of law, to wit—

Driving while under the influence of intoxicating liquor or narcotic drugs, as provided in section 10 of the traffic acts of the District of Columbia;

Leaving the scene of an automobile accident in which personal injury occurs without making identity known, as provided in section 10 of said traffic acts;

Such other violations as constitute cause for suspension or revocation of licenses in the District of Columbia; or

A conviction of an offense in any other State, which if committed in the District of Columbia would be a violation of any of the aforesaid provisions of the traffic acts of the District of Columbia;

shall be suspended by the director of traffic (hereinafter called the director) because of such conviction and shall remain so suspended and shall not at any time thereafter be renewed, nor shall any other motor vehicle be thereafter registered in his name until he shall give proof of his ability to respond thereafter in damages resulting from the ownership or operation of a motor vehicle and arising by reason of personal injury to or death of any one person of at least $5,000, and, subject to the aforesaid limit for each person injured or killed, of at least $10,000 for such injury to or the death of two or more persons in any one accident, and for damage to property of at least $1,000 resulting from any one accident. Such proof in said amounts shall be furnished for each motor vehicle owned or registered by such person. If any such person shall fail to furnish said proof his operator's license and registration certificates shall remain suspended and shall not at any time thereafter be renewed, nor shall any other motor vehicle be thereafter registered in his name until such time as said proof be given. If such person shall not be a resident of the District of Columbia, the privilege of operating any motor vehicle in the District of Columbia and the privilege of operation within the District of Columbia of any motor vehicle owned by him shall be withdrawn until he shall have furnished such proof: *Provided*, That in case of both residents and nonresidents, however, if it shall be duly established to the satisfaction of the director, and the director shall so find (a) that any such person so convicted, or who shall have pled guilty or forfeited bond or collateral, was, upon the occasion of the violation upon which such conviction, plea, or forfeiture was based, a chauffeur or motor-vehicle operator, however designated, in the employ of the owner of such motor vehicle, or a member of the same family and household of the owner of such motor vehicle; and (b) that there was not, at the time of such violation, or subsequent thereto, up to the date of such finding, any motor vehicle registered in the District of Columbia in the name of such person convicted, entering a plea of guilty, or forfeiting bond or collateral, as aforesaid, then in such event, if the person in whose name such motor vehicle is registered shall give proof of ability to respond in damages, in accordance with the provisions of this act (and the director shall accept such proof from such person), such chauffeur or other person, as aforesaid, shall thereupon be relieved of the necessity of giving such proof in his own behalf. It shall be the duty of the clerk of the court, or of the court where it has no clerk, in which any such judgment or order is rendered or other action taken to forward immediately to the director a certified copy or transcript thereof. A certified copy or transcript of the judgment, order, or record of other action of the court shall be prima facie evidence of such conviction therein stated.

SEC. 3. The operator's license and all of the registration certificates of any person, in the event of his failure to satisfy every judgment arising from an accident, or accidents, happening subsequently to the effective date of this act and which shall have become final by expiration without appeal of the time within which appeal might have been perfected or by final affirmance on appeal, rendered against him by a court of competent jurisdiction in the District of Columbia or any State, or in a district court of the United States, for damages on account of personal injury, or damages to property in excess of $100, resulting from the ownership or operation of a motor vehicle by him, his agent, or any other person with the express or implied consent of the owner, shall be forthwith suspended by the director, upon receiving a certified copy of such final judgment or judgments from the court in which the same are rendered and shall remain so suspended and shall not be renewed, nor shall any other motor vehicle be thereafter registered in his name while any such judgment remains unstayed, unsatisfied, and subsisting, and until the said person gives proof of his ability to respond in damages, as required in section 4 of this act, for future accidents. It shall be the duty of the clerk of the court in which any such judgment is rendered to forward immediately to such director a certified copy of such judgment or a transcript thereof. In the event the defendant is a nonresident, it shall be the duty of the director to transmit to the commissioner of motor vehicles (or officer in charge of the issuance of operators' permits and registration certificates) of the State of which the defendant is a resident a certified copy of the said judgment. If after such proof has been given any other such judgment shall be recovered against such person for any accident occurring before such proof was furnished, and after the effective date of this act such license and certificates shall again be and remain suspended while any such judgment remains unsatisfied and subsisting: *Provided, however*, That (1) when $5,000 has been credited upon any judgment or judgments rendered in excess of that amount for personal injury to or the death of one person as the result of any one accident; (2) when,

subject to the limit of $5,000 for each person, the sum of $10,000 has been credited upon any judgments rendered in excess of that amount for personal injury to or the death of more than one person as the result of any one accident; or (3) when $1,000 has been credited upon any judgment or judgments rendered in excess of that amount for damage to property as the result of any one accident resulting from the ownership or operation of a motor vehicle by such judgment debtor, his agent, or any other person, with his express or implied consent, then and in such event such payment or payments shall be deemed a satisfaction of such judgment or judgments for the purposes of this section only.

Whenever any motor vehicle, after the passage of this act, shall be operated upon the streets and highways of the District of Columbia by any person other than the owner, with the consent of the owner, express or implied, the operator thereof shall, in case of accident, be deemed to be the agent of the owner of such motor vehicle.

If any such motor-vehicle owner or operator shall not be a resident of the District of Columbia, the privilege of operating any motor vehicle in the District of Columbia and the privilege of operation within the District of Columbia of any motor vehicle owned by him shall be withdrawn, while any final judgment procured against him for damages, including personal injury or death caused by the operation of any motor vehicle, in the District of Columbia or elsewhere, shall be unstayed, unsatisfied, and subsisting, and until he shall have given proof of his ability to respond in damages for future accidents as required in section 4 of this act.

In all cases of persons who have been tried and convicted or pled guilty of violations of traffic laws of the District of Columbia the operation by a nonresident or with his express or implied consent, if an owner of a motor vehicle, on any public street or highway of the District of Columbia, shall be deemed equivalent to an appointment by such nonresident of the director or his successor in office to be his true and lawful attorney upon whom may be served all lawful processes in any action or proceedings against him growing out of any accident or collision in which said nonresident may be involved while so operating or so permitting to be operated a motor vehicle on any such street or highway, and said operation shall be a signification of his agreement that any such process against him, which is so served, shall be of the same legal force and validity as if served upon him personally. Service of such process shall be made by leaving a copy of the process with a fee of $2 in the hands of the director, or in his office, and such service shall be sufficient service upon the said nonresident: *Provided*, That notice of such service and a copy of the process are forthwith sent by registered mail by the plaintiff, or his attorney, to the defendant, and the defendant's return receipt appended to the writ and entered with the declaration. The court in which the action is pending may order such continuances as may be necessary to afford the defendant a reasonable opportunity to defend the action.

SEC. 4. Proof of ability to respond in damages when required by this act may be evidenced by the written certificate or certificates of any insurance carrier, duly authorized to do business within the District of Columbia, or in the case of a nonresident, by an insurance carrier authorized to transact business in any of the several States, that it has issued to or for the benefit of the person named therein a motor-vehicle liability policy or policies as defined in this act which, at the date of said certificate or certificates, is in full force and effect and designating therein by explicit description or by other appropriate reference all motor vehicles with respect to which coverage is granted by the policy certified to. The director shall not accept any certificate or certificates unless the same shall cover all motor vehicles registered in the name of the person furnishing such proof. Additional certificates as aforesaid shall be required as a condition precedent to the registration of any additional motor vehicle or motor vehicles in the name of such person required to furnish proof as aforesaid. Said certificate or certificates shall certify that the motor-vehicle liability policy or policies therein cited shall not be canceled except upon 10 days' prior written notice thereof to the director.

Such proof may be the bond of a surety company duly authorized to do business within the District of Columbia or a bond with at least two individual sureties, each owning unencumbered real estate in the District of Columbia, approved by a judge of a court of record, which said bond shall be conditioned for the payment of the amounts specified in section 2 hereof and shall not be cancelable except after 10 days' written notice to the director. Such bond shall constitute a lien in favor of the District of Columbia upon the real estate of any surety, which lien shall exist in favor of any holder of any final judgment on account of damage to property over $100 in amount or injury to any person or persons caused by the operation of such person's motor vehicle, upon the filing of notice to that effect by the director in the office of the clerk of the Supreme Court of the District of Columbia.

Such proof of ability to respond in damages may also be evidence presented to the director of a deposit by such person with the clerk of the Supreme Court of the District of Columbia of a sum of money or collateral, the amount of which money or collateral shall be $11,000. But the said clerk shall not accept a deposit of money or collateral where any judgment or judgments, theretofore recovered against person as a result of damages arising from the operation of any motor vehicle, shall not have been paid in full. The said clerk shall accept any such deposit and issue a receipt therefor.

The director shall be notified of the cancelation or expiration of any motor-vehicle liability policy of insurance certified under the provisions of this act at least 10 days before the effective date of such cancelation or expiration. In the absence of such notice of cancelation or expiration said policy of insurance shall remain in full force and effect. Additional evidence of ability to respond in damages shall be furnished the director at any time upon his demand.

SEC. 5. Such bond, money, or collateral shall be held by the said clerk to satisfy, in accordance with the provisions of this act, any execution issued against such person in any suit arising out of damage caused by the operation of any motor vehicle owned or operated by such person. Money or collateral so deposited shall not be subject to attachment or execution unless such attachment or execution shall arise out of a suit for damages, including injury to property, and personal injury or death, as a result of the operation of a motor vehicle. If a final judgment rendered against the principal on the surety or real-estate bond shall not be satisfied within 30 days after its rendition, the judgment creditor may, for his own use and benefit and at his sole expense, bring an action in the name of the District of Columbia against the company or persons executing such bond.

SEC. 6. The director shall, upon request, furnish any insurer, person, or surety a certified abstract of the operating record of any person subject to the provisions of this act, which abstract shall fully designate the motor vehicles, if any, registered in the name of such person, and if there shall be no record of any conviction of such person of a violation of any provision of any statute relating to the operation of a motor vehicle or of any injury or damage caused by such person as herein provided the director shall so certify. The director shall collect for each such certificate the sum of $1.

SEC. 7. The director shall furnish any person who may have been injured in person or property by any motor vehicle, upon written request, with all information of record in his office pertaining to the evidence of the ability of any operator or owner of any motor vehicle to respond in damages.

SEC. 8. Any operator or any owner whose operator's license or certificate of registration shall have been suspended as herein provided, or whose policy of insurance or surety bond shall have been canceled or terminated, or who shall neglect to furnish additional evidence of ability to respond in damages upon request of the director shall immediately return to the director his operator's license, certificate of registration, and the number plates issued thereunder. If any person shall fail to return to the director the operator's license, certificate of registration, and the number plates issued thereunder as provided herein, the director shall forthwith direct any member of the Metropolitan Police of the District of Columbia to secure possession thereof and to return the same to the office of the director. Any person failing to return on demand such operator's license or such certificate and number plates shall be guilty of a misdemeanor and shall be fined not more than $100, and such penalty shall be in addition to any penalty imposed for any violation of the provisions of the traffic acts as given in section 2 of this act. The amount of such fine shall be paid in the manner provided for the payment of fines for violations of the traffic acts.

SEC. 9. The director may cancel such bond or return such evidence of insurance, or the clerk may, with the consent of the director, return such money or collateral to the person furnishing the same, provided 3 years shall have elapsed since the filing of such evidence or the making of such deposit, during which period such person shall not have violated any provision of the traffic acts referred to in section 2, and provided no suit or judgment for damages on account of personal injury or damage to property in excess of $100 resulting from the operation of motor vehicle by him or his agent shall then be outstanding against such person. The director may direct the return of any money or collateral to the person who furnished the same upon the acceptance and substitution of other evidence of his ability to respond in damages or, at any time after 3 years from the expiration of any registration or license issued to such person, provided no written notice shall have been filed with the director stating that such suit has been brought against such person by reason of the ownership, maintenance, or operation of a motor vehicle, and upon the filing by such person with the director of an affidavit that he has abandoned his residence in the District of Columbia or that he has made a bona fide sale of any and all motor vehicles owned by him and does not intend to own or operate any motor vehicle in the District of Columbia for a period of 1 or more years.

SEC. 10. Any person who by any other law of the District of Columbia is required to make provision for the payment of loss occasioned by injury to or death of persons or damage to property shall, to the extent of such provision so made and not otherwise, be exempt from this act.

SEC. 11. Any person who shall forge or without authority sign any evidence of ability to respond in damages as required by the director in the administration of this act shall be fined not less than $100 nor more than $1,000 or imprisoned not to exceed 1 year, or both.

SEC. 12. "Motor-vehicle liability policy" as used in this act shall be taken to mean a policy of liability insurance issued to the person therein named as insured by an insurance carrier authorized to transact business in the District of Columbia or, in the case of a nonresident, by an insurance carrier authorized to transact business in any of the several States, which policy shall designate, by explicit description or by appropriate reference, all motor vehicles with respect to which coverage is intended to be

granted by said policy, and shall insure the insured named therein and any other person using or responsible for the use of any such motor vehicle with the consent, express or implied, of such insured, against loss from the liability imposed upon such insured by law or upon such other person for injury to or death of any person, other than such person or persons as may be covered, as respects such injury or death by any workmen's compensation law, or damage to property except property of others in charge of the insured or the insured's employees growing out of the maintenance, use, or operation of any such motor vehicle in the United States of America; or which policy shall, in the alternative, insure the person therein named as insured against loss from the liability imposed by law upon such insured for injury to or death of any person, other than such person or persons as may be covered as respects such injury or death by any workmen's compensation law, or damage to property, except property of others in charge of the insured or the insured's employees, growing out of the operation or use by such insured of any motor vehicle, except a motor vehicle registered in the name of such insured, and occurring while such insured is personally in control, as driver or occupant, of such motor vehicle within the United States of America, to the amount or limit of $5,000, exclusive of interest and costs, on account of injury to or death of any one person, and, subject to the same limit as respects injury to or death of one person of $10,000, exclusive of interest and costs, on account of any one accident resulting in injury to or death of more than one person; and of $1,000 for damage to property of others, as herein provided, resulting from any one accident; or a binder pending the issuance of any such policy, or an endorsement to an existing policy as hereinafter provided: *Provided*, That this section shall not be construed as preventing such insurance carrier from granting any lawful coverage in excess of or in addition to the coverage herein provided for, nor from embodying in such policy any agreements, provisions, or stipulations not contrary to the provisions of this act and not otherwise contrary to law: *Provided, however*, That separate concurrent policies covering, respectively, (a) personal injury or death, as aforesaid, and (b) property damage, as aforesaid, shall be considered a motor-vehicle liability policy within the meaning of this act.

No motor-vehicle liability policy shall be issued or delivered in the District of Columbia until a copy of the form of policy shall have been on file with the superintendent of insurance for at least 30 days, unless sooner approved in writing by the superintendent of insurance, nor if within said period of 30 days the superintendent of insurance shall have notified the carrier in writing that in his opinion, specifying the reasons therefor, the form of policy does not comply with the laws of the District of Columbia. The superintendent of insurance shall approve any form of policy which discloses the name, address, and business of the insured, the coverage afforded by such policy, the premium charged therefor, the policy period, the limit of liability, and the agreement that the insurance thereunder is provided in accordance with the coverage defined in this section as respects personal injury and death or property damage, or both, and is otherwise subject to all the provisions of the act.

Such motor-vehicle liability policy shall be subject to the following provisions, which need not be contained therein:

(a) The liability of any company under a motor-vehicle liability policy shall become absolute whenever loss or damage covered by said policy occurs, and the satisfaction by the insured of a final judgment for such loss or damage shall not be a condition precedent to the right or duty of the carrier to make payment on account of such loss or damage. No such policy shall be canceled or annulled as respects any loss or damage by any agreement between the carrier and the insured after the said insured has become responsible for such loss or damage, and any such cancelation or annulment shall be void. Upon the recovery of a final judgment against any person for any such loss or damage, if the judgment debtor was at the accrual of the cause of action insured against liability therefor under a motor-vehicle liability policy, the judgment creditor shall be entitled to have the insurance money applied to the satisfaction of the judgment. But the policy may provide that the insured, or any other person covered by the policy, shall reimburse the company for payments made on account of any accident, claim, or suit involving a breach of the terms, provisions, or conditions of the policy; and further, if the policy shall provide for limits in excess of the limits designated in this section, the insurance carrier may plead against such judgment creditor, with respect to the amount of such excess limits of liability, any defenses which it may be entitled to plead against the insured. Any such policy may further provide for the prorating of the insurance thereunder with other applicable valid and collectible insurance.

(b) The policy, the written application therefor (if any), and any rider or endorsement which shall not conflict with the provisions of this act shall constitute the entire contract between the parties.

(c) The insurance carrier shall, upon the request of the insured, deliver to the insured for filing, or at the request of the insured shall file direct, with the director of traffic an appropriate certificate as set forth in section 4 hereof.

(d) Any carrier authorized to issue motor-vehicle liability policies as provided for in this act may, pending the issue of such a policy, execute an agreement, to be known as a binder; or may, in lieu of such a policy, issue an endorsement to an existing policy, each of which shall be construed to provide indemnity or protection in like manner and to the same extent as such a policy. The provisions of this section shall apply to such binders and endorsements.

SEC. 13. The following words, as used in this act, shall have the following meanings:

(a) The singular shall include the plural. The masculine shall include the feminine and neuter, as requisite.

(b) "Persons" shall include individuals, partnerships, corporations, receivers, referees, trustees, executors, and administrators; and shall also include the owner of any motor vehicle, as requisite, but shall not include the District of Columbia.

(c) "Motor vehicle" shall include trailers, motorcycles, and tractors.

SEC. 14. The directors shall make rules and regulations necessary for the administration of this act.

SEC. 15. Nothing herein shall be construed as preventing the plaintiff in any action at law from relying for security upon the other processes provided by law.

SEC. 16. If any part, subdivision, or section of this act shall be deemed unconstitutional, the validity of its remaining provisions shall not be affected thereby.

SEC. 17. This act shall go into effect 90 days after its passage and approval by the President of the United States.

Mr. TREADWAY. Mr. Speaker, if the gentleman will permit, there are in operation on the streets of the District of Columbia approximately 150,000 motor vehicles. These vehicles are operated by nearly 200,000 different drivers. The safe movement of these units of transportation along the streets and boulevards and around the confusing circles is one of the greatest problems confronting the people of the District of Columbia.

We must expect that with such a mass movement of vehicles in the hands of operators of various temperaments that there will be accidents. During the year 1933, 80 people were killed and 755 were injured on the streets of Washington. Since January 1 of the current year 52 people have been killed. Thus it is evident that our record for motor deaths during 1934 will be materially above that for last year. Obviously, drastic steps must be taken to remove the specter of death from our arteries of vehicular traffic. The question of how we can best do this is, I believe, one of the most important from a humanitarian standpoint confronting the present Congress.

Fortunately we have before us a measure that will help materially to solve the problem. It is the safety-responsibility law designed to control drunken, reckless, and irresponsible drivers of motor vehicles. The efficacy of such legislation has already been proven in 21 States and 9 Provinces of Canada, where similar laws have been in effect for some time. Included in the States having this progressive safety legislation is the State of Maryland to the north and the State of Virginia to the south. It is interesting to note that not a single State, once having adopted this legislation, has taken a backward step in regard to same; but, on the contrary, succeeding sessions of the legislatures have strengthened its provisions.

During the past week we have had here in Washington one of the greatest safety conferences ever held in the history of the country. I refer to the National Conference on Street and Highway Safety, presided over by the able Secretary of Commerce, Daniel C. Roper. This conference, without a dissenting vote, wrote into the uniform motor-vehicle code the provisions of the financial-responsibility bill now before us for adoption.

What is the objective of this legislation? It is threefold in character:

First, to provide an incentive for careful and safe driving and to control or eliminate the reckless and irresponsible operator.

Second, to compel those drivers who have demonstrated their recklessness to establish evidence for financial responsibility for their negligent acts in the future as a prerequisite to their regaining the privilege of driving.

Third, to furnish an incentive for payment of otherwise uncollectible judgments arising from automobile accidents.

The American Automobile Association, which has consistently supported this legislation, and in which I have the greatest confidence as an agency seriously concerned with the highway-accident problem, informs me that if the safety-responsibilty law is enacted for the District of Columbia, approximately 450 reckless and financially irresponsible

operators of motor vehicles would be prohibited from using the streets of the National Capital each year. This number represents virtually two out of every three arrested annually for driving while intoxicated. The estimate of the A.A.A. is based on results secured elsewhere under similar legislation.

If this experience held true in the District of Columbia, approximately 700 operators would have their licenses and permits withdrawn each year as a result of conviction for driving while intoxicated, or leaving the scene of an accident where there was a personal injury without making their identity known. Of the 700, about 250 would regain their driving privileges by proving their financial responsibility for future accidents they may cause. The remaining 450 would be denied the privilege of using the streets.

Motorists who feel the weight of the safety-responsibilty law will be those, and only those, who bring themselves within the scope of its provisions through a serious infraction of the motor laws, or failure to satisfy a legally rendered judgment. Surely, it is a great achievement, when, without injustice or penalty on the careful, the proven reckless who have only themselves to blame for the loss of their driving privileges, can be "ruled off the road." I am sure that everyone will agree with me that they are better off the road than on it.

I commend to my colleagues this safety legislation, and urge that you do that which has already been done by a previous Congress—pass this legislation and send it on to the Senate with the hope that this time the Senate will concur and that the people of the District of Columbia may have the benefits of strong safety legislation.

LIABILITY INSURANCE ON AUTOMOBILES

Mr. PATMAN. Mr. Speaker, if the gentleman will yield, I should like to ask the chairman if this is not the bill that requires the operator of an automobile to take out insurance if he has had an accident for which he was irresponsible, in other words, if he has been guilty of negligence?

As I understand, no operator of a motor vehicle in the District of Columbia will be required to carry insurance unless he has first been guilty of carelessness of some kind.

Mr. PALMISANO. As I understand it, he must be convicted of injuring someone before he is required to obtain insurance.

Mr. PATMAN. And only upon that condition and such other conditions that are outlined in the bill.

Mr. PALMISANO. Yes.

Mr. TREADWAY. Is it not a further fact that this bill has been copied in 21 States, so that it is providing legislation in the District of Columbia that is uniform with the legislation on the statute books of 21 States of the Union?

Mr. PALMISANO. As a matter of fact, I understand there are more than 21 States that have such legislation. This is a sort of uniform law which they are attempting to pass throughout the country.

Mr. O'CONNOR. Mr. Speaker, if the gentleman will permit, and if I may have the attention of the gentleman from Massachusetts, of course, this exemption of a first bite does not exist in the law of many of the other States. In most of the States, as I understand it, the necessity for insurance exists whether the person has had an accident or not. Therefore this is an exception and could not be called a uniform law.

Mr. TREADWAY. I may say that my experience is limited to my home State of Massachusetts. There the gentleman from New York is correct in saying that there is compulsory insurance for everybody. I am sorry to say the law does not seem to have been entirely satisfactory. It evidently makes insurance rates higher than some people think they should be, and there the original exemption does not occur. This bill, which, I understand, is a duplicate of many other bills, is advocated by the American Automobile Association, and simply calls for protection to the extent it applies to more or less irresponsibility on the part of drivers.

Mr. O'CONNOR. This bill only applies to taxi drivers?

Mr. TREADWAY. No; this is a general bill. The gentleman is confused on that point.

Mr. PALMISANO. Of course, the taxi drivers will be included and will come under this bill as well as the others.

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

THE NEW GOVERNMENT FURNITURE FACTORY BILL

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, by unanimous consent of the House I submit for the CONGRESSIONAL RECORD the following remarks I made today before the subcommittee of the House Post Office Committee, of which Mr. HAINES, of Pennsylvania, is chairman, the subject before the Committee being the new bill for the establishment of a Government post-office-furniture factory at Reedsville, W.Va.

The revised bill of my friend from West Virginia, Mr. RANDOLPH, embodying the Reedsville furniture factory proposition is not a particle different, in principle or in essence, from the same proposition against which the Congress already has registered its dissent by an overwhelming majority and my duty to my district, to my country, and to my conscience requires me to continue to register my opposition to this sort of legislation.

The new bill would put the Government into direct and destructive competition with private enterprise and its enactment would be a dangerous step because it would tend to lead the Government God knows where in the direction of sovietizing all industry.

I am opposed to the bill for two primary reasons:

1. It would destroy an old-established factory in my district and would drive out of employment and perhaps to the charity rolls the good citizens and their families who are now supported by that factory.

2. It would by deliberate legislative act recognize the right of the Government to establish factories, with all the wealth of the United States Treasury behind them, to compete with and crush out of business factories established by private capital.

Of these two objections the last one is by far the more important. The first objection is infinitesimally insignificant compared with the last one.

I am unwilling to see one of the cherished institutions of my city wiped out and my constituents ground in the crucible of unemployment and poverty, but I am doubly unwilling to see a precedent established that might be broadened and developed into a Soviet state with its natural and inevitable concomitant, the nationalization and regimentation of all industries and all workers. This would sound the death knell of individual liberty in America. This is a prospect too terrible to contemplate. It is a prospect the very possibility of which should put us on guard. Like most of the Members of Congress, including you whom I am addressing, I take my responsibilities seriously. I have not forgotten, and I hope I never shall forget, that we who are trying to serve our country in Congress in these days of flux, in these days when cherished institutions are subjected to a great strain, are the guardians of posterity. We should try to see clearly and should pray that no innocent misstep of ours will wreck our form of government or mar the purposes of the Constitution, the greatest chart of human freedom ever struck from the brain of man. I believe this bill, insignificant and innocent as it may appear, involves a real menace to posterity.

There is one other objection I have to the bill which, while not of major importance, is, I think, quite important.

It illustrates the lavishness which too often accompanies the expenditure of the money derived from taxation. The Government never does anything as economically as private enterprise can do it. When this proposition was being debated in the House earlier in the year, a gentleman from North Carolina made a bona fide offer in written form to supply the Government a complete wood-working factory, capable of manufacturing all the post-office equipment in

the country for $52,500, or 0.1 of the amount which the Government at that time proposed to use in the establishment of its factory. Yet this new bill, now before you, raises the limit to be spent and proposes to increase to $650,000 the Government's appropriation to establish a Government factory. In other words, it is now proposed to spend on this Government factory more than 12 times the amount for which a completely equipped factory can be purchased. Would that be fair to the taxpayers? Does this Congress really propose to spend $650,000 to establish an experimental factory, when an existing established factory in complete running order could be bought for $52,500? If I were to approve that expenditure I would be haunted forever by my broken promises, for I promised my people that I would stand firm for economy in government.

NATION APPRECIATES MRS. ROOSEVELT

I have only love in my heart for the great souls that are promoting this legislation. I am a thousand percent with them in all the essential features of their great program of humanitarian activities for the amelioration of the human race. I yield to no one in my admiration of the First Lady of the Land. According to my way of thinking, among all of the First Ladies I have known she fills that office—for it is an office—most acceptably, most magnificently. I have learned in a long career of hard knocks that in this vale of tears we can do nothing better, we can do nothing finer, we can do nothing grander than to help our fellow beings over the rough places of life. Judged by that exalted rule, the First Lady is the greatest success of all those who have occupied her exalted station. I like her because she is singularly blessed with the human touch. She is always searching out ways to do good. If ever a person demonstrated love for her fellow beings she has demonstrated that, and, as I witness her untiring efforts to serve, it appears to me that the poorer, the humbler, the more forlorn, the more God-forsaken the individual is, the greater is her love. I say God bless Mrs. Roosevelt. The Nation needs her, and as one American who appreciates what a splendid First Lady we have, I extend my very best wishes to her and express the hope that she may have many more years of usefulness in the White House.

The question before your subcommittee, however, in the consideration of this bill is not whether the First Lady is a splendid woman. We all know that she is. The question is not whether her ministrations in general are a blessing to the poor and unfortunate in the dark night through which we are passing. We all know that they are. The question that is really before you in this particular instance is whether it is wise and advisable for the Government to set up a factory to compete with private enterprise. We are called upon to decide whether it is wise and advisable for the Government to establish a factory that will utterly destroy and take over the business of a factory that is now operated by American private citizens on private capital.

My belief is that we should shun the establishment of that precedent as a nation would avoid a war or a pestilence and as an individual would shun a rattlesnake. It will not be long, as time flies, until all of us, including the noble-hearted sponsors of this measure, will be in our tombs. After us, what? The Government furniture factory will not die with us. The time may come when we shall have in the White House some man who is not gifted with the nobility of purpose of our present Chief Executive; some tyrant reaching out for power. Looking at that Government furniture plant in West Virginia he may say:

"Here I have it! Here is just the precedent I want. Here is a factory that makes screen-line equipment for the Government. Nearly everything that is manufactured is used in some form by the Government. Why not establish factories to manufacture everything the Government uses, and thus drive private enterprise out of business and sovietize America?"

THE ROAD TO DISASTER

And why not, if this bill goes through and this precedent is established? The sure way to safeguard the country against this calamity is to abandon this bill. The sure way is for Members whose districts may be affected by such a policy to vote against this bill. The Government uses vast numbers of automobiles and trucks. Do the Members of Congress from automobile centers want this precedent established? The Army, Navy, Marine Corps, Civilian Conservation Corps, and other Government agencies buy vast numbers of shoes made in New England and in factory cities of the East and Midwest. Do the Members of Congress from those districts want this precedent established? The Government is an enormous consumer of cotton bagging and cotton twine. Do the Members of Congress from the cotton-growing States want this precedent established? The Government makes purchases on a large scale of typewriters, clothing, electric-light bulbs, and a thousand and one varieties of supplies that are now privately manufactured and that give employment in the aggregate to millions of American workmen. Do the Members of Congress from those districts want to establish this precedent, so that ultimately the millions of American citizens who now enjoy the blessings of private life as employees of private factories may ultimately be taken over and bossed by the Government in a system under which they will be regimented by bureaucratic orders from Washington? This is a serious matter, in its meaning and implications. I believe Members of Congress will treat it with the seriousness it deserves. If all the Members of Congress who have factories and other private activities in their districts that may logically be put out of business if this precedent is established will realize what it means, they will vote against the bill introduced by my friend, the gentleman from West Virginia; and if all of them do that, it will get hardly any votes.

REQUIRING FINANCIAL RESPONSIBILITY OF CAB OWNERS

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 5043) to require financial responsibility of owners and operators of vehicles for hire in the District of Columbia, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Public Utilities Commission of the District of Columbia is hereby directed to require any and all corporations, companies, associations, joint-stock companies, or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, operating, controlling, managing, or renting any passenger motor vehicles for hire in the District of Columbia, except as to operations licensed under paragraph 31 (b) of the act approved July 1, 1932, known as the "License Act" and except such common carriers as have been expressly exempted from the jurisdiction of the Commission, to file with the Commission a bond or bonds, policy or policies of liability insurance in such amount or amounts as may be required from time to time by the Commission, conditioned for the payment to any person of any judgment recovered against such corporations, companies, associations, joint-stock companies, or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, or renters of their cabs for death or for injury to any person or injury to any property, or both, caused in the operation, maintenance, use, or by reason of the defective construction of such motor cabs or other vehicles. Any such bond or undertaking or policy of liability insurance shall be in such form and on such terms or conditions as the Commission may direct. Any such policy of liability insurance shall be issued only by such insurance companies as may have been approved by the Commission, and any such bond or undertaking shall be secured by a corporate surety approved by the Commission. No such bond or policy of insurance may be canceled or terminated unless not less than 20 days prior to such cancelation or termination notice of intention so to do has been filed in writing with the Commission. It shall be unlawful to operate any vehicle subject to the provisions of this paragraph unless such vehicle shall be covered by an approved bond or policy of liability insurance as provided herein. The Commission shall have the power to make all reasonable rules and regulations which, in its opinion, are necessary to make effective the purposes of this paragraph.

SEC. 2. Any violation of this act or of the regulations lawfully promulgated thereunder shall be deemed a misdemeanor and upon conviction shall be punishable by a fine of not more than $300 or by imprisonment for not more than 90 days.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the Public Utilities Commission of the District of Columbia is hereby directed to require all owners operating, controlling, managing, or renting any passenger motor vehicles for hire in the District of Columbia, except as to operations licensed under paragraph 31 (b) of the act approved July 1, 1932, known as the 'License Act', and

except such common carriers as have been expressly exempted from the jurisdiction of the Commission, to file with the Commission for each motor vehicle to be operated a bond or bonds, policy or policies, of liability insurance conditioned for the payment of any judgment recovered against such owner or his agent, lessee, employee, or renter, for death or for injury to any person or damage to any property, or both, caused in the operation, maintenance, use, or by reason of the defective construction of such vehicle. Any such bond or undertaking or policy of liability insurance shall be in such form and on such terms and/or conditions as the Public Utilities Commission of the District of Columbia may direct: *Provided*, That such bond or policy may limit the liability of the surety or insurer on any one judgment to $2,500 for bodily injuries or death and $500 for damage to or destruction of property, and all judgments recovered upon claims arising out of the same transaction or transactions connected with the same subject of action to $5,000 for bodily injuries or death and $1,000 for damages to or destruction of property, to be apportioned ratably among the judgment creditors according to the amount of their respective judgments: *Provided, however*, That such bond or bonds, or policy or policies, of insurance shall contain a provision for a continuing liability thereunder notwithstanding any recovery thereon.

"SEC. 2. That the bond or bonds, policy or policies, of insurance required by this act shall be issued only by such company or companies as shall be certified to the Public Utilities Commission of the District of Columbia by the Superintendent of Insurance of the District of Columbia as hereinafter provided, except the superintendent of insurance shall not certify to the Public Utilities Commission that a company issuing insurance policies or surety bonds under the provisions of this act is responsible, unless such company or companies shall have and maintain at all times, in addition to the reserve provided by law, an unimpaired capital, if a stock company, of $100,000, except that if such stock company is engaged in doing business solely within the District of Columbia said unimpaired capital shall be not less than $50,000; and if a mutual company, a surplus to the policyholders of not less than $100,000, except that if such mutual company is engaged in doing business solely within the District of Columbia said surplus to policyholders shall be not less than $20,000: *Provided*, That such company or companies shall be subject to the approval of the Public Utilities Commission.

"SEC. 3. If, after the issuance of a certificate it shall appear to the said Superintendent that any company or companies are no longer trustworthy or financially capable of meeting their obligations he shall withdraw from the Public Utilities Commission the certificate theretofore issued by him and in such event the company or companies shall immediately cease to write any further bond or bonds, or policy or policies, of insurance under this act: *Provided*, That the Commission, for the same reasons and after 20 days' notice to an owner, may withdraw its approval, and such owner shall cease to operate or cause to be operated the vehicles insured under such policy or bond until he has complied with the provisions of this act.

"SEC. 4. No bond or policy of insurance written pursuant to the terms of this act shall be canceled or terminated by any insurance or surety company unless not less than 5 days prior to such termination or cancelation notice of intention so to do has been filed in writing with the Commission.

"SEC. 5. It shall be unlawful to operate any vehicle subject to the provisions of this act unless such vehicle shall be covered by an approved bond or policy of liability insurance as provided herein. The Commission shall have the power to make all reasonable rules and regulations which, in its opinion, are necessary to make effective the purposes of this act.

"SEC. 6. Any violation of this act or of the regulations lawfully promulgated thereunder shall be deemed a misdemeanor and upon conviction shall be punishable by a fine of not more than $300 or by imprisonment for not more than 90 days.

"SEC. 7. This act shall take effect October 1, 1934."

Mr. PATMAN. Mr. Speaker, I should like to be heard on this bill, and the gentleman from Maryland has agreed to divide the time.

Mr. PALMISANO. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. PATMAN] to dispose of as he sees fit.

Mr. Speaker, this is a bill to protect the pedestrians and the public. Throughout the country we have found that taxicab drivers—individual drivers—are in many cases irresponsible, and whenever they have an accident the injured person is unable to receive any benefit to pay expenses incurred by virtue of the accident received, although the taxicab driver is in fault.

We have just passed a bill compelling private individuals who use cars, much less than taxicab drivers, to obtain insurance against accident. Taxicabs run all day long, and in most instances when they have a passenger violate the speed laws, and it stands to reason that they ought to protect the public against accident.

This is giving them a little more rights than the ordinary liability insurance that most Members of the House obtain for themselves. The usual liability is $5,000 to $10,000. This only compels the individual taxicab driver to insure for $2,500 and $5,000. I cannot see why there should be any objection to the bill.

Mr. O'CONNOR. Does this bill requiring the taxicab driver to take out insurance have the same exception that the first bill that we passed had?

Mr. PALMISANO. No.

Mr. GLOVER. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. GLOVER. The report says that this will cause the taxicab company to pay $75,000 next year for insurance. Will that raise the price that they charge for hire?

Mr. PALMISANO. Well, I suppose it might raise it a nickel.

Mr. GLOVER. Would it not affect the price now charged by taxicabs so that it will be much higher for passengers?

Mr. PALMISANO. It may be 5 cents higher. I may say that in Maryland they have not only passed a law compelling insurance, which places an additional burden on the private taxicab driver, but in that case they drive 3½ miles for 25 cents.

Mr. BLANTON. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. BLANTON. There were two bills relating to automobile insurance here on this calendar. We have passed one which grants much protection. My colleague, Mr. PATMAN, has serious objection to this bill for several reasons; why insist on passing this one now?

Mr. PALMISANO. We had no other bill here. The people of the District seem to want this bill, and we ought to pass it.

Mr. BANKHEAD. Will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. BANKHEAD. What is the attitude of the taxicab drivers themselves, these young men who are making a fair living, working day and night to make a living for their families? Are they not all opposed to this proposition and will it not work an undue and unjust hardship on them at this time?

Mr. PALMISANO. I personally do not think so. My colleague on the committee is more familiar with the bill and he may answer the question further.

Mr. CARPENTER of Kansas. I attended all the meetings of the committee. We had extensive hearings in which all the different elements of the taxicab business appeared before the committee. About 99 percent of the legitimate taxicab organizations, whether they were independents or associations, were for the bill.

Mr. BANKHEAD. The organizations to which the gentleman refers are the owners of the cabs, are they not?

Mr. CARPENTER of Kansas. We had one man by the name of Hines who is a veteran. The statement has been made that there are a great many veterans operating taxicabs and thereby making a livelihood. One of the principal persons representing them appeared before the committee; the man I have just referred to, by the name of Hines, who has four or five taxicabs. He was in favor of the bill. He has come to me outside of the committee three or four times and thanked me for my interest in this bill.

Mr. BANKHEAD. I have had three or four of these boys who drive taxicabs talk to me about this matter, and they are deeply interested. From the figures cited to me, it would be a great hardship on them, in view of the terrible time they have to eke out a living at this time. I should certainly like to hear some pressing, imperious necessity for the passage of this bill.

Mr. CARPENTER of Kansas. The necessity for the passage of this bill is that you have constitutents coming here and I have constituents coming here who ride these taxicabs. Those people constitute the main occupants of these cabs. With this city crowded with all kinds of rattletrap taxicabs a menace is constituted in this town. If there are a few of these taxicabs put out of business, it is justified by the safety to the public, and we owe that duty to your constituents and my constituents and the constituents who come

here from all over the United States. There may be a few of these rattletrap taxicabs run off the streets. The condition which the gentleman from Alabama states prevails all over the country, and yet we have the protection of the people involved.

Mr. BLANTON. Will the gentleman yield?

Mr. CARPENTER of Kansas. I yield.

Mr. BLANTON. Until 5 years ago there was the biggest monopoly in the world of the taxicab business in Washington. There was what was known as the "Black and White" and the "Yellow", and one other company, which absolutely controlled all of the taxicab business in this city, and it was almost impossible to get service. We get better service now for 20 cents than we got then for $1.

It is the poor people of Washington who use taxicabs. Many have no other means of reaching work. It is the people who draw salaries of $1,200, $1,500, $1,800, and $2,500 who use the taxicabs of Washington. They now have the best service and the most reasonable service they have ever had. We have been fighting for years to stop the monopoly.

There is one monopoly which still exists, and which the committee ought to break up before we adjourn, and that is the monopoly over here at Union Station which allows one company to put all of its taxicabs in on the first runway, and if anyone wants to go to the station in another taxi or their own vehicle, they have to get out on the second or third runway and pass through all these lined-up monopolistic taxicabs and take a chance on getting run over to get into the Union Station. That is a monopoly that the committee ought to stop. If I were a member of that committee I would not go to sleep at night until I took steps to get a bill reported to stop that infamous monopoly. There ought to be an equal chance to all vehicles over at that depot, in the Nation's Capital. This Government spent hundreds of thousands of dollars in helping to establish that Union Station and helping to construct it.

It is outrageous to have one taxicab company occupy the inside track and get all the taxicab business at Union Station.

Mr. CARPENTER of Kansas. In reply to the gentleman, I will say that I agree with him on that proposition, but that is not up for consideration now.

Mr. BLANTON. Why is it not before your committee?

Mr. CARPENTER of Kansas. Wait until I get through. The proposition we have is that some of your constituents or members of your family would have to go through that place which you just said was dangerous and run the risk of being injured by the taxicabs, and then not be able to get anything out of it for the injury.

Mr. BLANTON. If you pass this bill you run off of the streets of Washington 500 taxicabs, at least. At least 500 young men with families, a wife and two or three little children, are now making a living, and I have talked to many of them. Many of them are men who went to France. If you pass this bill which is now pending you will run off the streets of Washington at least 500 of those cabs and keep 500 heads of families from making an honest living.

Mr. CARPENTER of Kansas. Well, is that more important than that the people be able to receive something for their injuries?

Mr. BLANTON. I have not heard of many of them being injured.

Mr. CARPENTER of Kansas. Oh, there are lots of them. In the bankruptcy court there are 184 unpaid claims growing out of taxicab accidents in which only one taxicab company is involved.

Mr. BLANTON. I think we have some of the finest taxicab drivers in the world right here in Washington.

Mr. PATMAN. Will the gentleman yield?

Mr. CARPENTER of Kansas. I yield.

Mr. PATMAN. The gentleman will not contend there was any such evidence presented before the committee?

Mr. PALMISANO. Now, Mr. Speaker, I do not want to take up all the time——

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

Mr. PALMISANO. I yield.

Mr. DONDERO. Will this add a cost of $35 a year for each of these taxicab drivers for a bond?

Mr. PALMISANO. I am not just sure what the cost will be. Of course there will be some cost. In answer to that I may say that in order to protect the public we are compelling and we just passed a bill which provides that you and I must have insurance in case we have an accident.

If you provide it for the individual, it seems to me it ought to be more important that a common carrier should have insurance in order to comply with the old common-law rule that they are responsible whenever a passenger is hurt in their car.

They certainly ought to be in a position to pay something.

Mr. DONDERO. Would they not have to charge higher rates for their service?

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

Mr. PALMISANO. I yield.

Mr. HASTINGS. The minority report states that it will cost from $30 to $35 a month, instead of a year, for this insurance.

Mr. DONDERO. I think it will be considerably lower.

Mr. HASTINGS. This is an important consideration. What is the estimated cost per single taxicab per month for $2,500 of insurance?

Mr. TRUAX. It is very high, I may say to the gentleman.

Mr. PALMISANO. I am not certain as to the cost. It may be of interest to the gentleman to learn about the taxicab situation in Baltimore. I have fought against meters in the District of Columbia because I think they add an unnecessary expense. In Baltimore they compel the taxicabs to put on meters and to carry $5,000 and $10,000 insurance. The taxi rate in Baltimore is 25 cents for the first 3½ miles. In my estimation that rate provides a longer ride for 20 cents than one gets in the District of Columbia.

Mr. HASTINGS. Was any testimony taken before the committee showing what the cost of this insurance would be for a single taxicab?

Mr. O'CONNOR. In the city of New York a $5,000 insurance policy costs $28 a month for each cab.

Mr. TRUAX. The rate would be the same here.

Mr. PALMISANO. Then for $2,500 the premium would be $14 per month.

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

Mr. PALMISANO, I yield.

Mr. FORD. Does the gentleman seriously think that any man who pays 20 cents to ride in a taxicab is entitled to the protection of insurance?

Mr. PALMISANO. How about the pedestrian?

Mr. FORD. That is another matter. I hope the gentleman will answer my first question.

Mr. PALMISANO. The man who pays 7½ cents to ride on a street car can collect damages in case he is injured in an accident in which the street car is involved. By the same token a man who pays 20 cents to ride in a public vehicle should have the same kind of protection.

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

Mr. PALMISANO. I yield.

Mr. GLOVER. As I understand, there are four large insurance companies in Washington that will write this insurance. There is no provision in the bill which fixes the rate they can charge for the insurance. They can get together and fix any rate they wish, with the sky the limit.

The House has just passed another insurance bill relating to the drivers of all vehicles. That bill covers the situation we are now discussing. As I see it, the former bill obviates the necessity of passing legislation of the kind we are now considering. If this bill is passed it will throw out of employment hundreds of people and turn them over to the public to be fed. Is not that true?

Mr. PALMISANO. Yes; but under the liability bill it will be necessary to have $5,000 and $10,000 after an accident where, by the present bill, we are seeking to make it a little easier for the taxicab drivers by requiring that they carry only $2,500 of insurance.

Mr. GLOVER. Did I not understand the gentleman a moment ago to state that there would be a meter system evolved?

Mr. PALMISANO. No, the gentleman must have misunderstood me, for I said that I have consistently fought the meter system.

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

Mr. PALMISANO. I yield.

Mr. TRUAX. I wonder if these 4 big insurance companies have any connection with the 5 big insurance companies for which in the early days of the last session we appropriated $50,000,000 to keep them functioning when they were practically broke.

Mr. PALMISANO. I do not know anything about the companies which will write this insurance.

Mr. TRUAX. I thank the gentleman for his statement. I want to call attention to what I consider one of the greatest taxicab evils in Washington; that is the evil of cruising in fleets around the corners of streets. It frequently happens that when pedestrians try to cross streets as many as 15 cabs will swing around the corner, one after the other, in a fleet. We should do something to stop this cruising around corners; it should be regulated in some way.

In my judgment this bill will penalize the little fellow, as has been said, to the advantage of the monopolies and the organized taxicab companies.

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

Mr. PALMISANO. I yield.

Mr. HOEPPEL. I wish to call attention to a case which happened yesterday. A lady paid 20 cents to go to a certain point and then had to pay 80 cents to return. Does not the gentleman think it would be more desirable to legislate uniform rates in the District than it would be to pass legislation, the effect of which will be to put a great many taxicab drivers out of business?

Mr. BLANTON. Mr. Speaker, if the gentleman will yield, the lady should not have paid him, but should have called the police department and had them come and take charge of that driver, for such discrimination in rates is outrageous. The people should not be held up.

Mr. HOEPPEL. I think the gentleman misunderstands the situation. The lady took a 20-cent cab to go to the place, in the first instance, but was so unfortunate as to hail a meter cab for the return trip. I feel that there should be a uniform scale of taxicab rates in this city.

Mr. BLANTON. I agree with the gentleman in that respect; but the bill under consideration is another proposition. If it is passed, the poor people here who now ride for 20 cents will have to pay 50 or 75 cents.

Mr. PALMISANO. The law requires that the rates be posted in the cars.

Mr. HOEPPEL. Yes; but a person can never see them or understand them.

Mr. PALMISANO. The meter rates are different from the zone rates. The other day I got into a meter taxicab to go to the station, and it cost me 35 cents instead of 20 cents.

Mr. HOEPPEL. I contend that we should eliminate the meter system.

Mr. PALMISANO. The bill under consideration does not deal with rates.

Mr. DIRKSEN. I think the approach of this taxicab matter is from the standpoint either of the one who wants to get cheap fares or from the standpoint of one who wants to ride in a cab and be protected in case of accident. There is no question but what it is going to cost the cabbies $25 or $30 a month to carry the insurance, just as intimated by the gentleman from New York [Mr. O'CONNOR]. Obviously the cabby is going to have to pass this additional expense on to the people. He has to get it from somewhere, and certainly the taxi fares are going up. I do not know how much they will go up, and I do not believe anyone knows. They may go up to 30 cents, or perhaps only to a quarter.

If you prefer to carry your own insurance, very well and good, then you may very well oppose this bill. However, if you feel there ought to be some measure of responsibility put upon the shoulders of these taxi drivers in the event of an accident wherein personal or property damage may result and if you feel that the taxi driver should be financially responsible either by bond or through property or otherwise whereby a judgment might be collected, you should vote for this bill.

It is one thing to look at this very dispassionately, never having been in a taxicab accident, and it is another thing to go on year in and year out without an accident, and think only of the taxicab fare. If you want to carry your own insurance and if you want everyone who rides in taxicabs to carry his own insurance, I would suggest voting down this bill and pay your 20 cents day after day. However, if you are going down Pennsylvania Avenue in a cab and have a wreck at Ninth and Pennsylvania Avenue and go to the hospital and come out of the hospital with a $500 doctor and hospital bill, just shake hands with yourself and say that this was paid for in savings in cab fares. On the other hand, if you have had an accident, if you are thinking about the people who have had accidents or those who by the law of probability are going to have accidents, then I think the thing to do is to vote for this bill.

Mr. BLANTON. Will the gentleman yield?

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

Mr. BLANTON. Just providing for insurance is not going to bring the millennium, because after you get insurance even in some of the big companies and you have an accident, those companies have the finest and the shrewdest legal talent in the world hired by the year, and they will go into court and beat you out of it, if they can.

Mr. DIRKSEN. Would not that be true in the gentleman's State as well as in the District of Columbia?

Mr. BLANTON. Yes, of course. I think the the first bill which we have already passed, has provided reasonable assurance of protection to the people and I think the second bill ought not to be passed.

Mr. CARPENTER of Kansas. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Kansas.

Mr. CARPENTER of Kansas. How about the poor fellow who has the first accident?

Mr. BLANTON. It is not necessary to have an accident for a taxi driver to be negligent, and be forced to carry insurance under the bill we have passed. Every time one of these negligent taxicab drivers has defective brakes, or cuts one of these corners short, or speeds in congested districts, he is guilty of negligence and when a policeman catches him or somebody else reports him, he should be suspended, and he can then be forced to take out insurance under the bill we have just passed. He does not have to have an accident to be negligent. Why, a man may drive 20 miles an hour and be more careless and negligent than when driving 60 miles an hour in some other locality. There are places where a man should not drive over 10 miles an hour to keep from being negligent.

Mr. DIRKSEN. May I conclude my statement by saying that there is no mystery about this bill. All it asks is that the taxicab drivers furnish a bond in a certain amount. Then it provides for the regulations under which the so-called "mutual," or stock companies shall operate, including the amount of reserve, and so forth.

Mr. BLANTON. The bill forces all of them to get a license, and there is where the monopoly comes in, for many of the independents cannot pay the required cash. The monopoly will come in and stop them from getting licenses.

Mr. DIRKSEN. This bill covers the amount of reserve and the amount of capital that these so-called "mutual insurance companies" shall carry. The insurance companies will operate under the regulations and under the supervision of the Superintendent of Insurance. That is all there is under this bill. The only question to be decided here is whether you are going to carry your own insurance and continue to pay 20 cents in the first zone, or protect all people who are riding in cabs by providing taxicab operators who are financially responsible through the instrumentality of a bond.

That is all there is to this bill. There is nothing mysterious or complex about it, and there is not a State in the Union that does not compel some kind of insurance in these cases.

Mr. TRUAX. Why not take out insurance on the pedestrians?

Mr. DIRKSEN. These people serve in the capacity of common carriers and hold themselves out for hire by everybody. They are public servants in this respect.

Mr. DONDERO. May I ask the gentleman from Illinois whether he thinks insurance is going to make the taxicab drivers less negligent?

Mr. DIRKSEN. I do not know about that. Human nature will always operate in the District of Columbia as well as in Ohio or Texas or Illinois.

Mr. PALMISANO. Mr. Speaker, I reserve the balance of my time.

Mr. HOEPPEL. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The Chair will count.

Mr. HOEPPEL. Mr. Speaker, inasmuch as I believe the interests of the people will be adequately protected by those present, I withdraw the point of no quorum.

TAXICAB LIABILITY INSURANCE

Mr. PATMAN. Mr. Speaker, a few minutes ago we passed a bill that will require all operators of motor vehicles, whether they are cab drivers or individual owners, to carry liability insurance after they have been guilty of an act of carelessness, negligence, or a violation of law for which their permit to drive might be taken away from them in Washington, D.C. This law says that if any person drives while under the influence of liquor or narcotic drugs, or if he leaves the scene of an accident when he should not leave, or is guilty of such other violations as constitute cause for suspension or revocation of license in the District of Columbia, or has been convicted of an offense in another State which if committed in the District of Columbia would be a violation of any of the aforesaid provisions of the traffic act of the District of Columbia, he shall not be permitted to operate an automobile in the District until he takes out liability insurance with a reputable company.

This applies not only to individual owners but to taxicab owners as well, and we have in Washington, D.C., drivers who have been driving here for 15 years, making a living for themselves and their families, who have never been accused of an offense of any kind. No act of negligence or carelessness has ever been charged against them.

Do you not think this is a pretty good record for the taxicab drivers? We have fewer taxicab accidents than any city of this size in America. The reason is the taxicab operator has something to lose if he violates the law. He has a very valuable permit. This is his asset and the only asset he has on earth. This is his business and trade. This is the way he makes a living—by possessing the privilege of driving a taxicab upon the streets of the District of Columbia. If he loses this permit it is the same to him as if a business man lost his place of business or a man lost his home or anyone who made an investment losing such investment, representing the savings of a lifetime. This is exactly what such a taxicab driver loses. He loses everything he has on earth if he violates the law of the District of Columbia. This is the reason you do not have many taxicab accidents here. You have careful drivers because they have something to lose if they violate the law.

This bill, Mr. Speaker, should not be designated as a safety bill. I know that one of the greatest lobbies in America today is the insurance lobby. They do not operate openly and aboveboard. They operate somewhat in sheep's clothing. They go around under the name of safety organizations for the protection of the public. They are always talking safety and protection—save the little children, save the old people. You see their placards all over the country. They are doing this to sell the country the theory that all kinds of insurance laws should be passed which will enable them to receive enormous premiums for writing this insurance.

If they are really honest and sincere in their desire to protect the people who use taxicabs on the streets of the District of Columbia from loss by reason of property damage or personal injury, why do they not write into this bill the provision that they shall be fully covered. No; the insurance company would not write that kind of business. They just want enough safety in the law so they will get the business. The limit of the liability under this bill will be $2,500 for personal injury. This will be the limit. Why do they not make it more? They are going to get everything that the cab owner can afford to pay, anyway, for insurance under the $2,500 liability, and they could not pay the insurance if it were more. They just want enough safety so they will get the premiums they want and all the owners can pay. If there were a judgment of $20,000 against them, the cab company would still have to pay the $17,500. If there were a judgment of $1,000 for property damage, the cab company would still have to pay $500 of that, because the insurance company has a very limited liability, but sufficiently broad to enable them to collect $1,500,000 more from the taxicab operators in this District every year, if you pass this bill.

Mr. O'CONNOR. Will the gentleman yield?

Mr. PATMAN. Just for a brief question, because I have very limited time.

Mr. O'CONNOR. Does the gentleman know that every company in New York City that has made a specialty of insuring taxicabs at $28 a month has made a failure of it and is in liquidation? This is how profitable it is.

Mr. PATMAN. The gentleman is right. In New York there is one fleet of cabs that cannot get insurance.

Mr. BLANTON. They go broke because they pay their presidents from $100,000 to $200,000 a year as salary.

Mr. PATMAN. Whenever you require them to take insurance to give full protection, it means the insurance companies go broke instead of the taxicab companies, and under this bill there will be $1,500,000 a year added in Washington to the cost of using taxicabs.

Mrs. KAHN. Will the gentleman yield?

Mr. PATMAN. I yield.

Mrs. KAHN. Has the gentleman any idea how much this insurance would cost a taxi driver today?

Mr. PATMAN. I think a reasonable estimate would be that the insurance would cost the taxi driver between $25 and $40 a month. In Baltimore it costs $35 a month.

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

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. COX. Will the effect of this legislation be to take the schoolboys who operate taxicabs off the streets?

Mr. PATMAN. They cannot operate them now. The taxicab operators in Washington have to stand a very rigid examination. This bill, if it is enacted into law today, will put off the streets tomorrow more than 1,000 independent operators, men who own their own cabs, or maybe have two or three cabs and have their neighbors or relatives driving for them. They will be put off the streets. One of the objects of the law is to create a monopoly of taxicabs in Washington.

The first object, I believe, is to help the insurance companies. This will cause them to make a lot of money and is one of the first objects. This is not the object of all the sponsors of the legislation. I do not mean to impugn the motives of any person who is sponsoring this bill, but some of those who are sponsoring it, I think, are doing so with the hope and expectation they will make money out of it. I am not referring to Members of Congress but to those who are advocating the legislation.

In their order I would say, first, the insurance companies; next, the street cars and busses want it passed, because they want this competition out of the way. While they are taking the cabs off the streets, they are putting more street cars and busses on the streets. I know there are a lot of good people who argue that it is unfair competition. This was argued to me as a member of the committee, and it was stated that we should stand for this legislation because it is unfair to the street-car companies and the bus companies to have to meet this kind of competition.

If you make them carry that insurance it will take off at least one-quarter of the taxicabs and the people will have to use the street cars or the busses, for they cannot find a parking place.

Mr. BOILEAU. Will the gentleman yield?

Mr. PATMAN. For a brief question.

Mr. BOILEAU. The gentleman stated that the rate would be thirty or forty dollars a month. That seems to be rather high. Has the gentleman any figures from a comparable city?

Mr. PATMAN. I do not think there is any dispute about it. They claim that they will start off with a charge of $20 a month. But there is no limit to the amount they can charge the next day. The sky will be the limit on insurance rates. There will be no power in the District of Columbia or in the United States to reduce those rates. They can charge any amount they see fit. There is no power in the District of Columbia to prevent them doubling the rates. They can charge 40 cents to the Union Station instead of 20 cents to the Union Station, or they can charge a dollar. Of course, they claim they will be fair, but this business will all get into the hands of three or four companies, and it will be a monopoly. If you are willing to trust a monopoly with the cab rates and the insurance rates, you vote for this bill, because by your vote you will say that you have the utmost faith in a monopoly operating in the public interest.

Mr. BOILEAU. Will the gentleman again yield?

Mr. PATMAN. Yes.

Mr. BOILEAU. If they make the insurance compulsory, they should make it available at the lowest possible rate.

Mr. PATMAN. Under this bill—this is a very important matter and is going to affect everyone, your constituents as well as mine—this bill is so artfully written that at first you would not see it. It is so artfully written that you will not at first detect it. There is the Diamond Cab, the Bell Cab Co., and one or two other companies who will carry their insurance under their regular business at $5 a month, but the independents will have to go to the insurance companies and pay $25 or $30 a month. Now, you cannot operate in competition with a fleet where they only pay $5 a month and the individual taxicab owner has to pay $30 or $40 a month.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. PATMAN. Yes; briefly.

Mr. CHRISTIANSON. Could not the independent operators get their insurance through mutual companies?

Mr. PATMAN. Under this bill, if they belong to a fleet, they can carry their own insurance, and the big companies will do that; but remember that the law requires the independent owner to pay two insurance premiums that the big companies do not have to pay. They will have to carry another insurance in order to take care of the excess judgments, because there will be a lot of excess judgments when they are followed by a lot of ambulance chasers.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BLANTON. The gentleman said that Members of Congress and their constituents from the States are very much interested.

In addition to that, there are 70,000 Government employees here who are vitally interested. They use the taxicabs. Then there are about 40,000 clerks in town, with moderate salaries, who work for commercial concerns who are vitally interested. They all use taxicabs and need low rates. I am thinking of those people.

Mr. TRUAX. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. TRUAX. One of the strongest arguments which the gentleman has made against this bill is the chiseling insurance companies. After you have an accident you are lucky if you get 20 percent of the amount you are entitled to, so they take it away from you both coming and going.

Mr. PATMAN. In reply to the gentleman, as conditions exist now, there is one company that is out $7,500 a year on claims. They have paid all claims or satisfactorily adjusted them for $7,500 a year. Under this bill they will have to pay $75,000 a year just for premiums alone, and that will include very limited liability, $500 property damage, and $2,500 personal injury.

Therefore, the cost to the taxicab users in Washington will be $1,500,000 more than they had to pay last year, and who will get the benefit of that? These frivilous fraudulent claims and lawsuits and ambulance-chasing lawyers will get it and the insurance companies. That is who will get it. In other words, we will have to pay $10 in the future for the same protection we have been getting in the past for $1, and the lawyer gets half of that; so the public will be out $20 for every $1 that the injured person will get.

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. KOPPLEMANN. I wish to make an observation. In my own city some years ago they had what was known as "jitney" cars. A man or woman could get into a car for a nickel. Those people were driven out of business just as soon as the city council passed a law requiring insurance. Has the gentleman gone into the question of how many of these independent taxicab drivers will be retired in the District and go out of business if this bill is passed?

Mr. PATMAN. Yes. There will be 1,000 families that will need relief very soon. If you pass this bill, you should make some provision to take care of those thousand families that will be needy, whose husbands and fathers are now making a living for them with taxicabs on the streets of the District of Columbia.

Mr. CONNERY. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CONNERY. The gentleman just mentioned the thousands who are in need. I have been watching the progress of the Committee on the District of Columbia on the different days set aside for them, and with thousands and thousands of old people——

Mr. PATMAN. Now, I just yield for a question about this bill.

Mr. CONNERY. Well, why does not the gentleman bring in the only real bill which the District of Columbia is interested in—the old-age pension bill?

Mr. PATMAN. We have the bill before the House, and it will be considered.

Mr. CONNERY. Not today. That is a bill which the entire District of Columbia is interested in, and that should be taken up and considered and not these little things outside the District of Columbia.

Mr. PATMAN. We cannot cover the entire District of Columbia in this discussion. We only have a very limited time. I appreciate what the gentleman says, and I am in favor of old-age pensions, but we cannot discuss it here now.

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

Mr. PATMAN. I yield.

Mr. GOSS. If this bill passes, then the District of Columbia cabs will be allowed to go into Maryland. If it does not pass, the Maryland cabs can still come into the District of Columbia.

Mr. PATMAN. Now, the gentleman is mistaken about it, I think. If not, I will say that that is a question that was not even raised before the committee, and I sat there 2 or 3 days listening to every witness. Furthermore, I challenged all of them there to name a serious accident where the unfortunate victim was unable to collect damages. One of the lawyers finally called one man by name where an accident happened at Dupont Circle. I looked into it and found it was a Maryland cab that caused the accident, and he would not have come under this law in any event. There are fewer claims than most any place in America I know of.

Mr. GOSS. Residents who live over the line in Chevy Chase, for instance, cannot go home in a taxicab today.

Mr. PATMAN. Well, that is a very poor excuse for passing this bill.

Mr. GOSS. I am asking the gentleman.

Mr. PATMAN. To make people pay a million and a half dollars extra just to let a few people ride a few blocks outside of the District of Columbia I do not think is justified.

They can cross the District line. Not many of them will pay taxicab fare from downtown Washington into Maryland anyway.

Mr. GOSS. There is nothing in this bill that has anything to do with Maryland at all.

Mr. PATMAN. I agree with the gentleman.

Mr. GOSS. I understood it was a question of insurance in Maryland.

Mr. McFARLANE. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McFARLANE. Who is it who has appeared in Congress advocating this bill? Who was it who appeared before the committee and showed the most interest?

Mr. PATMAN. The safety organizations had representation there. Of course, a part of their funds are contributed by the insurance companies. There are many conscientious people who want this done. Of course, the street-car companies and the bus companies would like to have it done, although they were not visibly in evidence throughout the hearings, but I think you can find the footprints of their activities around because it would be a great benefit to them.

Let me tell you where this money would go. I have told you it would cost the public $10 in insurance premiums alone to every $1 the injured person and his lawyer will receive. That is not counting excess liability. Will the insurance companies get that difference? No; they will not get nearly all of it. When you pass a law like this you encourage every kind of a little, frivilous claim. They say, "Oh, it is insured." The cab owners and drivers in many cases will take the side of their passengers and help them get money out of the insurance company. I do not mean they would swear to a lie, but they are not very active and enthusiastic against the insurance companies, because they pay for the insurance. You will have every kind of a little claim imaginable. There will be a multiplicity of lawsuits. The difference will go to ambulance-chasing lawyers and people making fraudulent claims and to some people who have good claims, but most of those will get adjustments in any event.

Mr. MAY. As I understand it, the insurance feature is the important feature of the bill. Those companies owning large fleets of cabs are enabled by small deductions from their gross receipts to obtain what is sometimes called "group policies" and thus carry insurance on all their cars.

Mr. PATMAN. In effect that is true.

Mr. MAY. The smaller man, however, the individual taxicab driver, cannot get one of these cheap group policies but is forced to pay a premium amounting to about $30 a month.

Mr. PATMAN. That is right. Under this bill the large operators are protected; they do not need to pay large insurance premiums. If they are able to satisfy judgments against them, it will cost them no more in the future than it has in the past. Frequently the large companies are self-insurers.

So far as obtaining settlements from insurance companies is concerned, remember that the insurance companies have had a hundred years more experience in the matter of handling litigants and keeping them out of the courts of justice than any of the taxicab owners have had; and one will have just as much trouble getting a claim adjusted by an insurance company as he would have in collecting from the cab company—in most instances; I will not say all instances.

Mr. BROWN of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Kentucky. The gentleman just stated that the cab drivers would join the passengers in an effort to fleece the insurance companies through fictitious claims.

Mr. PATMAN. No; I did not make that charge.

Mr. BROWN of Kentucky. I am sure the gentleman carries insurance on his splendid automobile. Ought not the gentleman grant the same measure of honesty to the taxicab drivers that he claims for himself?

Mr. PATMAN. It so happens that I do not and have not carried liability insurance for many years, and I am not going to in the future. If one should try to provide by insurance against everything that might happen, the insurance companies will get all he can earn.

Mr. MAY. And the gentleman has been careful?

Mr. PATMAN. I have been careful.

Mr. BROWN of Kentucky. But could the gentleman pay a judgment arising out of an automobile accident were a judgment returned against him?

Mr. PATMAN. I certainly would take care of a reasonable judgment, but I am not going to have to pay a judgment, because I am a careful driver; and if a person is a careful driver, he can rest easy. If you happen to have an accident, that is unfortunate; you cannot control it; and you ought not to pay for it, anyway.

Mr. BROWN of Kentucky. Then the gentleman thinks there is no such thing as an accident?

Mr. PATMAN. Oh, yes, there are accidents; and if I should happen to have an accident, by not carrying insurance I have saved enough money to pay for quite a considerable loss. I carry life insurance and other insurance, but not automobile liability insurance.

Mr. CARPENTER of Kansas. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CARPENTER of Kansas. The gentleman believes that instead of spending money for insurance that it is better to spend it for flowers to take to a funeral?

Mr. PATMAN. Of course, the gentleman has the right to make facetious arguments if he wants to. That is just about as good as any argument he has ever made for this bill; that is one of the strongest arguments I have heard for this bill, just such arguments as that; they cannot support the bill by logic and reason, for they have no logic and reason to support the compulsory payment of insurance premiums.

Pass this bill and the insurance companies will call you a great statesman, because it will mean many hundreds of thousands of dollars to the insurance company in the way of premiums. I would not be surprised either if the directors of the street-car companies called you a great statesman if you pass this bill. The Power Trust will also be pleased with your vote.

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

Mr. PATMAN. I yield.

Mr. PALMISANO. Does the gentleman not frequently ride in taxicabs in the District of Columbia?

Mr. PATMAN. Yes; I ride in taxicabs here.

Mr. PALMISANO. Does not the gentleman know that taxicab drivers violate the speed laws even while they have him as a passenger?

Mr. PATMAN. Well, if they violate the law and they are careless or negligent, or even if they violate the speed law, then, under the bill the House has just passed, they will be required to carry insurance. So why penalize efficiency? Why penalize the careful driver? Why not put a premium on them instead of trying to penalize them? That is what you are doing in this bill. Under the bill we have just passed, if the drivers are negligent, they can be penalized. A driver of 15 years' experience who has had no accident should not be penalized; we should not take this money away from their wives and children and give it to the insurance companies, the street-car companies, the bus companies, and the ambulance-chasing lawyers.

Mr. TRUAX. The Power Trust, too, for they furnish the power to operate the street cars.

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

Mr. PATMAN. I yield.

Mr. MAY. As a proposition of general law, if a person involved in an accident is not guilty of negligence, no liability attaches to him.

Mr. PATMAN. No; they would not be liable anyway if they were not guilty of negligence.

The gentleman spoke of rattletrap cabs. That is not an argument for this bill. If there are rattletrap cabs, and the gentleman knows of them, it is his duty to report them to the director of traffic and they will be taken off the streets, for there are certain definite requirements with regard to the

vehicles used as taxicabs. Their brakes must be in good condition and they must be good vehicles generally and must not be a source of danger to the public. This is the present law; and if the gentleman did not know it before, I am telling it to him now. If the gentleman knows of any cabs such as he spoke of just a moment ago, it is his duty as a law-abiding citizen, as a law-enforcing citizen, as well as a law-making citizen, to report that fact to the director of traffic and he will immediately take that vehicle off the streets. So that argument is no better than the flower argument.

Mr. TERRY of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. TERRY of Arkansas. I should like to know, as a matter of information, who establishes the rates the taxicabs now charge.

Mr. PATMAN. I am glad the gentleman mentioned that matter. I explained that a while ago; but since the gentleman did not catch it, I will explain it over again for fear others may not have caught it.

If this bill becomes a law, no one else on earth except the cab owners will set the rate. If they set the rate 100, 200, or 500 percent more, the gentleman cannot object. He will have no one to object to, and there will be no one in the District that can change the rates. The rates will remain in effect, and no power on earth will be able to change them. The sky will be the limit.

Mr. TERRY of Arkansas. Who established the 20-cent, 30-cent, 50-cent, and 70-cent rate that they now operate under?

Mr. PATMAN. The independent owners of this city are the ones responsible. Competition set those rates. Whenever you take the independents away, the real competition, you will put the high rates back into effect. Do not allow yourselves to believe that these taxicab owners are starving to death. They are making good money in Washington. One operator told me that, of course, there are drivers who go out and work Saturdays and Sundays and make enough money to last a few days and then lay off. There are cases like that, but they are not all that way. The operators of cabs here are pretty good men. They are safe and careful drivers, and they are supporting their families. If you pass this bill, you will put a thousand of them on the relief rolls of the city.

Mr. TERRY of Arkansas. If there are certain rates established now, and if they have liability insurance, could not the same people raise the rates sufficiently to take care of the premium which the taxicab drivers have to pay?

Mr. PATMAN. Yes; they can do that, but the sky will be the limit. There will be two limits over which you will have no control. You may say to the cab owners: "Why charge 50 and 75 cents for taking me to the Union Station when you used to take me there for 20 or 30 cents?" They will say: "Well, we have to pay two insurance premiums, one to the insurance company of over $1 a day." In a lot of the cities it is $1 a day or more, and it will probably be at least that here. You might say: "Why do you not get the rates lowered?" They will say: "We cannot. That is left up to the insurance companies to set the insurance rates." It will be left to the cab owners to set the cab rates. So there are two places that the sky will be the limit and the users of the taxicabs will be paying the bill.

Mr. BLANTON. Will the gentleman yield?

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

Mr. BLANTON. The 20-cent taxicab rate has forced the street cars to put on what they call their "$1-a-week ticket." If we pass this bill and let the taxicab rates go up, you will see the $1 rate taken off by the street-car company, and then we will be at the mercy of the operators of Washington.

Mr. PATMAN. Mr. Speaker, I reserve the remainder of my time.

Permission having been granted, I insert herewith a copy of the minority report filed by me on this bill:

MINORITY VIEWS

The title of this act should read "An act to compel more of the people of Washington to use street cars and busses instead of taxicabs; to further aid and assist insurance companies; to encourage ambulance-chasing lawyers, and to create a cab monopoly in the city of Washington."

This bill is not endorsed by all the members of the Board of Commissioners of the District of Columbia. Two have endorsed it, but one has entered a protest against its passage.

As chairman of the subcommittee that held hearings on this measure for several days, and after we had obtained all the facts it was possible for us to obtain, I am opposed to the measure for the following reasons:

NO EVIL SHOWN JUSTIFYING LAW'S PASSAGE

First. Before any law is enacted, an evil should be shown that will be corrected by its passage. There are about 4,000 cabs operating in Washington. Most of them are in a position to pay any deserving claim at this time. This law would merely cause the injured person to collect from the insurance company that was insuring the cab instead of cab owners. It is true that there are accidents growing out of the operation of cabs, but the testimony before the subcommittee failed to disclose a single instance where any person had been injured or had his property injured, and had been unable to collect damages from the owner of the cab causing it. It must be remembered that the public is now reasonably well protected against loss by reason of negligent operation of cab drivers in Washington.

Therefore, the evil that this law seeks to correct has not been shown sufficiently to justify the passage of this act.

INCREASE COST 10 TIMES

Second. The testimony before the subcommittee discloses that one particular fleet of 300 cabs in the city of Washington in the past years satisfactorily settled all claims. A complete record has been kept, and is available for inspection. It cost this company approximately $7,500 annually to settle these claims. If this law is passed, that same company will pay $75,000 next year for insurance that will only partially cover their losses. Similar facts were presented for other taxicab companies.

ADDITIONAL COST OF $1,500,000 ANNUALLY

I estimate that it will cost the taxi users of the city of Washington an additional million and five hundred thousand dollars the next year if this bill is passed. The insurance premiums on partial coverage will amount to approximately $1,600,000. Without this law, $100,000 will be sufficient to pay all losses, presuming that the losses the next year will not be any greater than an average over a period of several years in the past. Therefore the additional cost will be $1,500,000 annually for this very limited protection.

WILL GRANT CAB MONOPOLY

Third. This bill will grant a cab monopoly. When it is obtained the owners of the street cars and bus companies will probably purchase it either directly or indirectly. It grants a substantial concession to large cab owners. Under the terms of this bill, a cab company in this city that is now operating 1,000 cabs will be able to carry its own insurance for $5.50 a month, presuming its losses will not be any greater than they have been in the past.

UNEMPLOYMENT WILL BE CAUSED

An independent operator in order to secure the same protection will be required to pay $30 or $35 a month, more likely $35 for this very limited protection. This will place the independent operator at a distinct disadvantage and drive him out of business. There are approximately 1,000 independent operators of taxicabs in the District today. They are making a good living for themselves and families. If this law passes, which cannot be construed by any stretch of the imagination as intending to help more than 100 people, the next year it will place on the charity rolls many of the thousand families of these operators. In fact, it has been suggested that this bill should contain another provision providing for the relief of former cab drivers.

PUBLIC PROTECTED NOW

Fourth. This law is sought by many public-spirited citizens. They are unselfish and patriotic. In racking their brains for plans and ideas in order that they may advocate changes in the existing order of things, they have conscientiously decided that all cab operators should be required to carry additional insurance for the protection of the public. I am afraid they have ignored the fact that the public is already protected in most instances, and the few instances wherein the public is not protected, are not sufficient to justify the million-and-a-half-dollar additional expense to the cab users in Washington over a period of 1 year, and the placing in the bread lines of approximately 1,000 cab owners and their families.

$20 PAID BY CAB USERS TO EVERY $1 TO INJURED PERSON

Fifth: It is said that many civic groups of the city desire this legislation. I do not charge that such groups were dictated to by people who have their own interest in mind, but it would be interesting to know just how many of the people in these groups were interested either as owners of stock or employees in the street car and bus companies; the insurance companies and the special-favored cabs. It should also be considered that this law will be a source of big business for many lawyers in Washington. The cab users will pay $10 insurance under this bill to every $1 they

would have to pay without it. About one-half of that $1 goes to the lawyers and courts. Therefore, in the future the cab users will have to pay about $20 to every $1 that goes to a deserving person who has been injured or has had his property injured by the negligent operation of cab drivers.

VISITORS WILL BE PROTECTED

In support of this bill the argument is made that 50 percent of the passengers carried by the cabs are visitors. Therefore, the visitors should be well protected by insured cabs; that it is too difficult for visitors to collect from the present cab owners since they are very strict about paying claims to make sure that only deserving claims are paid. If a visitor is injured in a cab that is insured, he will have the same trouble. Insurance companies have a hundred years more experience in scaling claims down; threatening long drawn-out and expensive lawsuits to force low settlements, and in the art of making settlements satisfactory to themselves generally than the cab owners have had. I predict that visitors would have just as much trouble getting money out of insurance companies, and probably more, than they now have out of the cab owners. In either event a lawsuit that is brought would have to be instituted in the District of Columbia.

MULTIPLICITY OF LAWSUITS

It was shown before the subcommittee that under compulsory insurance for taxicabs, the public will pay $10 in the future for every $1 they expended for losses in the past. That does not mean that the insurance companies will get this additional $9. It means that ambulance-chasing lawyers will have more lawsuits. There will be more false, fictitious, and fraudulent claims. Claims that are now passed by as frivolous, will be exaggerated and contentions made for their payments if the cabs are insured, and the insurance companies will have to pay the loss that would not be insisted upon at all if the cab owners had to stand the loss. This bill will cause a multiplicity of lawsuits. The courts of Washington are 4 years behind. It will probably be a talking point for the insurance company that unless the claimant settles, it will take him 4 years to get his money through the courts if he gets it at all.

CAB RATES TO BE INCREASED

Sixth. This bill will cause taxicab rates to be increased. The operators will not receive any more money than they are now receiving. It will all go to the insurance companies, lawyers, and for frivolous claims. About one-fourth of the cabs will be taken off the streets. The other three-fourths will not do as much business because their rates will be high. Let it be remembered that so far as taxicab rates are concerned after this bill passes, the sky will be the limit. The cab users will be dependent upon the owners to set a fair rate. Whatever rate they set the public must accept. There will be no appeal from it, and no board or commission that will have any power on earth to disturb it.

HIGH INSURANCE RATES

Also let it be remembered that the four insurance companies that will write this business will get together and set the insurance rates. They will be plenty high. The sky will be the limit. They will not be annoyed or troubled by a board or commission attempting to interfere with them. Whatever rate the insurance companies fix will have to be accepted by the cab owners. The price paid will be passed on to the public.

Therefore, there will be no limit under this bill as to the amount charged the public for fares, and there will be no limit under the bill as to the amount that will be charged the cab operators for the cab insurance.

Of course, this will only hurt the small cab owners and independent operators. The big companies will carry their own insurance for an insignificant cost.

CAB OPERATORS CAREFUL

Seventh. The cab operators in Washington are usually safe. The testimony disclosed that the percentage of accidents in which taxicabs were involved was no greater than the percentage of accidents wherein private automobiles were involved. Instead of providing compulsory insurance which will encourage a driver to be more careless or negligent, I think that we should pass more drastic rules which will encourage efficiency and safety of operation. If a driver under present laws operates a vehicle while he is under the influence of liquor, or violates the law in any other way, he can have his driver's license taken away from him. This is a great privilege for him to be relieved of. In fact, it is his living, his business, and is a valuable asset. Therefore, cab drivers in Washington are considered more careful than in most places.

UNSAFE EQUIPMENT

It is argued that this law will take off the street defective and insufficient motor cabs. If that is an evil in the city, it can be very quickly remedied without compulsory insurance by merely passing an act which will permit some authority to pass upon the safety and construction of the equipment. That is no reason to charge the taxi users of Washington an extra million and a half a year.

Eighth. Suppose there should be a hundred cases next year for injury to persons or property that will not be satisfactorily settled by reason of the failure of this act. We will presume that 100 people will suffer loss in some way and to some amount. Will it not be better for 100 people to stand this loss themselves rather than set up a cumbersome and expensive machinery in the form of compulsory insurance that will cost the cab users of Washington one million and a half dollars extra, and possibly throw out of employment a thousand cab operators?

CARELESS OPERATORS SHOULD BE TAKEN OFF STREET

If the law is weak in regard to giving the proper officials of the District power to deny operators who are careless and negligent the right to continue in their business of driving cabs, the law in that regard should be strengthened. I do not think the law is weak in that respect, but if it is, let us change the law.

TAKE CABS OFF, PUT MORE BUSSES AND STREET CARS ON

Ninth. Government employees find it difficult to find a place to park their automobiles, and are, therefore, almost compelled to use a public conveyance. Now, if they are denied the privilege of using taxicabs, they will be forced to use street cars or busses. As you take more cabs off the street, you will put more street cars and busses on the streets.

INDEPENDENT OWNERS REASONABLE

Tenth. It should be said for the independent taxicab owners that they expressed a willingness to be required to carry reasonable insurance if the public wants them to, provided, of course, that the public will stand an increased rate to pay for the increased cost of operation, and that they will be permitted to get insurance for the same amount per cab as the large fleet operators. This bill, as I have pointed out, discriminates against the independent operator who owns his own cab and is now making a living for himself and family by its use.

INSURANCE COMPANIES FAIL TO PAY

Eleventh. If the cabs are insured by insurance companies, that does not necessarily mean that the public is properly protected. Such insurance companies have been breaking all over the country, and I doubt that people who have claims against taxicab companies have any more trouble collecting their money from the cab owners than from the insurance companies, as a general proposition. Only a few days ago an insurance company in New York carrying taxicab risk went into the hands of a receiver. It is causing all kinds of confusion and tying up of cabs, since this kind of insurance is not easily obtainable, and the best companies will not carry such a risk. So after all, if the public has got to depend upon "fly-by-night" companies or second-grade companies for insurance protection, they should certainly give consideration to such insecure protection in view of the million and a half dollars annual increase in cab fares, and the great unemployment and distress among cab drivers and their families which will result from the passage of such an act.

KEEPING UP WITH THE JONESES

Twelfth. It is contended that other cities have insurance, and Washington should not be backward in that respect. This is always a weak argument. It is the flimsiest kind of excuse for a raid on the public purse and does not in any way constitute a reason. "Keeping up with the Joneses" is always the poorest kind of an excuse for the passage of any law.

VERY LIMITED LIABILITY

Thirteenth. If this bill is enacted, each cab will be required to carry insurance against damage to person or property. If one person is injured, the insurance company will not be required to pay more than $2,500. If the judgment is $20,000, the cab owner will have to take care of the $17,500. If there is a judgment for property damage for $1,000, the insurance company will only have to pay $500 of it, and the cab owner will have to pay the other $500. The limit of the liability, regardless of the number of people injured, will be $5,000, with not more than $2,500 to one person, and if property damage, the limit is $1,000, with not more than $500 to one person.

TWO INSURANCE PREMIUMS

Therefore, this so-called "compulsory insurance" is just partial insurance, or for the payment of small claims, and instead of the cab owners paying only one premium like they are doing now, they will have to pay two premiums, one to the insurance company and the other to a fund of their own to protect them against judgments in excess of the insurance company's liability.

I understand Baltimore cab owners pay $420 annually per cab for limited liability. This is $35 a month. Considering the fact that insurance will cause juries to give higher verdicts and multiply the lawsuits, I predict that it will cost the cab owners more to carry the risk with the insurance companies than it now costs them to carry the entire risk. So instead of one premium, it will be a double premium. Instead of one light burden on the cab owner, it will be two heavy burdens, all of which will be passed to the people in the form of increased charges which will reduce the number of cabs, cause unemployment, and materially and substantially assist the bus and street-car companies, insurance companies, and ambulance-chasing lawyers.

Notwithstanding the strong support that this measure has from District officials that I have great confidence in, and that it is sponsored by others whom I believe to have always the public interest at heart, I must, for the reasons stated above, file this serious protest against its passage.

Respectfully submitted.

WRIGHT PATMAN.

INTERNATIONAL TECHNICAL COMMITTEE OF AERIAL LEGAL EXPERTS

Mr. BANKHEAD. Will the gentleman from Maryland yield for a moment so that I may submit a rule?

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

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged resolution for printing in the RECORD under the rule:

House Resolution 398

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 House Joint Resolution 271, a joint resolution providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts, and all points of order against said resolution are hereby waived. That after general debate, which shall be confined to the resolution and continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the resolution for amendment the Committee shall rise and report the resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

LIFE INSURANCE IN DISTRICT OF COLUMBIA

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged resolution for printing in the RECORD under the rule:

House Resolution 397

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9178, a bill to regulate the business of life insurance in the District of Columbia, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the District of Columbia, the bill shall be considered as having been read for amendment and amendments to all parts of the bill shall thereupon be in order. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DRIVER, from the Committee on Rules, submitted the following privileged resolution for printing in the RECORD under the rule:

House Resolution 392

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9391, a bill to provide for a census of unemployment, employment, and occupations to be taken as of November 12, 1934, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on the Census, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

LOANS FOR INDUSTRIAL PURPOSES

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, S. 3487, relating to direct loans for industrial purposes for Federal Reserve banks, and for other purposes, with a House amendment, insist upon the House amendment, and consent to the conference asked by the Senate.

The Clerk read the title of the bill.

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

There was no objection.

The SPEAKER appointed the following conferees: Messrs. STEAGALL, GOLDSBOROUGH, PRALL, LUCE, and BEEDY.

THE SILVER BILL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the Ways and Means Committee may have until midnight tonight to file a report on the silver bill, and that the members of the committee may have the same time within which to file minority views.

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

There was no objection.

TAXICAB LIABILITY INSURANCE

Mr. PALMISANO. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I did not even know that this bill for compulsory liability insurance on taxicabs was on the calendar today. In fact I did not know such a bill was pending. I have no interest in whether the bill passes or not, but I fear the discussion has gone off on a wrong tangent. I do not know, nor do I care, which insurance companies in the District of Columbia write this kind of insurance, except I do know from experience in connection with the liquidation of insurance companies in New York City, that no insurance company ever made a profit writing liability insurance on taxicabs, even though they charged a premium of about $28 a month. Every such company has failed, I believe. Even the mutual companies, composed of the independent taxi drivers, have failed. The losses are extraordinarily great in this particular risk.

The question resolves itself into whether you are going to protect the public in the District or save the operators this increased burden. I am for the taxicab driver of the District of Columbia. For a long time I have sympathized with his meager earnings, not even a livelihood. As a matter of fact, I do not think he has ever got a square deal in the District of Columbia, and it is a strange occurrence that the opposition to this bill now comes from the same sources that have continually opposed the taxicab driver in his plea for increased fare. Today these same opponents of fair income for the taxi drivers weep over increasing his burden. I always thought that the fares in Washington were ridiculously low and should be 50 or 100 percent higher. The question here, as I stated, is however, whether or not you are going to let the public ride in a common carrier without protection in case of accident. I cannot imagine any modern, progressive, or even a civilized community not requiring liability insurance from a common carrier. Personally, I would not let any man, woman, or child drive his own automobile without carrying liability insurance; surely a common carrier should not be permitted to do so. The automobile owner is the pet of some of our Representatives. No effort to make him cease using the streets as garages has succeeded, and that when garage rent is from $5 to $10 per month. Some day a great catastrophe will wake up the people here.

Mr. HOEPPEL. Will the gentleman yield?

Mr. O'CONNOR. I yield for a short question.

Mr. HOEPPEL. Does the Government carry liability insurance on its own vehicles?

Mr. O'CONNOR. Oh, well, of course the Government is a self-insurer like a lot of other big institutions and businesses. They talk about these independent taxi drivers. These independent taxi drivers may form a mutual insurance company and insure themselves, as they did in New York City and other progressive cities in this country. I cannot understand why in this one instance in America the common carriers should be exempt from carrying liability insurance to take care of the people who ride in their cabs. If the motive today is that you fear we might have to pay 5 or 10 cents more in fare, I do not believe that is a proper motive to stand in the way of protecting the public and the visitors to the District of Columbia. Every other city of any consequence in this Union protects its public and requires compulsory liability insurance to be carried by common carriers, while many States require every driver of an automobile to carry such insurance. Why, Mr. Speaker, just a few minutes ago we passed a bill requiring every owner of an automobile, even you and me, to carry liability insurance, after we have been once fined for negligence. Mark you, if you defeat this bill—as I fear you will—no taxicab driver will be compelled to carry liability insurance if they have a hundred accidents in which they were negligent. Such an inequality should not exist, and I hope this bill will pass.

Mr. Speaker, I yield back the balance of my time.

Mr. PALMISANO. Mr. Speaker, I cannot understand the opposition to this bill. The gentleman from Texas [Mr. PATMAN] asks you why you want to limit the amount to $2,500 and $5,000 instead of making it unlimited in order to fully protect the public. Is this any argument that you should not pass this measure when we are trying to give them at least a little protection? Does not the argument the gentleman makes mean that you would put out of business every individual taxicab driver in the District?

The gentleman from Connecticut [Mr. Goss] gave one of the reasons why we should enact this bill into law. In Maryland we have taxicab insurance and in Virginia we have taxicab insurance, and when you prohibit the men here in the District of Columbia from obtaining such insurance it means you are protecting the railway company with its busses that operate in Virginia and Maryland.

I recall when we passed the merger bill for the District, the car companies at that time wanted the taxicab privilege and we refused it, because we were then trying to take care of the individual taxicab drivers. Now, by virtue of the Virginia law as well as by virtue of the Maryland insurance law, you have limited these men to obtaining passengers only within the District proper. I have stood on this floor fighting the so-called "taxi trust" with the gentleman from Texas [Mr. BLANTON]. We have stood on the floor here time and time again fighting the meter system, but this was for the sole reason that it would not benefit the people in the District of Columbia as a whole as we wanted to protect them.

Another argument the gentleman from Texas [Mr. PATMAN] makes is that they now will have to comply with the bill which we just passed. Are you helping the individual taxis? You are not; for the simple reason that the minute they have an accident they are required to have $5,000 and $10,000 insurance, whereas under this bill you only require them to obtain insurance of $2,500 and $5,000.

Mr. PATMAN. Will the gentleman yield for a correction?

Mr. PALMISANO. All right.

Mr. PATMAN. Does not the gentleman know that if both bills pass they will be doubly penalized if they violate the law? They will have to take out a $10,000 policy under the first law and also take out whatever insurance is required under the taxicab law.

Mr. PALMISANO. No; I think the Public Utilities Commission will go over the record made by the Congress and realize that we passed two special acts the same day, one to apply to the private owner and one to apply to the common carrier.

[Here the gavel fell.]

NO NECESSITY SHOWN FOR LAW

Mr. PATMAN. Mr. Speaker, the gentleman from New York [Mr. O'CONNOR] says that the insurance companies that carry this insurance are broke and that they cannot make any money out of it, yet the gentleman wants the public protected in unsound insurance companies. It will be just as hard to get money out of unsound companies as it will be out of unsound taxicab owners and operators.

This bill will create a cab monopoly. It will help the street cars and bus companies and the insurance companies and the ambulance-chasing lawyers, and it will cost the people of this city $1,500,000 extra that we know of, and possibly twice that amount before the first year is out.

There has been no argument made in favor of the bill. There has been no necessity shown for the passage of the law. There is no evil that has been pointed out to you that this law will correct, except, they say, other cities have insurance, why should not Washington have it. This is the poorest and the feeblest and the weakest argument that can ever be made for the passage of any law, and I ask you to vote against the bill.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I move the previous question on the bill and amendment thereto to final passage.

Mr. PATMAN. Mr. Speaker, would a motion to strike out the enacting clause now be in order?

The SPEAKER. Such a motion is not now in order.

Mr. PATMAN. Mr. Speaker, is not a motion to strike out the enacting clause a privileged motion?

The SPEAKER. It does not have preference over a motion for the previous question.

Mr. BLANTON. We can vote down the previous question.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 44, noes 42.

So the previous question was ordered.

The amendment was agreed to.

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

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 38, noes 63.

Mr. PALMISANO. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

The doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 130, nays 188, answered "present" 1, not voting 112, as follows:

[Roll No. 147]

YEAS—130

Allen	Cullen	Kahn	Ramsay
Arens	Darrow	Kelly, Pa.	Ramspeck
Ayers, Mont.	Delaney	Kinzer	Randolph
Bacharach	Dickstein	Kloeb	Ransley
Bacon	Dirksen	Kniffin	Reed, N.Y.
Bakewell	Dunn	Knutson	Reilly
Beck	Durgan, Ind.	Kramer	Rich
Beedy	Edmiston	Lambeth	Robinson
Beiter	Englebright	Lehlbach	Rogers, Mass.
Berlin	Fish	Lemke	Smith, Va.
Blanchard	Fitzgibbons	Luce	Snell
Bloom	Fitzpatrick	Lundeen	Stubbs
Boileau	Fletcher	McCarthy	Sweeney
Britten	Gasque	McCormack	Swick
Brown, Ga.	Gavagan	McGugin	Taber
Brown, Ky.	Gifford	Maloney, Conn.	Terry, Ark.
Brunner	Gillette	Marshall	Thom
Burke, Calif.	Goodwin	Martin, Colo.	Thomas
Burke, Nebr.	Goss	Martin, Mass.	Tobey
Carpenter, Kans.	Greenwood	Mead	Treadway
Carter, Wyo.	Guyer	Merritt	Turpin
Chase	Hancock, N.Y.	Millard	Utterback
Chavez	Harlan	Montague	Walter
Christianson	Harter	Moran	Weideman
Church	Hartley	Mott	Whitley
Clark, N.C.	Hess	Murdock	Wigglesworth
Cochran, Mo.	Higgins	O'Connor	Williams
Collins, Calif.	Hill, Knute	Palmisano	Withrow
Condon	Hollister	Peavey	Wolcott
Crosby	Holmes	Peyser	Wolfenden
Crosser, Ohio	Hope	Plumley	Young
Crowther	Jenckes, Ind.	Polk	
Culkin	Johnson, Minn.	Prall	

NAYS—188

Adair	Dear	Greenway	McDuffie
Andrew, Mass.	Deen	Gregory	McFadden
Arnold	De Priest	Griswold	McFarlane
Bankhead	DeRouen	Haines	McGrath
Beam	Dickinson	Hastings	McKeown
Biermann	Dies	Henney	McLeod
Bland	Disney	Hildebrandt	McReynolds
Blanton	Dobbins	Hill, Ala.	McSwain
Boehne	Dockweiler	Hill, Samuel B.	Maloney, La.
Buchanan	Dondero	Hoeppel	Mansfield
Buck	Doughton	Howard	Mapes
Burch	Dowell	Huddleston	Martin, Oreg.
Byrns	Doxey	Hughes	May
Cady	Driver	Imhoff	Meeks
Caldwell	Duncan, Mo.	Jacobsen	Miller
Cannon, Mo.	Eagle	Johnson, Okla.	Milligan
Carden, Ky.	Eaton	Johnson, Tex.	Mitchell
Carmichael	Eicher	Johnson, W.Va.	Montet
Carter, Calif.	Ellzey, Miss.	Jones	Morehead
Cartwright	Eltse, Calif.	Kee	Musselwhite
Cary	Evans	Keller	Nesbit
Castellow	Faddis	Kelly, Ill.	O'Brien
Cavicchia	Farley	Kleberg	O'Connell
Clarke, N.Y.	Fernandez	Kocialkowski	Oliver, N.Y.
Coffin	Fiesinger	Kopplemann	Owen
Colden	Flannagan	Lambertson	Parker
Cole	Focht	Lamneck	Parks
Colmer	Ford	Lanham	Parsons
Connery	Frear	Larrabee	Patman
Cooper, Tenn.	Fuller	Lea, Calif.	Pettengill
Cox	Fulmer	Lee, Mo.	Pierce
Cravens	Gambrill	Lehr	Rankin
Cross, Tex.	Gilchrist	Lewis, Colo.	Richards
Crowe	Glover	Lozier	Richardson
Cummings	Goldsborough	McClintic	Robertson

Rogers, N.H.	Sinclair	Thompson, Tex.	Welch
Romjue	Steagall	Thurston	Werner
Ruffin	Strong, Tex.	Tinkham	West, Ohio
Sabath	Sumners, Tex.	Truax	White
Sanders, La.	Sutphin	Turner	Whittington
Sanders, Tex.	Swank	Umstead	Williford
Sandlin	Tarver	Underwood	Wilson
Schaefer	Taylor, S.C.	Vinson, Ga.	Wolverton
Schuetz	Taylor, Tenn.	Vinson, Ky.	Wood, Ga.
Schulte	Terrell, Tex.	Wallgren	Wood, Mo.
Sears	Thomason	Warren	Woodrum
Secrest	Thompson, Ill.	Wearin	Zioncheck

ANSWERED "PRESENT"—1

Lewis, Md.

NOT VOTING—112

Abernethy	Connolly	Jenkins, Ohio	Rudd
Adams	Cooper, Ohio	Kennedy, Md.	Sadowski
Allgood	Corning	Kennedy, N.Y.	Scrugham
Andrews, N.Y.	Crump	Kenney	Seger
Auf der Heide	Darden	Kerr	Shallenberger
Ayres, Kans.	Dingell	Kurtz	Shannon
Bailey	Ditter	Kvale	Shoemaker
Black	Douglass	Lanzetta	Simpson
Boland	Doutrich	Lesinski	Sirovich
Bolton	Drewry	Lindsay	Sisson
Boylan	Duffey	Lloyd	Smith, Wash.
Brennan	Edmonds	Ludlow	Smith, W.Va.
Brooks	Ellenbogen	McLean	Snyder
Brown, Mich.	Foss	McMillan	Somers, N.Y.
Browning	Foulkes	Marland	Spence
Brumm	Frey	Monaghan, Mont.	Stalker
Buckbee	Gillespie	Moynihan, Ill.	Stokes
Bulwinkle	Granfield	Muldowney	Strong, Pa.
Burnham	Gray	Norton	Studley
Busby	Green	O'Malley	Sullivan
Cannon, Wis.	Griffin	Oliver, Ala.	Taylor, Colo.
Carley, N.Y.	Hamilton	Perkins	Traeger
Carpenter, Nebr.	Hancock, N.C.	Peterson	Wadsworth
Celler	Hart	Powers	Waldron
Chapman	Healey	Rayburn	Weaver
Claiborne	Hoidale	Reece	West, Tex.
Cochran, Pa.	James	Reid, Ill.	Wilcox
Collins, Miss.	Jeffers	Rogers, Okla.	Woodruff

So the bill was refused a passage.

The following pairs were announced:

On the vote:

Mr. Granfield (for) with Mr. Dingell (against).

Until further notice:

Mr. Ayres of Kansas with Mr. Burnham.
Mr. Douglass with Mr. Ditter.
Mr. Sullivan with Mr. Powers.
Mr. Drewry with Mr. Connolly.
Mr. Rayburn with Mr. Stokes.
Mr. Corning with Mr. Wadsworth.
Mr. Shallenberger with Mr. Buckbee.
Mr. McMillan with Mr. Kurtz.
Mrs. Norton with Mr. Simpson.
Mr. Oliver of Alabama with Mr. Doutrich.
Mr. Hancock of North Carolina with Mr. Bolton.
Mr. Black with Mr. Traeger.
Mr. Collins of Mississippi with Mr. Seger.
Mr. Bulwinkle with Mr. Andrews of New York.
Mr. Green with Mr. Foss.
Mr. Boylan with Mr. Brumm.
Mr. Chapman with Mr. James.
Mr. Busby with Mr. Moynihan of Illinois.
Mr. Celler with Mr. Stalker.
Mr. Griffin with Mr. Cooper of Ohio.
Mr. Ludlow with Mr. Woodruff.
Mr. Browning with Mr. Strong of Pennsylvania.
Mr. Lindsay with Mr. Waldron.
Mr. Hart with Mr. Edmunds.
Mr. Allgood with Mr. Perkins.
Mr. Kerr with Mr. Cochran of Pennsylvania.
Mr. West of Texas with Mr. Reece.
Mr. Weaver with Mr. Jenkins of Ohio.
Mr. Taylor of Colorado with Mr. Reid of Illinois.
Mr. Smith of West Virginia with Mr. Kvale.
Mr. Carley of New York with Mr. Shoemaker.
Mr. Studley with Mr. Frey.
Mr. Hamilton with Mr. Brennan.
Mr. Rudd with Mr. Ellenbogen.
Mr. Wilcox with Mr. Marland.
Mr. Crump with Mr. Sisson.
Mr. Peterson with Mr. Darden.
Mr. Snyder with Mr. Claiborne.
Mr. Boland with Mr. Gillespie.
Mr. Spence with Mr. Smith of Washington.
Mr. Duffey with Mr. Lanzetta.
Mr. Kennedy of New York with Mr. Monaghan of Montana.
Mr. Bailey with Mr. Scrugham.
Mr. Kenney with Mr. Adams.
Mr. Brown of Michigan with Mr. Healey.
Mr. Hoidale with Mr. Foulkes.
Mr. Shannon with Mr. Gray
Mr. Brooks with Mr. Auf der Heide.
Mr. Abernethy with Mr. Cannon of Wisconsin.
Mr. Carpenter of Nebraska with Mr. Lesinski.
Mr. Somers of New York with Mr. Kennedy of Maryland.
Mr. Sirovich with Mr. Sadowski.
Mr. Lloyd with Mr. Jeffers.

The result of the vote was announced as above recorded.

JAMES H. RAND, JR., THE REMINGTON ARMS CO., THE REMINGTON-RAND, INC., THE MUNITIONS TRUST, AND THE TYPEWRITER EMPLOYEES' STRIKE

Mr. WEIDEMAN. Mr. Speaker, I ask unanimous consent that my colleague [Mr. FOULKES] may extend his remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FOULKES. Mr. Speaker, the strike of employees of the factories of Remington-Rand, Inc., manufacturers of Remington typewriters, serves to call to our attention the antisocial attitude and policies of James H. Rand, Jr., head of the reactionary Committee of the Nation and sponsor of the activities of the well-known Dr. William A. Wirt, Jr., of Gary, Ind.

Officials of the National Labor Board and others familiar with the facts of the strike of Remington employees are well aware of the complaints against Rand. It is commonly known that, in the conferences with representatives of his employees, he sends his lawyer, instead of frankly and candidly meeting the spokesmen for his own workers. It is charged that he uses his attorney to wring as many concessions as possible from the employees and that, while Rand seeks to hold them to these concessions after the conferences, he frequently disregards the promises made by his authorized lawyer and refuses to be bound by them. It is an open secret that the fault lies with Rand and the Remington-Rand Co., not with the employees, and that, while the Remington concern has been wrangling with its workers, the manufacturers of Underwood typewriters just completed an agreement with their employees that was accepted by both sides in an amicable spirit.

It is well to inform ourselves about this man, James H. Rand, Jr. I need not tell you that his "Committee of the Nation" is a plutocratic organization whose aim is to handicap and sabotage any progressive policies of the N.R.A. and to interfere with any governmental action in the interest of the common people. I need not add that Dr. William A. Wirt is a kind of stalking horse for the Steel Trust and other big corporations that want to check the tendency to curb the rapacity of the great monopolies of the country.

It is both amusing and disgusting to look back nearly 2 years and read some of the drivel issuing from James H. Rand, Jr., when he spoke for the Republican Radio League and urged the reelection of Herbert Hoover.

Get this:

> By the middle of last July [1931] we began to detect signs of improvement. President Hoover's Reconstruction Finance Corporation and his other constructive measures had stemmed the tide of deflation. He had virtually put an end to bank failures. * * *
>
> After the smoke of politics has blown away I believe that every red-blooded American citizen wants to go ahead with the progress that we are making—progress that President Hoover's reconstruction measures have created and inspired during the past year. * * * America has never done the wrong thing in a crisis like this. I am confident that on November 8 we shall once more rally behind a veteran leader—this time, President Herbert Hoover.

Can you imagine anything more asinine, any arguments that are more senseless, any statements that are more devoid of foundation in fact?

Reading such trash, it is not difficult to understand why Mr. Rand's reactionary mind operates as it does and why he is in a conflict with the employees of his typewriter factories in which practically every informed person says he is dead wrong.

This leads up to the still more significant fact that Rand is part and parcel of the Remington Arms Co., the huge corporation that has piled up fabulous profits from the manufacture and sale of implements of carnage. The output of firearms and ammunition made by the Remington

Arms Co. is one-third of the total production throughout the United States.

In a severe indictment of the Remington Arms Co., the Colt's Patent Firearm Manufacturing Co., and the Bethlehem Steel Co., Senator WILLIAM E. BORAH in a magazine article, headed "The War Makers", says:

During the period of depression, while millions of men and women walk the streets ill-clad and half-starved, while governments have been unable to pay their debts, while educational institutions have been starved of funds, it is a fact that the munitions manufacturers have been realizing profits of 12 and 20 and 30 percent during the entire period of the depression.

After this statement, Senator BORAH hurled this oratorical javelin at the munitions manufacturers:

The thought of making profits out of war, of building fortunes out of the misery and the sorrows of the maimed, the broken in health, and the insane, is revolting enough to anyone who has a spark of human sympathy or a sense of decency. But to foment discord and to spread false and sordid statements, to engender bitterness and suspicions and hate and fear among nations, all that such profits may be made and enlarged, reaches the dead level of human depravity! There is nothing lower in the scale of human avarice * * *. Capone, Dillinger on the highway, are not more heartless and bloodthirsty than the man who builds up armaments in another nation for the purpose of sending his own people to the front that they may furnish the means by which to murder them.

Such biting words apply, of course, to the manufacturers of Remington arms, as well as to other men and concerns accumulating wealth from the traffic in the tools of death and destruction. They are engaged in an indefensible business—a business that is indefensible in private hands, for the Government should manufacture whatever munitions are to be made, instead of allowing this to be done by greedy and grasping corporations.

Knowing the background and connections of James H. Rand, Jr., his behavior is better understood. It is now easy to realize why he is so bitterly denounced by his own employees and by multitudes of others who believe in progress and social justice.

H.R. 8987 AND H.R. 9143

Mrs. JENCKES of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. SPEAKER. Is there objection?

There was no objection.

H.R. 8987

Mrs. JENCKES of Indiana. Mr. Speaker, I desire to address the House of Representatives in behalf of H.R. 8987, Report No. 1446, Union Calendar No. 335, which was introduced by my distinguished colleague, Mrs. MARY T. NORTON, which was an action to establish a Board of Indeterminate Sentence and Parole for the District of Columbia, and to determine its functions and for other purposes, which was approved July 15, 1932.

Briefly summed up this measure permits the authorities at Lorton to transfer hardened criminals or unruly convicts to other Federal prisons. In this manner the objective of Lorton can be maintained.

At this time I want to pay tribute to Capt. M. M. Barnard, General Superintendent of Penal Institutions, who has for many years served the Federal Government in the District of Columbia loyally and efficiently in developing character and honor among the inmates who are serving for offenses against society.

I believe that the objectives and ideals of the Lorton institution should have the full and sympathetic support of the Congress, and I hope that my colleagues will enact this measure without delay, as it will increase the efficiency of one of America's penal institutions.

H.R. 9143

Mr. Speaker, I desire to address the House of Representatives on a subject which must be dear to the hearts of every American mother and father.

Scattered throughout the United States there are 12,000 American boys and girls whose fathers were killed in action or died from wounds or other causes during the World War. The compensation paid by the Government is only $10 a month for one child, and $6 for each additional child when there is more than one in a family. Then, too, the payment terminated, under the original World War Veterans' Act, when the child reached his or her eighteenth birthday.

Without assistance, other than that received from the Federal Government, these children will be forced to quit school at an early age and go to work to help support themselves and their widowed mothers, and also, in many cases, their younger brothers and sisters. They would thus begin the battle for life uneducated and untrained—handicapped because of the sacrifice their fathers made in defense of their country.

Realizing the plight of these fatherless boys and girls, Maj. Gen. P. C. Harris, The Adjutant General of the United States Army during and after the World War, brought the matter to the attention of the American Legion and American Legion Auxiliary, and both have made the education of war orphans one of their major activities.

These two patriotic organizations sponsored, and Congress in May 1928, passed an act amending the World War Veterans' Act so as to authorize the continuance of the payment of compensation after the age of 18 "to any child who is or may hereafter be pursuing a course of instruction at a school, college, academy, seminary, technical institution, or university."

The legislatures of the several States were then asked to supplement or match the Government compensation by establishing scholarships for war orphans at educational and training institutions of secondary and college grades. To date 25 States have done this, and it is confidently expected that several more will pass scholarship acts when their legislatures meet in regular session next year, including, I hope, my own State of Indiana. In most of the States, the scholarships amount to $150 a year for each child. Five States provide $200 a year, 2 States provide $250 a year, and 1, $30 a month.

The purpose of H.R. 9143, introduced by my distinguished colleague [Mrs. MARY T. NORTON] is to give the District of Columbia war orphans the same opportunities to obtain an education which they would enjoy if they made their homes in nearby Maryland or Virginia or any of the 25 States which have passed scholarship acts.

There is special need for these scholarships in the case of boys seeking appointments to West Point and Annapolis under the act of June 8, 1926, which increases the number of cadets at the United States Military Academy and the number of midshipmen at the Naval Academy by 40 at each institution. Without such assistance few of these boys are able to attend preparatory schools or secure the services of tutors, and as a result the number of failures in the entrance examinations each year is very great. Appointments under the act of June 8, 1926, are made by the President from among the sons of those who were killed in action or died during the World War.

Briefly, this bill authorizes an appropriation of $3,600 a year until 1943, when the youngest of the war orphans will reach his or her twenty-second birthday, with a proviso limiting the amount to be paid for any one child in any one year to $200.

In addition to continuance of Government compensation after the age of 18 and State aid, which I have explained, the American Legion and its auxiliary have secured the hearty cooperation of school and college authorities in nearly all of the States. Many of our universities and colleges also secondary and preparatory schools now offer free tuition or scholarships to war orphan students.

It is not proposed to encourage all of these boys and girls to go to college. For most of them a high-school education is all that will be required in their life's work. The needs of each will be carefully studied and help extended only to those that can be benefited by further instruction and training.

This measure appeals particularly to me. My first and everpresent concern as a mother is the education of children. Instruction and training contemplated in H.R. 9143 will not only increase earning capacities of fatherless boys

and girls of our American veterans, but will make them better and more useful citizens.

I feel the American people will applaud the passage of H.R. 9143 because it will prove to our American veterans that our people are keeping faith with them. We all remember the promises we made to our veterans when we sent them away to defend our Nation, and to those veterans who have passed to the Great Beyond and who have left dependent children, we owe an everlasting obligation. In a small way, H.R. 9143 will indicate that we still recognize the great obligation the American people owe to our American veterans.

The Government compensation is barely sufficient to provide the necessities of life even when the child is living at home with his mother. When the time comes to send the boy or girl away to college, special assistance is necessary. This bill will provide such assistance for the 109 war orphans residing in the District of Columbia.

I appeal to every Member of the Congress, and to every mother, to support this measure and become interested in these orphans of our American veterans who gave their all to preserve our American institutions. We must keep faith with our veterans by protecting their orphans. I thank you.

BRIEF REVIEW OF MY SERVICE RECORD

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I hope my colleagues will not think me immodest to make a very short synopsis or review of some of the principal measures and bills that I have either originally suggested or heartily cooperated in seeking to enact into permanent law during my service in Congress.

SUPPRESS PROFITEERING

When I entered Congress March 4, 1921, the whole country was still shocked and shamed by the conscienceless profiteering that had gone on in the country during the World War, and how nearly 30,000 people had made and salted away millions of dollars and had thus become millionaires overnight, in selling munitions and supplies to the Government and our Allies, and also in selling the necessaries of life to our own civil population, all at prices which finally reached nearly 300 percent above the normal pre-war price. I was resolved to do everything in my power to prevent the repetition of such an outrage. The testimony showed that but for this tremendous and unjustifiable profiteering, the war debt would not have been more than one-half of what it actually was. Therefore, I introduced a resolution in December 1922 to set up a commission to study and advise how this conscienceless profiteering might be prevented in any future war, and continued to fight for its adoption until finally such a resolution was adopted, and such a commission created, and I was appointed a member of it and took an active part in its deliberations, and especially in the preparation of its final report. This study and report will be of very great value in guiding Congress and the Government in any future war.

MUSCLE SHOALS AND THE POWER TRUST

When I became a member of the Committee on Military Affairs the Muscle Shoals bill was pending, and I immediately entered into an active fight to preserve that great natural source of power as well as other power sites in the Tennessee Valley and its tributaries for the benefit of the people not only of the Tennessee Valley but of the whole country, and especially of the surrounding country. With Senator NORRIS and the small group of Senators fighting on the Senate side and with a small group fighting on the House side, I joined enthusiastically in the long fight to prevent these great sources of power from falling into the hands of the Power Trust. It was not until Franklin D. Roosevelt became President that we had any help in the White House, and under his inspiring leadership we enacted legislation that marks an epoch in the development of the whole country and sets up a yardstick for the measurement of power and light rates everywhere, and gives us a practical example of what rural electrification will mean to the people upon the farm and in small towns and villages. Consequently, I gladly cooperated with the effort to conserve to the people of the State of South Carolina the power possibilities in the Santee-Cooper development scheme. In like manner I have assisted in the effort of Greenwood County to set up a power plant on Saluda River. Other projects in this district and the State have received any aid that I could extend.

I hope that the cities, counties, and the State of South Carolina will conserve to themselves wherever possible the undeveloped water-power resources of our State. Other uses of power and other markets for power can and should be developed in addition to those now being preoccupied by the private power companies. The bill, which I largely drew and which passed the House of Representatives, setting up the Tennessee Valley Authority, recognized that the existing rates of private power companies should not be wantonly and unnecessarily destroyed. But if there must be a conflict between the public interests and the private profit-making company, then the public interest should and must prevail. I am glad to note that there is so far much cooperation and mutual helpfulness between the Tennessee Valley Authority and the private companies operating in that territory. I hope and believe that power and light rates everywhere will be gradually reduced, without detriment to innocent stockholders and to the great advantage and benefit of the industrial and private users of power.

GUARANTEE OF BANK DEPOSITS

I was one among the first Members of Congress to advocate and to urge the enactment into law of provisions guaranteeing to depositors in national banks and in State banks that may be members of the Federal Reserve System and may choose to join in the Federal Deposit Guarantee Corporation, so that people may have complete confidence in the banks and take their money to the banks and leave it there until needed, with Government assurance that when they do need it the money will be there. This is the best thing for the banks themselves, the best thing for the people themselves, the best way to revive business and to restore prosperity and to supply the people with the necessary capital to start new industries, to increase existing manufacturing plants, to build or to repair homes, and to start the wheels of business turning everywhere and keep them turning.

PUBLIC GAMBLING WITH THE PEOPLE'S MONEY IN THE PRODUCTS OF THE PEOPLE'S LABOR

It has long been manifest to me that one of the chief causes of fluctuations in business, and therefore one of the causes in bringing on depressions, is the reckless gambling on stock exchanges and commodity exchanges, all operated on small margins, without any intention of ever taking and paying for the stocks or cotton or wheat pretended to be bought or sold, but merely for the purpose of gambling upon the prospects of a rise or a fall in the prices of these things, which rise and fall is itself most largely influenced by this very whirlpool of speculation.

When the bottom fell out of things in October 1929, billions of dollars had been drawn from every nook and corner of the Nation into Wall Street to carry on the most stupendous orgy of business gambling that the world has ever known, not even excepting ancient Rome or modern Paris. I therefore vigorously cooperated in enacting legislation to stop such conduct in the future, which heretofore has caused wide-spread unemployment, has destroyed billions of property values, has wrecked millions of homes, and caused distress and suffering indescribable.

AID TO SMALL INDUSTRIES

Even during the Hoover administration I sought by appropriate bills to amend the law creating R.F.C. so that any person, firm, or corporation conducting a small industry could get help so as to enlarge its business and employ more laborers or to save itself from having to close down and thus discharging laborers. I therefore enthusiastically supported the Wagner-Garner bill conferring this very

power upon the R.F.C., but the bill was vetoed by President Hoover, and all we could do was to protest. I am happy to say, however, that legislation is now in progress and soon will be approved doing this very thing for small industries, and thus insuring them against closing up where private bankers will not finance them. I have advocated keeping the people employed in the normal channels of industry. Every measure that would cause a dislocation and confusion in our existing economic structure is unfortunate and harmful to the people who must live by the labor of their hands.

Therefore my slogan has been, "Better a bad loan than a worse dole." I mean, better take a chance on not being able to collect every loan to small industries, which will keep people employed, rather than to let the industry close down and the people be fed by either a direct dole or by some subterfuge, which disorganizes the people, keeps them in a state of confusion and uncertainty, breaks up homes, and yet costs the Government more money than the total amount of bad loans to industry might ever be.

THE MONEY PROBLEM

The money question is very complicated and takes long and undivided study to get a clear idea of the influence of the volume of money upon the business of the country. This study I have been giving to the money question in a general way all my life, and especially for the last 5 years, and it is therefore not strange that I was the first Member of Congress to introduce a bill to prohibit the exportation of gold from America. The necessary effect of this would be to suspend gold payments in the markets of the world, and therefore we would be off the gold standard. We all remember that American business did not begin to breathe easily, and the produce of American farms, such as cotton, wheat, meat, and other products, did not begin to rise until after we had gone off the gold standard.

Furthermore, I early advocated and introduced legislation looking to the use of silver as a monetary base along with gold, and it is now gratifying to realize that both gold and silver will henceforth be used as a basis for currency to encourage and facilitate commerce and to raise the prices of crops and of commodities generally, and thereby to raise the price of wages. Money itself is not a commodity but is only a medium of exchange and a measure of value between different articles. The marvelous progress made toward restoration in America is largely due to the courageous steps taken by the Congress and the President in reforming our monetary system. Back of the mere gold and silver as the basis for Government credit is the total wealth in property of all kinds in America, and in addition to that the earning power of the people. The money problem is not yet entirely solved by the existing arrangement, but we are making rapid progress, and it will not be many years before America will again lead all the world in making progress toward social justice, humane institutions, and a fair and equal opportunity for every person to earn an honest living, with a little margin to lay aside for the rainy day and old age, so that the wages received or the proceeds of crops sold may be a more just and fair measure of the value of the services rendered and of the crops produced.

STOP FORECLOSURE OF MORTGAGES

I early introduced legislation seeking to give Federal judges power to put into effect a moratorium on the foreclosure of mortgages, depending upon the circumstances in each individual case. I have earnestly advocated and assisted in enacting into law provision for making loans on private homes at low rates of interest, including both farm homes and city homes. I am now urging that loans be made on business property in order to pay back taxes and insurance, and that loans be made available for repairs, improvements, and replacements on all homes, wherever situated, and upon every class of business property. The home is the foundation of American civilization, and the work of building and repairing and replacing homes and business houses will go a long way toward absorbing the millions of unemployed.

AID TO SCHOOLS, COLLEGES, AND HOSPITALS

I have introduced legislation and supported every form of legislation looking to granting financial assistance upon adequate security to schools, colleges, and hospitals in order that they may raise cash to continue to operate from their endowment funds which are usually invested in slow assets. In like manner have I supported earnestly at every opportunity the granting of Federal aid to our public schools in which the masses of children find their only opportunity for education, and I feel quite sure that before the present Congress adjourns legislation now upon the way to this effect will become law, and fathers and mothers, trustees and teachers, and the friends of education everywhere, will be encouraged by the presence of Federal assistance. This will in no way subject local school administration to Federal control. It merely supplies necessary funds.

FORERUNNER OF RECONSTRUCTION FINANCE CORPORATION

Early in the depression, during the Hoover administration, I prepared, introduced, and sponsored legislation to create a body proposed to be called the "emergency finance corporation", with powers to lend money to States and subdivisions of States, including school districts, to construct public buildings of all kinds, to administer to the relief of the unemployed, to see that no man, woman, or child should suffer for food, clothing, or shelter, and to lend to any person, firm, or corporation upon adequate security, when such loan would promise to increase the number of persons employed, or to prevent the curtailment of employment and production. This was the germ of the idea on which the Reconstruction Finance Corporation was based. I do not claim to have been the only person to advocate such organization, nor do I claim that the President and the Congress accepted my idea in toto, but I do feel justified in saying that I, too, was looking ahead, along with others, and that I, too, thus gave proof of my deep concern for the welfare of our country to relieve the distress of unemployment and to prevent suffering, freezing, and starvation.

PERMANENT NATION-WIDE PLANNING BOARD

For several years I have been advocating, as expressed in a bill formulated and introduced by me in the two last Congresses, the setting up of a permanent board to consist of 25 persons, serving without pay except actual traveling expenses, and to be appointed from all sections of the country and to represent all interests, groups, industries, trades, callings, and professions, and to study continuously and hold quarterly or semiannual meetings for conference and exchange of ideas to report yearly to the President and to the Congress their recommendations for stabilizing the economic conditions of the country, preventing unemployment and generally raising the standard of living for agricultural, industrial, and all wage-earning groups and classes of our citizens. Such a nonpartisan board, representing a cross-section of all of our citizenship, must be one of the final outgrowths of the National Recovery Administration. Such a board would give useful advice for the proper measures to smooth the way for all of our people to return from emergency conditions and emergency legislation to a natural, normal state of economic affairs. The members of such board should be divorced from politics and be excluded from seeking office. Such men would render a service to the Nation entitling them to the undying gratitude of our people.

FEDERAL AID TO PUBLIC ROADS

For several years I have been urging a departure by way of advance from the original program of Federal aid to main thoroughfares, such as interstate highways, so that Federal aid may be granted and Federal money used in grading and hard-surfacing every cross-country, connecting, and feeder road over which the mail is carried by a rural mail carrier.

FUNDS FOR BUILDING CONSTRUCTION

In May 1932 I began a movement to amend the Reconstruction Finance Corporation Act so that it might lend money to States, cities, counties, and towns, and also school districts at 2 percent interest for a period of 10 years or more, to construct roads, streets, public buildings, city halls,

schoolhouses, market houses, sewerage systems, lighting and water plants, so as to give work to the unemployed, and at the same time make needed and lasting improvements that the people desire and could use to advantage. Certainly, to a limited extent at least, this plan was fundamental to and suggestive of the Public Works Administration, which itself was bottomed upon the Garner-Wagner bill which President Hoover vetoed.

FARM DIVERSIFICATION AND FARM PROGRESS

This has been a matter of deepest study and effort on my part. I have cooperated energetically in every movement reasonably promising to help the condition of the farming people. Long ago I proposed very liberal Federal aid toward setting up demonstration counties in different parts of every State, such demonstration to include farm marketing centers, which in turn would include canneries, creameries, refrigerator plants, and egg- and poultry-assembling plants so as to furnish to the farmer a market at the highest possible prices for any kind of vegetables, fruits, milk, corn, poultry, cattle, or other commodity any day in the year. I submit that before the cotton farmers of the South can become prosperous, as they deserve to be, they must have the opportunity to market not only cotton and cottonseed but all of these other things mentioned above which can be produced profitably in connection with cotton, without diminishing the amount of cotton produced, and enabling the farmer to produce his cotton at less cost per pound. In this connection I have planned not only for domestic fertilizers but also for the manufacture and distribution at low prices of commercial fertilizers. This program for the uplifting and betterment of the farm and of the farm population would call for and bring about the distribution of electric power to drive the farm machinery, to pump the water, to light the buildings, and generally to make farm life more attractive, so that our more talented boys and girls may be induced to set the example of leadership among the rural population.

NATIONAL DEFENSE

All who truly know war hate it. Because we hate disease, we have doctors, nurses, and medicines. About 75 percent of our ordinary Federal Budget goes to pay obligations of past wars, and preparations for future wars. We thought our part in the World War would end all war, set up a real League of Nations, and "make the world safe for democracy" for all time. But the other nations of the earth are boiling with unrest, arming to the teeth, putting ambitious dictators in power, and at any day may rush at each other in ships, airplanes, trains, and auto trucks, and if they do, horror, destruction, and death indescribable will come to men, women, and children in the great cities and industrial centers. Bombs filled with explosives and poisonous gases will rain from the sky. God help America escape such a fate.

OUR DEFENSE POLICY

With our varied climate and resources, with oceans on each side, and friendly peoples to the north and south, we can and should set the world a true example of preparing purely for defense against invasion of our land and outlying possessions. We have paid our debt of gratitude to France, and helped to rescue our British friends. If, from now on, they, and other European nations, do not or will not pursue peace, or merely defend themselves, it is just too bad. Remember, they owe us $10,000,000,000, and interest for 17 years.

If other nations just will fight, we can and should remain at home and defend our own shores and rights. We should never allow America to be drawn away from the home base and forced to send armies across the sea to fight. That is why we have a great Navy and the Panama Canal to transfer the fleet from ocean to ocean. That is why we need a great air force. With air-defense bases east and west, with ample stores of air bombs, with a large number of swift and powerful fighting planes, and with a large reserve of trained pilots, we can destroy enemy ships and transports before they ever reach our shores. That is why I have for 12 years insisted on increasing the strength and efficiency of our Air Corps. I was joint author of the Air Corps Act of 1926 and have now pending legislation to amend the same, to increase its power and striking force, to strengthen the Air Reserves, to create a junior air corps reserve, and to aid and encourage young civilians to learn to fly, to own planes, and to become trained to defend our people against invasion.

ADEQUATE GROUND TROOPS

The foregoing considerations show why we do not need the large standing armies that burden some other nations. We need a relatively small, but highly efficient, standing army to help train our volunteer National Guard and patriotic Organized Reserves.

If the Navy and air defense force fail to meet and to defeat any invading forces out at sea, and fail to drive them back or sink them, then we can call sufficient manpower to fill up the Regular Army, the National Guard, and the Reserve divisions, to prevent actual landing or fatal inland invasion. This is why I have striven to secure a more efficient Regular Army, and have sponsored legislation to make the National Guard and Organized Reserves that "well-regulated militia" that George Washington planned and pleaded for.

VETERANS' RELIEF

Every President and lesser statesman from Washington to Roosevelt has urged adequate financial aid to ex-soldiers suffering disabilities caused by military service during war. Every nation in the world recognizes this obligation. I stand flat-footed upon this same proposition. But arguments and disputes arise over when and what disabilities are caused by military service. There is plenty of room here for honest differences of opinion. Here also doctors differ. But I do not approve of veterans' blocs or any other sort of blocs in Congress. Blocs are dangerous to free government, threaten to destroy democracy, to bring on dictatorships, and finally war, and then bathe again the world in blood. I hold a Congressman should represent with free and open mind every lawful interest in his district, and his efforts should be directed to the highest welfare of all the people, however poor, lowly, or humble, and should especially look far into the future, so as to plan for the safety, prosperity, and happiness of our children and grandchildren.

ECONOMY IN GOVERNMENT

I know personally the burdens of taxation. I see the homes of my relatives and friends sold for inability to pay taxes. Since coming to Congress I have never failed to vote for wise economy. I have fought measures before every committee that threatened waste, extravagance, and needless expense. Measures first suggested and fought for by me, especially in the manner of purchasing aircraft, have saved the taxpayers millions of dollars. So, in the selling and buying of Army lands. In one instance only, $280,000 was saved. In many other instances, other very substantial sums were saved. Without practicing a pennywise and pound-foolish policy, I have always advocated and voted for wise economy.

PROGRESSIVE POLICIES PURSUED

Though taught and trained in the political philosophy of Jefferson and Calhoun, I realize that science and invention, unknown to and undreamed of by them, have brought new conditions, new evils, new dangers, all demanding new treatment by governments, especially our Federal Government. In terms of time and distance, the whole United States from the Atlantic to the Pacific, is not as large today as South Carolina was during the American Revolution. These new conditions demand the new deal of Franklin D. Roosevelt and the Democratic Party.

I have long been studying plans for the decentralization of industry, as by subsistence homesteads, back-to-the-farm plans and movements, diversification of agriculture, conserving our hillside lands by soil-erosion control, converting our eroded, waste, submarginal lands into national forest reserves, plans to build farm marketing centers, including creameries, canneries, cold storage, assembling plants to ship poultry, eggs, meats, grains, nuts, and all other forms of farm produce. These will in turn demand distribution of electric power to farms and small villages, public ownership

of water power sites now undeveloped, thus affording cheaper power and light rates, all on long-time financing at low rates of interest, and finally bringing freedom from debt, financial independence, prosperity and a chance to be happy and contented to all our people.

WHAT MEANS THE NEW DEAL?

Of course it is not a "destructive revolution", but a constructive plan for the people, all the people, not only a select group representing great financial interests as did Hoover, Mellon, and Mills, to have a real voice in government, and a fair and just share of what the people by their labor produce, whether they labor in field, factory, mine, railroad, office, store, home, or elsewhere. All honest, useful labor should have a just reward. It will never do to turn back. The old deal would now be intolerable. Of course, many changes must be made in these emergency administrations. But the basic idea of the new deal is the same as the American Declaration of Independence.

MILITARY INSTRUCTION IN AMERICAN COLLEGES AND UNIVERSITIES

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, with the assistance of my good friend, Maj. William M. Connor of the Department of the Judge Advocate General of the United States Army, I have gathered some facts and assembled them that have proved very interesting to me, and may be useful to many other Members of Congress as well as readers of the CONGRESSIONAL RECORD. Major Connor is from my native State of South Carolina, is a graduate of Wofford College, at Spartanburg, and a member of the South Carolina bar. It gives me great pleasure to acknowledge the assistance he has rendered me in compiling the facts enumerated in these remarks.

Mr. Speaker, I am a firm believer in a safe and sane system of national defense. I believe that the American and Republican and Democratic system of national defense is to have the smallest practicable Regular Army as a nucleus for mobilization and as a training agency in peace. But the larger number of people throughout the country that have military instruction and are capable therefore in the event of a national emergency of becoming leaders, either as commissioned officers or as noncommissioned officers, the better state of preparedness will the country enjoy. History shows that men may attain and keep reasonably abreast with the progress of the military art, even though the greater part of their time is devoted to their private business. If they love the military profession as a patriotic exercise, and continually keep abreast by reading the latest books and magazine articles, and carry on the courses of instruction offered to the Organized Reserves, then we may expect a very large percentage of these civilian officers to be most efficient in the unhappy event of war.

Consequently, Mr. Speaker, the combination between an education for civilian pursuits and training in the fundamentals of the military art is entirely in keeping with the traditions and best thought of America as to what is a safe and sane system of defense. For that reason I thought a study and a compilation of the results of that study as to the extent of these concurrent and coexistent courses of study in our various universities and colleges would be enlightening and helpful.

MILITARY INSTRUCTION IN EDUCATIONAL INSTITUTIONS

Although the act of Congress, entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts", approved July 2, 1862, did provide widespread Government aid, in the form of moneys derived from sale of public lands of the United States, for a class of State educational institutions, known as "land-grant colleges", offering instruction under State control in agriculture, the mechanic arts, and military tactics, it remains a fact that military instruction in educational institutions—State and private—was first made a matter of War Department and Army concern by the provisions of the Army Reorganization Act of July 28, 1866, at the close of the Civil War. The latter act authorized the President, "for the purpose of promoting knowledge of military science among the young men of the United States", to detail an Army officer to serve as president, superintendent, or professor of any college or university having a plant capacity for at least 150 male students and applying for such detail. The act also imposed a limitation of 20 officers at any time as the maximum that might be so detailed throughout the United States, and provided for apportionment of this number as nearly as practicable according to population. By joint resolution of May 4, 1870, this authority was enlarged to permit the loan by the Secretary of War of Government small arms and field artillery pieces available and needed for military instruction at any such college or university, upon approval of bond for safe-keeping and return of the same when required.

By act of July 5, 1876, this authority was again enlarged to make possible the detail to such educational institutions of not exceeding 30 Army officers at any time and as thus enlarged was embodied in section 1225 of the Revised Statutes of 1878. Another provision of the Revised Statutes, section 1260, expressly made eligible for such details retired officers applying for the same. Amendatory legislation enacted at various times during the succeeding 36 years greatly amplified this authority by providing for the detail of not exceeding 100 Army and 10 Navy officers to military-instruction duty in such educational institutions, including military institutes and academies, the land-grant colleges mentioned above to be preferred in the apportionment of this limited number; for the detail, with their consent, of such number of Army retired officers and noncommissioned officers as might be requested by schools throughout the United States as instructors in military drill and tactics; and for limited loan issues and allowances of available ordnance and ordnance stores to such educational institutions. All of this legislation became inoperative with the enactment of related provisions of a most comprehensive scope and sweep in the National Defense Act of June 3, 1916, as amended by that of June 4, 1920, which provided for a complete and coordinated Government system of military instruction in educational institutions throughout the United States as part of a statute-fixed scheme of national defense, and superseded prior legislation on the entire subject of Federal provision for military instruction in educational institutions, as declared by the Attorney General of the United States in an opinion rendered March 2, 1927.

It is interesting to note that during the last 12 fiscal years of operation of the legislation thus superseded, a period which terminated with the year 1916, there were not less than 324,000 students who received some military instruction at educational institutions to which Army officers were detailed to instructional work in military science and tactics, and of this number not less than 44,000 graduated; the report for the last-mentioned year showing 35,091 students under military instruction at 106 institutions wherein 63 active and 32 retired Army officers were serving as professors of military science and tactics and wherefrom 2,474 military students graduated. In such military instruction infantry drill and training predominated, and the main object thereof, as stated in War Department orders, was to qualify graduates completing military-training courses "to be company officers of Infantry, volunteers, or militia."

The new military-instruction system ordained by the National Defense Act of 1916, featured by Reserve Officers' Training Corps units organized in educational institutions throughout the country, was put in operation by the Reserve Officers' Training Corps Regulations of the War Department published on September 20, 1916—General Orders, No. 49. This system has for its primary object the development of a supply source of reserve officers qualified for active service in the military forces of the United States in time of national emergency. Such was the progress made in Reserve Officers' Training Corps organization that during the fiscal year 1918 the new system was in operation in 119 educational

institutions wherein military instruction was given by 113 Army officers.

Of this total of participating institutions, 102 universities, colleges, and essentially military schools specially designated by the Secretary of War organized senior division units of the Reserve Officers' Training Corps, in which 36,000 students were enrolled and from which 3,364 were graduated in June 1918. For the fiscal year of its organization, 1917, and following fiscal year, Congress, respectively, appropriated $1,215,000 and $4,170,000 in the Army Appropriation Act of May 12, 1917, for expenses in connection with maintenance and operation of the Reserve Officers' Training Corps.

The final War Department program of Army intervention in the World War called for 80 divisions in France and 18 in the United States by June 30, 1919. The magnitude and urgency of this program, which involved special training of officers for such military forces composed of approximately 4,800,000 men, necessitated the establishment in all of the larger institutions in the United States, in the fall of 1918, of a corps of the United States Army, named the "Students' Army Training Corps", provided for in War Department Special Regulations No. 103 of that year, issued under authority of the Selective Service Act of May 18, 1917. The senior division units of the Reserve Officers' Training Corps then established in 102 universities, colleges, and essentially military schools were replaced by units of the Students' Army Training Corps, maintained during the remainder of the World War emergency period. This corps, established as stated in the cited regulations—"to utilize effectively the plant, equipment, and organization of the colleges for selecting and training officer candidates and technical experts for service in the existing emergency"—was recruited by voluntary induction of registrants under the selective-service regulations, and on November 1, 1918, numbered about 170,000 men.

Such registrants, upon admission to the Students' Army Training Corps, became soldiers in the Army of the United States, subject to military law and military discipline at all times, as declared in the regulations. The unit organization was that of Infantry under the Tables of Organization, and the fundamental infantry training common to all branches of the service was prescribed for the corps as a whole. This war-time experiment in military education and training had Nation-wide support of college authorities and was made in about 600 colleges and universities throughout the United States.

The armistice of November 11, 1918, put an end to the necessity for the Students' Army Training Corps, which during the remainder of the academic and fiscal year 1919 was demobilized as part of the emergency military establishment, giving way to the Reserve Officers' Training Corps, reconstituted within that period in 191 collegiate and 128 secondary institutions, with a total enrollment of more than 90,000 members, and officer personnel of 635 detailed to instructional work, with 599 noncommissioned officer assistants. Authority to supervise, direct, and control affairs relating to the reconstituted Reserve Officers' Training Corps was lodged in a Reserve Officers' Training Corps branch of the War Plans Division of the War Department General Staff, organized for the purpose on August 29, 1919, and having like authority over military training conducted with authorized Army aid, in any form, in other educational institutions. For the support of the Reserve Officers' Training Corps for the fiscal year following that of its reconstitution the sum of $4,000,000 was appropriated.

In the amendatory National Defense Act of June 4, 1920, the provisions of the National Defense Act of June 3, 1916, relating to the Reserve Officers' Training Corps and military instruction in educational institutions were reenacted with certain amendments respecting organization, training, and administration of the corps. By such legislation the corps is made to consist of senior division units authorized for universities and colleges awarding degrees, land-grant colleges, and essentially military schools of higher order found qualified, and junior division units for all other public and private educational institutions. The President is authorized to prescribe the number, strength, and kind of units composing each division and the Secretary of War the standard courses of theoretical and practical military training for such units based on a minimum training requirement of a 2-year course averaging at least 3 hours per week. Camps for further practical instruction of members of the Reserve Officers' Training Corps are authorized for a maximum period of 6 weeks in any one year, which may be exceeded in time of actual or threatened hostilities. Membership in the Reserve Officers' Training Corps is restricted to physically fit students not less than 14 years of age who are citizens of the United States. Senior division graduates completing advanced course camp training and junior division graduates completing senior division courses and other prescribed training, of not less than 21 years of age, may be appointed by the President alone as reserve officers of the Army of the United States upon taking the obligation to serve in such capacity for a 5-year period.

Those senior division members who, after completing two academic years of training in the Reserve Officers' Training Corps, may be specially selected for prescribed advanced training in the senior division, requiring 5 hours per week during the remainder of the course and camp attendance may, upon so obligating themselves, be allowed commutation of subsistence at the expense of the United States for such advanced training period, not exceeding 2 years, at a rate fixed by the Secretary of War not greater than the rest of the garrison ration prescribed for the Army. While attending advanced course training camps such members are also entitled to be paid as provided for seventh grade enlisted men of the Regular Army. Institutions maintaining Reserve Officers' Training Corps units may be issued such animals, arms, ammunition, supplies, equipment, and uniforms belonging to the United States, within the limits of appropriations therefor, as the Secretary of War may deem necessary. Payment of commutation in lieu of uniforms at a rate fixed annually by the Secretary of War may also be authorized by him. The legislation under review also authorizes the detail by the President to instructional duty with Reserve Officers' Training Corps units of such numbers of officers, warrant officers, and enlisted men of the Regular Army as may be necessary; such personnel to be supplied without expense to the educational institutions concerned. By a specific provision of such legislation (section 55c of amended National Defense Act), schools and colleges not connected with the Reserve Officers' Training Corps system having a student body of at least 100 physically fit male persons above 14 years of age and conducting a course of military training prescribed by the Secretary of War may, in his discretion and without expense to such institutions, be furnished arms and equipment and available Regular Army officer and enlisted personnel necessary for military training purposes. Members of the Reserve Officers' Training Corps and other students under prescribed military instruction at institutions receiving Government aid provided for in aforementioned section 55c of the amended National Defense Act have no military status under the Articles of War and constitute no part of the Army of the United States as established by the first section of that act.

By War Department regulations governing the operation of the Reserve Officers' Training Corps, the regular 4-year course of the senior division is composed of the senior division basic course in the department of military science and tactics embracing the freshman and sophomore years of the academic department and the senior division advanced course concurrent with the junior and senior years of the academic department and the senior division advanced course are separately elected by enrollees therein, when not made compulsory by institutional authorities, and completion of either when once entered upon is a requirement for academic graduation as prescribed in such regulations. By these regulations the junior division course of military training for essentially military schools embraces 4 academic years of precribed theoretical and practical instruction, and for other than essentially military schools, a 3-year course thereof. The junior division course, regardless of duration, has for its

basis the senior division basic course for infantry units. All instruction in the Reserve Officers' Training Corps must conform to the courses of instruction prescribed by the War Department and published by The Adjutant General. Academic credit for completion of Reserve Officers' Training Corps courses is, under the regulations, a matter expressly left by the War Department in the hands of the authorities of each institution, with the general declaration that "the successful conduct of Reserve Officers' Training Corps units depends in large measure upon the granting of credit on the same basis, hour for hour for practical and theoretical instruction, as is given for laboratory and classroom work in other departments."

Reserve Officers' Training Corps appropriations estimates and allocations, Army personnel details thereto, and the general operation of War Department policies touching the Reserve Officers' Training Corps are by existing regulations made functions of The Adjutant General; those respectively allotted to chiefs of arms and services being preparation of programs of instruction for the several kinds of units composing the Reserve Officers' Training Corps, the making of training inspections and recommendations touching training, correlation of enrollment and location of units with mobilization requirements, and the assignment to Reserve Officers' Training Corps duty of officers qualified therefor. Corps area commanders exercise by devolution the supervisory powers of the War Department over the Reserve Officers' Training Corps, saving expressly reserved matters, and represent the War Department in the administration and operation of units thereof in accordance with law and regulations. The latter accord to heads of institutions maintaining Reserve Officers' Training Corps units that degree of general control over the department of military science and tactics ordinarily exercised over other institutional departments.

According to War Department figures, showing the strength of the Reserve Officers' Training Corps at the beginning of the academic year 1934, this corps consists of 217 senior division units with a basic course enrollment of 59,466 and advanced course enrollment of 13,907, organized in 8 essentially military colleges and universities (class MC), 4 essentially military schools (class MI), and 114 "civil colleges and universities" (class CC), and 103 junior division units with a total enrollment of 39,942, organized in 37 essentially military schools (class MS), 60 high schools (class CS), and 5 other institutions (class CS). The 217 senior division units, numbering 73,373, are composed of 87 Infantry units, numbering 41,654, 11 Cavalry units numbering 3,541, 20 Field Artillery units numbering 11,958, 21 Coast Artillery units numbering 7,673, 1 Air Corps unit numbering 28, 22 Engineer units numbering 4,731, 10 Signal Corps units numbering 1,393, 23 Medical Corps units numbering 1,003, 8 Dental Corps units numbering 304, 4 Veterinary Corps units numbering 118, 9 Ordnance units numbering 827, and 1 Chemical Warfare Service unit numbering 143. The Reserve Officers' Training Corps as a whole accordingly has a student strength of 113,315, in 320 units maintained in 228 institutions throughout the United States. The instructional and administrative work involved in the institutional operation of the Reserve Officers' Training Corps system for the academic year 1934, as shown by War Department figures, is done by 707 Regular Army active officers (including 19 colonels, 48 lieutenant colonels, and 162 majors), 12 warrant officers, 501 noncommissioned officers, and 421 other Regular Army enlisted men, stationed at such institutions. For the fiscal years 1921 to 1934, inclusive, intervening since the passage of the amendatory National Defense Act of June 4, 1920, Congress has expressly appropriated for the maintenance of the Reserve Officers' Training Corps a total of $47,853,932; but of the sum of $3,466,531 so appropriated for the fiscal year 1934 only $2,621,000 became available for obligation in conformity with subsequently imposed restrictions on Federal expenditures.

The Reserve Officers' Training Corps system is in successful operation in all the 49 land-grant colleges within the continental United States. War Department figures show senior division units in these 49 institutions to have a total enrollment of 44,843 for the academic year 1934. The following in respect of senior division enrollment in land-grant colleges is extracted from chapter II, part V, volume II, of United States Department of the Interior, Office of Education Bulletin, 1930, No. 9, entitled "Survey of Land-Grant Colleges and Universities":

> Enrollment in the basic course and military instruction through freshman and sophomore years is required of all physically qualified male students in all land-grant institutions except the University of Wisconsin, in which institution it became optional in 1923 by act of the Wisconsin Legislature. Under the elective system at the University of Wisconsin student enrollment in military education has diminished from 1,528 in 1922–23 to 648 in 1927–28. The prevailing sentiment in the land-grant colleges appears to be strongly in favor of the required feature. The Association of Land-Grant Colleges has declared itself repeatedly in favor of this policy.

All except three of these land-grant colleges are within the War Department category of 114 "civil colleges and universities", class CC, as classified for Reserve Officers' Training Corps purposes.

The eight degree-granting institutions classified by the War Department for Reserve Officers' Training Corps purposes as "military colleges and universities", wherein military discipline is constantly maintained and the entire student body required to pursue military training throughout the course, have a total Reserve Officers' Training Corps enrollment of 5,734 for the academic year 1934. Two of these military institutions—The Citadel, of South Carolina, and Virginia Military Institute—have for their respective executive heads Gen. Charles P. Summerall, United States Army, and Maj. Gen. John A. Lejeune, United States Marine Corps. Three of the same—Agricultural and Mechanical College, of Texas; Clemson Agricultural College, South Carolina; and Virginia Agricultural and Mechanical College and Polytechnic Institute—are land-grant colleges.

To the organized peace establishment erected by section 3 of the amended National Defense Act, the Reserve Officers' Training Corps is indispensable as a personnel replacement source. For example, War Department figures show that in the 14-year period from 1920 to 1933, inclusive, a total of 65,247 of a grand total of 66,063 graduates of the Reserve Officers' Training Corps were duly commissioned in the Officers' Reserve Corps. Also, the thousands Reserve Officers' Training Corps members whose military training ended with the senior division basic course or junior division course, and who consequently have not qualified for appointment in the Officers' Reserve Corps are not lost to national defense, as the training they have undergone fits them for service as noncommissioned officers in the National Guard and Organized Reserves, and in the emergency forces in time of war.

Touching the individual benefits resulting from Reserve Officers' Training Corps instruction, the following summary of opinions of Reserve Officers' Training Corps graduates is illuminating. It is the upshot of a study of about 10,000 returns to about 16,000 questionnaires mailed to Reserve Officers' Training Corps graduates by the Commissioner of Education, Department of the Interior, in 1931. The inquiry embraced the 1920 to 1930 classes of 54 selected institutions in 39 States and the District of Columbia, and the study is from the pen of Lt. Col. Ralph Chesney Bishop, Field Artillery Reserve. An analysis of the replies of about 10,000 graduates made by Colonel Bishop was published as United States Department of the Interior, Office of Education, Pamphlet (1932) No. 28, entitled "A Study of the Education Value of Military Instruction in Universities and Colleges", which includes a most valuable summary thus formulated:

> 1. The volume of opinions drawn from more than 10,000 college graduates who completed the R.O.T.C. course in military science and tactics gives full recognition to the educational values derived from the course. This is apparent from the standpoints of both general education and discipline and educational subject matter. The course is recognized for its utility in developing right habits of mind and body and qualities of character that are fully as useful in everyday experience as they are when applied to military objectives.
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> 2. The R.O.T.C. is especially recommended by graduates because it has brought to them a more definite and serious recognition of

a number of the more important duties and responsibilities of a democratic citizenship.

3. Graduates of the R.O.T.C. have come to feel that some college authorities and faculties have not given sufficient recognition to the R.O.T.C. as an educational instrument, largely through a failure to perceive many of the educational values that have been developed through its agency.

4. Although graduates recognize on the whole that military education is equal in quality to that which is academic or professional, they feel that the R.O.T.C. course could be strengthened by better pedagogical training on the part of the teachers of military science, and by their placing greater stress upon the study of principles rather than upon military technique.

5. The graduates would strongly oppose the abolition of military training from institutions of collegiate grade, and are of the opinion that the contribution made by the R.O.T.C. to a young man's general education is sufficient in value to warrant the continuance of the course as a curriculum requirement.

6. Ninety-three and six-tenths percent of the 9,636 replies attest that R.O.T.C. training does not create a militaristic attitude in the minds of those who have experienced it, but that it does furnish graduates with a sense of individual responsibility toward national welfare and security.

The Reserve Officers' Training Corps has emerged from the experimental stage and become a governmental institution vital to national defense.

According to War Department figures, the 50 schools and colleges not connected with the Reserve Officers' Training Corps system, which receive Government aid under the provisions of section 55c of the amended National Defense Act have a total of 12,075 students enrolled for the academic year 1934 in the military training course prescribed by the War Department therefor. There are 45,776 male students matriculated in these 50 institutions. Details to military training duty in some of these section 55c schools are 1 commissioned officer, 2 warrant officers, and 6 noncommissioned officers of the Regular Army. For military supplies and equipment for this class of institutions for the fiscal years 1921 to 1934, inclusive, Congress has expressly appropriated a total of $84,507.

Other reliable data concerning military training in public and private high schools are of interest. Records of the Office of Education, United States Department of Interior, published in Bulletin (1931) No. 20 thereof, show that there were 23,930 public high schools in the United States in 1930 and that reports containing data on military drill were received from 22,237 such schools, which constitute 92.9 percent of the total number thereof. The total male enrollment in the school year 1930 in these 22,237 high schools reporting was 1,991,202. Of these schools a total of 338 offered military drill taken in that year by 57,179 students. The latest school year for which military training statistics relating to private high schools and academies are available is 1928. In that year the total enrollment of male secondary students in 2,448 private high schools and academies reporting to the Office of Education was 128,596; and in 116 of these institutions 16,528 students were enrolled in military drill.

As stately and sturdy as the great oaks about it on the banks of the Ashley stands The Citadel, the military college of South Carolina, a fine example of those military centers of higher learning which provides a sound cultural, vocational, and military education, and so fit their student bodies for peace and war service of fellowman, State, and Nation. The Citadel was established in the city of Charleston as a public military institution of collegiate grade by act of the general assembly of December 20, 1842, graduated its first class of six men in 1846, and continued in successful operation until a few months prior to the fall of Charleston, in February 1865, when the institutional plant and grounds at Marion Square were occupied by Federal troops. Within this period of 22 years The Citadel had graduated 240 men. Of this number about 200 were officers in the Confederate service in the Civil War, 43 of whom were killed in action. But this resplendent record by no means includes the full contribution of trained man power made by The Citadel to the Confederate cause. At least reference must be made to the first hostile shot of the Civil War fired on January 9, 1861, by a detachment of Citadel cadets, commanded by a Citadel graduate, manning a battery of 24-pounders on Morris Island. The accomplished objective was to drive off the steamer *Star of the West*, then attempting the relief of Fort Sumter. On several other occasions during the Civil War The Citadel cadets as part of the military organization of the State were ordered to emergency duty in the field. The general assembly, after the reconstruction period, made provision for the reopening of this institution on October 1, 1882, which thereupon enrolled 189 cadets, and has ever since prospered.

In 1910 that body declared its title to be "the Citadel, the military college of South Carolina"; and in 1919 and 1920 made the necessary appropriations for its relocation on the banks of the Ashley River. It now has a student enrollment of 600 and a faculty of 40 members, including 7 Regular Army active officers detailed to the department of military science and tactics to conduct military training required of all students who live in cadet barracks under discipline similar to that enforced at West Point. Such training is provided in 2 units of the Reserve Officers' Training Corps, 1 infantry and 1 coast artillery. Upon satisfactory completion of required work therefor, The Citadel awards the degrees of bachelor of science, bachelor of arts, and civil engineer. The State of South Carolina makes annual provision for the support of 78 Citadel cadets, these scholarships being awarded by competitive examination as vacancies occur in the various counties.

The past gives assurance that the Citadel will continue to produce leaders of men in peace and war with that mind and character equipment which is the ultimate reliance of the State. Ninety-six graduates now hold commissioned office in the Regular Establishments of the land and naval forces, and the great majority of graduates in recent years who are physically qualified are members of the Officers' Reserve Corps of the Army. In 1918 there were 624 living graduates of military age, of which number 325 had World War service as commissioned officers.

SOLDIERS AS TEACHERS

Many American soldiers have contributed of their time and talents to the uplifting of their respective generations by teaching. I have not undertaken to make an exhaustive list, but hastily recall to memory the case of Thomas Jonathan Jackson (popularly known as "Stonewall"), who taught in the Virginia Military Institute many years prior to the opening of hostilities between the States of the North and the States of the South. In like manner William T. Sherman became the first president of the college established by the State of Louisiana near Alexandria, and this institution has been later developed into the Louisiana State University, located at Baton Rouge. General Sherman resigned his place as the president of this institution upon the secession of the several Southern States and had a most conspicuous career as an officer in the Army, not only during hostilities but thereafter up to the date of his death. After the great conflict known as the "War between the States" had ended, Gen. Robert E. Lee, a soldier and a citizen "without fear and without reproach", became the president of what was then called Washington College—now Washington and Lee University—a small and struggling institution at Lexington, Va., and there he labored with great success in helping to heal the wounds between the sections by inspiring all the young men who came under his influence to lend their best services to the rebuilding not only of the South but of the entire Nation, and there his body lies in peace and in honor, a shrine for every patriot in the land. So, Gen. Stephen D. Lee became the head of the Agricultural and Mechanical College in the State of Mississippi and rendered signal service to that State, and to the country, by his energy and inspiring example.

I am happy to mention that a private soldier, William Moffatt Grier, some years after the close of that sectional struggle, became the president of Erskine College at Due West, S.C., and his name is held in precious memory by thousands throughout the South who came under both direct and indirect influence of his patriotic example and Christian character. So Col. Asbury Coward became president of The Citadel, the military college of South Carolina, at Charleston, and his work there has contributed to the

making of hundreds of stalwart and staunch leaders in every line of human endeavor. In like manner I rejoice to record that after the close of that tragic era at Appomattox, Maj. Benjamin Sloan, a graduate of the United States Military Academy and distinguished as an artilleryman in Lee's army, gave his talents and his long life to the service of South Carolina in teaching at the South Carolina University and for several years was its beloved and honored president.

SOLDIERS OF THE WORLD-WAR PERIOD

I have not tried to make a check of all of the soldiers who distinguished themselves in the World War that are now conspicuous as teachers, but hastily record those who come first to memory. I am quite sure there must be scores, if not hundreds, throughout the country following the examples of Jackson, Sherman, Lee, and others. But most notable are the cases of Maj. Gen. John A. Lejeune and Gen. Charles P. Summerall.

After the retirement of General Lejeune as Commandant of the United States Marine Corps, he accepted the superintendency of the Virginia Military Academy at Lexington, and there he has continued in a station of great usefulness to inspire the lives of young men to do noble deeds by rendering patriotic service to the State and Nation.

In like manner, when Gen. Charles P. Summerall retired after having served as Chief of Staff of the United States Army, he was offered and accepted the presidency of the South Carolina College at Charleston, S.C., called for a long time "The Citadel." I never knew General Summerall until he came to Washington to assume the responsible station of Chief of Staff, but I knew his reputation as a soldier and as a leader and commander of other American soldiers upon the battlefield. I have heard many other distinguished American officers who won laurels with our armies in France testify that the career of General Summerall as the commander of troops in the actual conflict is unrivaled and unsurpassed in the American Army. This is what one would expect who knows the background of General Summerall.

Great men usually draw their greatness from the minds and hearts of their mothers. I have the testimony of many witnesses and of strong corroborating circumstances that the mother of General Summerall was a woman of rare talents, with a character as true and as pure as a vestal virgin, and with a mind as clear as the sunlight itself. For several years before her marriage to an ex-Confederate soldier she taught in the country schools of Abbeville and Laurens Counties, and wherever she taught, she left memories that grew more precious with the passing years.

On one occasion I saw four ladies, all of them about 90 years old or more, gathered in one room, all of whom had been pupils while little girls in a school taught by General Summerall's mother, née Miss Pelot. One of them had an oldtime autograph album with a verse composed and written by her teacher, Miss Pelot, expressing the noblest sentiments in purest form of Spencerian penmanship. Another told of the many moral maxims that Miss Pelot impressed upon all of her pupils, and how they lingered in memory throughout life. Another produced an oldtime lap writing desk that had been the gift by Miss Pelot to the mother of the possessor of this precious heirloom. Still the fourth, with cracked voice sang a precious song composed and set to music by Miss Pelot herself. But that voice was prompted by a heart filled with loving memory, and those tones brought tears to every eye in that room. From such mothers great men come, and it is no wonder to those of us who have later learned from what material of mind and spirit General Summerall proceeds, that he has climbed by his own unaided efforts and solely upon the basis of merit to the highest pinnacle in the Army of our great Republic.

Furthermore, after General Summerall had retired from the Army with at least a recompense in the form of retired pay for the remainder of his days, it was no surprise that he responded to the call of the citizens of the native State of both his mother and his father and went to South Carolina to head her great military college. Great as have been the services of General Summerall from the days that he was commissioned as second lieutenant in the Army until his final retirement with the rank of a full general, yet I believe that the crowning glory of all of his life's activities will be his work as president of The Citadel. Here he will be in daily and intimate contact with the lives of hundreds of young men, 90 percent of whom are certain to become leaders in their respective communities and in their several callings. Long, long years after the soul of General Summerall shall have joined his sainted mother in the spirit world these young men, and doubtless their sons and grandsons, will be inspired to noble living and heroic action by the example of this now great teacher, who was formerly a great soldier. Outside of inheriting a sound body and a sound mind with noble impulses, and in addition to enjoying the family environment and example of honorable living and patriotic service, the greatest influence that can come into the life of any person is to be under the guidance and subject to the leadership of a truly great teacher. Men become great teachers not merely because of the knowledge they possess but more especially because of the principles of character and of right living that possess them. Happy is the man or woman who can look back through the years to the days in school or in college when he or she was directed and guided not only by the instruction but by the example of a truly noble and unselfish teacher. Such is the case of General Summerall, and I rejoice in the opportunity I have of recording my gratitude to him for the service he is rendering our State and our country.

TAX EXEMPTION OF PROPERTY OF THE NATIONAL SOCIETY OF THE SONS OF THE AMERICAN REVOLUTION

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 6037) to exempt from taxation certain property of the National Society of the Sons of the American Revolution.

The Clerk read the bill, as follows:

Be it enacted, etc., That all property belonging to, or held by, the National Society of the Sons of the American Revolution in the District of Columbia, used and occupied by that society, so long as the same is owned and occupied, be exempt from taxation, national and municipal.

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

NEEDY BLIND OF THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 8517) to provide for needy blind persons of the District of Columbia.

The bill is as follows:

Be it enacted, etc., That the Board of Public Welfare of the District of Columbia (hereinafter called the "Board") is hereby authorized and directed to enforce the provisions of this act for the purpose of maintaining, supporting, and caring for needy blind persons, residents of the said District of Columbia, citizens of the United States, and not inmates of any institution supported in whole or in part by the Federal or District Governments, and said Board shall have the power, subject to the approval of the Commissioners of the District of Columbia (hereinafter called the "Commissioners"), to make and enforce all proper rules and regulations therefor, and said Board shall create a new subdivision which shall be devoted exclusively to the carrying out of the provisions of this act.

SEC. 2. As used in this act, the term "needy blind person" shall be construed to mean any person who by reason of the loss or impairment of eyesight is of such condition that he cannot be rehabilitated for self-support through the facilities offered by the District rehabilitation service of the Federal Board for Vocational Education, and who is unable to provide himself with the necessities of life and who has not sufficient means of his own to maintain himself and who is otherwise qualified as further set forth in this act.

SEC. 3. In order that any person who shall have become blind while a resident of the District of Columbia may be entitled to aid under the provisions of this act such person must be at least 16 years of age and a resident of the District of Columbia for 1 year next preceding his application for aid hereunder: *Provided*, That in order that any person whose blindness originated while he was not a resident of the District of Columbia may be entitled to aid hereunder, such person must be at least 21 years of age and must have been a bona fide resident of the District of Columbia for a period of 7 years immediately preceding the filing of his application for aid hereunder: *And provided further*, That nothing in this act shall be construed to repeal or render void, so far as blind persons are concerned, any existing statutes which create or define a liability on the part of certain persons to support and provide for poor relatives.

SEC. 4. To receive aid under this act, the applicant shall file his application with the Board, accompanied by an affidavit signed by himself stating his age, sex, places of residence during the period stipulated in the District of Columbia, his financial resources, and incomes, the name and address of his next of kin, degree of blindness, how long blind, what employment he has had, his general physical condition, and such other information as the Board may designate.

SEC. 5. No aid shall be granted hereunder until the Board is satisfied from the evidence of at least two reputable citizens of the District of Columbia that they know the applicant has the residential qualifications to entitle him to the aid asked for, and from the evidence of a duly licensed and practicing physician whose duty it shall be to describe the condition of the applicant's eyes and to testify to his blindness, which evidence shall be in writing subscribed to by such witnesses, subject to the right of cross-examination by either the Board or the Commissioners; and if the Board is satisfied by such testimony that the applicant is entitled to aid hereunder, it shall, without delay, allow such sum as it finds needed: *Provided, however,* That the yearly income of the applicant from all sources taken together with the aid granted shall not exceed $1,200: *Provided further,* That the Board shall transmit to the Commissioners a record of their actions in granting or refusing to grant aid to each blind applicant, and any blind applicant who is dissatisfied with the finding of the Board regarding his application for aid, may appeal to the Commissioners who shall now consider the application and if two of the Commissioners shall find that the applicant is entitled to aid under the provisions of this act, they shall then and there award such aid as they deem proper: *Provided, however,* That the total yearly income of the applicant together with the award shall not exceed $1,200, and the Board shall pay immediately to the applicant blind person the sum awarded by the said Commissioners.

SEC. 6. The Board shall investigate semiannually, or oftener, the qualifications of blind persons who receive aid hereunder, and may increase or decrease the allowance within the limits prescribed by the act; or if said Board is satisfied that any person on the list is not entitled to aid hereunder, they shall strike off and entirely remove him from said list, and shall forthwith notify the Commissioners of such action: *Provided, however,* That the person heretofore receiving aid may take an appeal to the Commissioners from such action as if it were an original application for aid: *And provided further,* That such an appeal must be filed within 30 days from the notification by the Board to the beneficiary hereunder of the intended reduction or discontinuation of aid, and no reduction or discontinuance of aid shall be operative until after rendition of the findings of the Commissioners on said appeal.

SEC. 7. No person shall be eligible to receive aid under the provisions of this act who, after receiving said aid publicly solicits alms in any manner, either by wearing, carrying, or exhibiting signs denoting blindness for the securing of alms, or by any signs calling attention to blindness exhibited on wares and merchandise, or the carrying of receptacles for the purpose of securing alms, or the doing of the same by proxy, or by stationary or house-to-house begging, or any other means of publicly securing aid.

SEC. 8. Any person qualifying for and receiving aid hereunder who removes himself from the jurisdiction of the District of Columbia and thereby ceases to be a resident, shall no longer be entitled to the benefits and aid under the provisions of this act, but temporary absence for a reasonable length of time shall not work a forfeiture hereunder, when such prolonged absence is caused through illness.

SEC. 9. The benefits hereof shall not be granted to any person between the ages of 16 and 55 years who, having no occupation and being both physically and mentally capable of some useful occupation, or of receiving vocational or other training, refuses for any reason to engage in such useful occupation, or refuses to avail himself of such vocational or other training, or unless for good cause shown signifies his willingness and readiness to enter upon a course of such vocational or other training within a reasonable time: *Provided,* That no person shall be entitled to the benefits of this act who shall refuse to submit to any treatment or operation to effect a cure when such treatment or operation is recommended by an examining oculist and approved by the Board.

SEC. 10. Relief under this act shall be denied whenever a person who is blind or partially blind within the definitions of this act is married to another who is also blind or partially blind, unless one shall not have been blind or partially blind at the time of the marriage, or unless they shall have been married for 2 years prior to the passage of this act; and where relief has already been granted, such relief to one shall be discontinued whenever a person who is blind or partially blind within the definitions of this act is married to another who is also blind or partially blind, and the maximum paid under this act for their joint care and support and relief shall not exceed the sum of $600 annually; but in the event the marriage is already entered into for 2 years at the time of the passage of this act, or that either was not blind or partially blind at marriage, such persons shall each be permitted to file his and her application: *Provided,* That no person shall benefit under the provisions of this act who hereafter shall enter into marriage with an indigent person until the marital relations are terminated in a manner recognized by law.

SEC. 11. No person shall be eligible to the benefits of this act who shall hereafter either intentionally deprive himself of his eyesight or assist in the destruction thereof by others; or hereafter shall lose his eyesight during the perpetration of a criminal offense; or shall hereafter lose his eyesight by reason of vicious habits; or through hereafter indulging in so-called "alcoholic beverages": *Provided,* That no payment of any money shall be made under this act for the care or relief of any blind person who has for 5 years preceding his blindness or loss of sight been dependent upon public relief unless such dependency shall have been caused through physical or mental incapacity.

SEC. 12. Whenever it appears after the death of any unmarried person who has received aid under this act that his estate, after deducting the exemptions allowed by law, has property over and above a sufficient amount to pay the expenses of his last illness and burial, such property shall be charged with the amount paid to such person during his lifetime; and claim may be filed against his estate for the recovery of the said amount, and an action may be brought in the name of the District of Columbia by the corporation counsel to recover the same, and the statute of limitations shall not be computed until after the death of the person receiving aid as above provided.

SEC. 13. Any person who attempts to obtain, or obtains, by false representation, fraud, or deceit, any allowance under this act, or who receives any allowance knowing it to have been fraudulently obtained, or who aids or assists any person in obtaining or attempting to obtain an allowance by fraud, shall be punished by a fine of not more than $500 or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

SEC. 14. In order to carry out the provisions of this act there is authorized to be appropriated for the fiscal year ending June 30, 1934, the sum of $75,000, payable from the revenues of the District of Columbia, and for the fiscal year ending June 30, 1935, and annually thereafter, the Commissioners shall include in the estimate of appropriations for said District of Columbia, such an amount as may be necessary for this purpose; and the Commissioners, upon nomination by the Board, shall appoint a supervisor and such additional personnel as may be necessary to administer this act, at such salaries as may be fixed for similar services by the provisions of the Classification Act of 1923; and such employees may be removed by the Commissioners upon recommendation of the Board: *Provided,* That whenever necessary said Board shall appoint an acceptable member of the personnel to stand in loco parentis to any minor qualifying for aid hereunder.

SEC. 15. The provisions of this act are to be liberally construed to effect its objects and purposes, and if any section, subsection, or subdivision of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of such remaining portions of this act.

With the following committee amendments:

Page 2, section 3, line 18, strike out "sixteen" and insert "nineteen" in lieu thereof.

Page 4, section 5, line 3, beginning with the word "*Provided*", strike out all to and including "$1,200" in line 6. Strike out the word "*further*" in said line 6.

Page 4, section 5, line 15, strike out lines 15, 16, 17, and 18.

Page 6, section 10, strike out all of said section 10, and renumber following sections.

Amend the numbers of the sections.

Mr. PATMAN. Mr. Speaker, I want to ask the chairman of the committee a few questions for the RECORD. This bill is to pension needy blind in the District of Columbia. There are 157 blind in the District and 63,487 in the United States. I wish this law could be made to include all of them. What age must a blind person be to be eligible under this bill?

Mr. KELLY of Pennsylvania. I will answer the gentleman, if he will permit. I will say that extensive hearings were held by the subcommittee, and 60 representatives of the blind and social-service agencies appeared. The age limit is 19 where the person became blind while in the District of Columbia, and 21 where the blindness occurs outside.

Mr. PATMAN. How long must a person who received his blindness remain in the District to be eligible for relief?

Mr. KELLY of Pennsylvania. A person who becomes blind outside the District must have attained the age of 21. A person who shall have become blind while a resident of the District of Columbia must be at least 19 years of age, and a resident for 1 year preceding his application.

Mr. PATMAN. What if a blind person moves to the District now? How long will he have to remain here before he is eligible for this relief?

Mr. KELLY of Pennsylvania. Seven years.

Mr. PATMAN. In excess of what amount of property or income would prohibit a person receiving a pension?

Mr. KELLY of Pennsylvania. He must be totally unable to take care of himself in providing the necessaries of life. The payment depends upon the actual need.

Mr. PATMAN. How much will be the amount?

Mr. KELLY of Pennsylvania. The amount is left to the Board of Welfare. Therefore, there would be varying amounts paid according to need.

Mr. PATMAN. How many States have relief for the blind now?

Mr. KELLY of Pennsylvania. There are 26 States, and payments range from $300 up to $600 for the individual. This bill provides a varying scale and would not likely average more than $400.

Mr. PATMAN. In the case of veterans in any public institution supported by public funds they do not receive a pension in excess of $6 a month, if it is nonservice connected, or $15 a month if it is service connected. Is there any provision in this law in regard to pensioning those who are taken care of in homes?

Mr. KELLY of Pennsylvania. Yes. As long as they remain within the institution they do not come under the provisions of this act.

Mr. PATMAN. As long as they are taken care of otherwise?

Mr. KELLY of Pennsylvania. That is right.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

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

JENNIE BRUCE GALLAHAN

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 2035) for the relief of Jennie Bruce Gallahan.

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. PALMISANO]?

Mr. PATMAN. Reserving the right to object, I want to ask the gentleman a question about this bill.

What is this bill for?

Mr. PALMISANO. It is to pension the widow of Lieutenant Gallahan, in the fire department, who was killed in the discharge of his duties.

Mr. PATMAN. Is the widow drawing a pension now?

Mr. PALMISANO. I understand so; yes.

Mr. PATMAN. How much?

Mr. PALMISANO. I do not know quite what the pension is.

Mr. PATMAN. Is it $60 a month?

Mr. PALMISANO. I do not know.

Mr. PATMAN. Well, who does know?

Mr. PALMISANO. The gentleman has made a study of it and he probably knows. I do not know what it is.

Mr. PATMAN. I thought it was $60, but I did not want to be too sure about it. Although it seems to be a very deserving and meritorious case and we would like to give all widows a lump sum of five or ten thousand dollars, still, does not the gentleman thinks it might be setting a precedent that will lead to a large number of claims for similar reasons? If I understand this correctly, this is a precedent. This has never been done before.

Mr. PALMISANO. This is an exceptional case where a lieutenant left a wife and two children. Certainly, the widow cannot educate her two children on $60 a month. This was an exception, to pay the funeral charges and other expenses incurred.

Mr. PATMAN. This is to pay $5,000 extra?

Mr. PALMISANO. That is all; yes.

Mr. PATMAN. Considering the fact that a widow who lost her husband on the battlefield, while fighting for his country, can only receive $30 a month, does not the gentleman think that this lady, the widow of an employee of the fire department, is pretty well taken care of when she receives twice that much?

Mr. PALMISANO. Oh, the family of a man who is killed in the discharge of his duty, whether on the battlefield or whether in the District of Columbia, to my mind ought to have consideration. We have passed today a bill to take care of war orphans. We made special reference to that. We do that regularly. It seems to me in a case of this kind we ought to do something to permit this widow to educate her children. This is the only object of asking to pass this bill.

Mr. PATMAN. The gentleman will admit that it is establishing a precedent?

Mr. PALMISANO. I understand it is; yes.

Mr. PATMAN. When there are other cases just like this, where a man has been killed in the performance of his duty and his widow is receiving a pension of $60 a month, will the gentleman be for allowing a lump sum of $5,000 in each case?

Mr. PALMISANO. I think every case should stand on its own merits. If the circumstances in the case justify it, I would support it.

Mr. PATMAN. When did this death occur?

Mr. PALMISANO. I do not know. The gentleman from Texas knows.

Mr. PATMAN. No; I do not know or else I would not have asked the question.

Mr. PALMISANO. This bill has passed the Senate on one or two occasions. This man was killed in 1927.

Mr. PATMAN. Of course, I do not want to take the responsibility of depriving this widow of any sum of money. I presume that one should take that responsibility since it is a precedent that has never been set by this Government in any other case, but since I do not have all the facts I will give the committee reporting the bill the benefit of the doubt. It will probably call for all kinds of claims in the future. If we carry out this precedent, it occurs to me we will pay the widows of all employees in Government service or in the fire department or any other service at least $5,000. That is the precedent that is involved, the way I see it. If the gentleman wants to do it, I cannot stop him. One objection will not be sufficient, and I seem to be the only member of the committee questioning the wisdom of this payment.

Mr. PALMISANO. I do not think this will set any precedent.

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. PALMISANO]?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jennie Bruce Gallahan the sum of $5,000 as compensation for the death of her husband, Samuel L. Gallahan, late lieutenant, District of Columbia fire department, which occurred while he was engaged in the performance of his duties: *Provided*, That such sum shall be in addition to any payments heretofore or hereafter received from the policemen and firemen's relief fund, District of Columbia, on account of such death.

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

PROMOTION IN THE LINE OF THE NAVY

Mr. VINSON of Georgia submitted the following conference report on the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, and 3.

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with amendments as follows: On page 3, line 10, of the engrossed bill, strike out the following: "word 'hereafter'," and insert in lieu thereof the following: "words 'in 1934 and hereafter.'"

On page 3, line 13, of the engrossed bill, before the word "may", insert the following: "and whether they have since been married or not."

On page 4, line 3, of the engrossed bill, after the word "who", insert the following: "in 1934 and."

And the Senate agree to the same.

CARL VINSON,
P. H. DREWRY,
FRED A. BRITTEN,
Managers on the part of the House.

DAVID I. WALSH,
FREDERICK HALE,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendments nos. 1, 2, and 3: Provides for the retirement of officers in the grades of lieutenant and lieutenant (junior grade), who are not selected for promotion, as proposed by the House, instead of carrying officers in the grade of lieutenant, who are not selected for promotion, on the active list as extra numbers in grade, as proposed by the Senate.

On amendments nos. 4 and 5: Extends from June 1, 1934, to August 1, 1934, the time in which appointments may be issued as ensigns to midshipmen graduating in 1933, not then commissioned and who may now qualify, as proposed by the Senate; also, corrects the text with respect to former midshipmen who have married and makes certain that all midshipmen of the class about to be graduated, as well as all future graduates, may be appointed as ensigns in the line of the Navy.

CARL VINSON,
P. H. DREWRY,
FRED A. BRITTEN,
Managers on the part of the House.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H.R. 9068.

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

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Without objection, the Clerk will read the statement in lieu of the report.

There was no objection.

The Clerk read the statement.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to print in the RECORD at this point the bill H.R. 9068 as agreed to in conference.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The bill is as follows:

H.R. 9068

An act to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes

Be it enacted, etc., That except as otherwise provided in this act, the provisions of existing law with reference to promotion by selection in the line of the Navy and the retirement of officers who are not on the promotion list or who are found not professionally qualified are hereby extended to include and authorize promotion to the grades of lieutenant commander and lieutenant, and the retirement of lieutenants and lieutenants (junior grade). The number to be recommended for promotion to each such grade and to be placed upon the promotion list shall be furnished the selection board for that grade by the Secretary of the Navy and shall be the number of existing vacancies in the grade concerned plus such additional number, if any, as the needs of the service may require.

SEC. 2. That lieutenants (junior grade) who on June 30 of the year of the convening of the board shall have had 3 years' service in the grade of junior lieutenant shall be eligible for consideration for selection for promotion to the next higher grade.

SEC. 3. That the board for the recommendation of line officers for promotion to the grades of lieutenant commander and lieutenant shall consist of nine officers on the active list of the line of the Navy above the rank of commander, not restricted by law to the performance of shore duty only, at least one of whom shall be a rear admiral.

SEC. 4. That for the purpose of extending section 3 of the act of March 3, 1931 (46 Stat. 1483; U.S.C., Supp. VII, title 34, sec. 286a), to officers below the rank of lieutenant commander, the said section is amended so that the length of service therein prescribed shall be 14 years for lieutenants and 7 years for lieutenants (junior grade): *Provided*, That no officer of said rank shall become so ineligible prior to June 30 of the second calendar year following the date of this act: *And provided further*, That the restriction on the number of involuntary transfers in any fiscal year to the retired list prescribed in section 7 of the act of March 3, 1931 (46 Stat. 1484; U.S.C., Supp. VII, title 34, sec. 286e), shall not apply to the grade of lieutenant and lieutenant (junior grade).

SEC. 5. That section 1 of the act approved May 6, 1932 (47 Stat. 149; U.S.C., supp. VII, title 34, sec. 12), is hereby amended by inserting the words "in 1934 and hereafter" after the words "midshipmen who", and the words "*Provided*, That all former midshipmen graduated in 1933 who received a certificate of graduation and honorable discharge and whether they have since been married or not may, upon their own application, if physically qualified, and under such regulations as the Secretary of the Navy may prescribe, be appointed as ensigns prior to August 1, 1934, by the President, and shall take rank next after the junior ensign appointed in 1933 and among themselves in accordance with their proficiency as shown by the order of merit at date of graduation: *And provided further*," after the words "Naval Academy", and by striking out "in 1932, and at least 50 percent of all graduates in subsequent years: *Provided*", so that as amended the said section will read as follows:

"That the President of the United States is authorized, by and with the advice and consent of the Senate, to appoint as ensigns in the line of the Navy all midshipmen who in 1934 and hereafter graduate from the Naval Academy: *Provided*, That all former midshipmen graduated in 1933 who received a certificate of graduation and honorable discharge and whether they have since been married or not may, upon their own application, if physically qualified, and under such regulations as the Secretary of the Navy may prescribe, be appointed as ensigns prior to August 1, 1934, by the President, and shall take rank next after the junior ensign appointed in 1933 and among themselves in accordance with their proficiency as shown by the order of merit at date of graduation: *And provided further*, That the number of such officers so appointed shall, while in excess of the total number of line officers otherwise authorized by law, be considered in excess of the number of officers in the grade of ensign as determined by any computation, and shall be excluded from any computation made for the purpose of determining the authorized number of line officers in any grade on the active list above the grade of lieutenant (junior grade) until the total number of line officers shall have been reduced below the number otherwise authorized by law."

SEC. 6. That hereafter any staff officer on the active list below the rank of lieutenant commander shall be advanced to the next higher rank in his corps when the running mate of such staff officer or an officer junior to such running mate has been promoted to that higher rank in the line of the Navy or when a vacancy in that rank exists in the line of the Navy which will in due course be filled by the promotion of his running mate or an officer junior to his running mate: *Provided*, That such staff officer is found qualified in accordance with law for such advancement. The provisions of law relating to the advancement

of staff officers now embodied in sections 255, 321, and 348r (supp. VII) of title 34, United States Code, are hereby amended in accordance with this section.

PERMISSION TO ADDRESS THE HOUSE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for 30 minutes tomorrow after the disposition of the business on the Speaker's table and immediately following the gentleman from Texas [Mr. TERRELL].

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

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—TAX ON PHILIPPINE COCONUT OIL (H.DOC. NO. 388)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Ways and Means, and ordered printed:

To the Congress of the United States:

Early in the present session of the Congress the Philippine Independence Act was passed. This act provided that after the inauguration of the new interim or commonwealth form of government of the Philippine Islands trade relations between the United States and the Philippine Islands shall be as now provided by law. Certain exceptions, however, were made. One of these exceptions required levying on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 448,000,000 pounds, the same rates of duty now collected by the United States on coconut oil imported from foreign countries.

It is, of course, wholly clear that the intent of the Congress by this provision was to exempt from import duty 448,000,000 pounds of coconut oil from the Philippines.

Later in the present session the Congress, in the revenue act, imposed a 3-cent-per-pound processing tax on coconut oil from the Philippines. This action was, of course, directly contrary to the intent of the provision in the independence act cited above.

During this same period the people of the Philippine Islands, through their legislature, accepted the provisions of the independence act on May 1, 1934.

There are three reasons why I request reconsideration by the Congress of the provision for a 3-cent-per-pound processing tax:

First. It is a withdrawal of an offer made by the Congress of the United States to the people of the Philippine Islands.

Second. Enforcement of this provision at this time will produce a serious condition among many thousands of families in the Philippine Islands.

Third. No effort has been made to work out some form of compromise which would be less unjust to the Philippine people and at the same time attain, even if more slowly, the object of helping the butter- and animal-fat industry in the United States.

I therefore request reconsideration of that provision of the revenue act which relates to coconut oil in order that the subject may be studied further between now and next January and in order that the spirit and intent of the independence act be more closely followed.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 28, 1934.*

VETO MESSAGE—THE LATE BRIG. GEN. ROBERT H. DUNLAP (H.DOC. NO. 387)

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 my approval, H.R. 276, entitled "An act to authorize the placing of a bronze tablet bearing a replica of the Congressional Medal of Honor upon the grave of the late Brig. Gen. Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, Va."

The bill authorizes the placing of a bronze tablet bearing a replica of the Congressional Medal of Honor upon the grave of the late Brig. Gen. Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, without expense to the Government.

The existing regulations governing Arlington National Cemetery now permit replicas in bronze of decorations, such as the Congressional Medal of Honor, the Distinguished Service Cross, etc., to be placed within a sunken panel on monuments or headstones erected in Arlington National Cemetery. Bronze tablets to be placed on a grave itself are not authorized under existing regulations. As it is contemplated placing this tablet at no expense to the Government, the purpose desired could be obtained by adhering to the present regulations either by placing a bronze replica of the Medal of Honor in a sunken panel on the headstone now at the grave of Brigadier General Dunlap, or on a larger monument which may be erected at the grave at private expense in accordance with existing regulations.

The bill is objectionable, as it would establish a precedent and show discrimination against other individuals who have received this decoration and who are or may be interred in Arlington National Cemetery.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 25, 1934.*

The SPEAKER. The objections of the President will be spread upon the Journal.

Mr. BYRNS. Mr. Speaker, I move that the message of the President and the accompanying bill be referred to the Committee on Naval Affairs and ordered printed.

The motion was agreed to.

LITERARY DIGEST POLL ON THE NEW DEAL

Mr. BRITTEN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes at this time.

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

There was no objection.

Mr. BRITTEN. Mr. Speaker, my reason for desiring to address the House at this time is to call attention to the manner under which the so-called "new deal" is being approved or disapproved in the Literary Digest poll being made public every week.

To my mind, and I have studied it rather carefully, I do not think there ever was a set-up so perfectly made in advance, so deliberate in its desire, so positive in its effect and results as the one that is being broadcast daily not only by the Literary Digest but by the newspapers of the world as evidence of the backing by the American people of the so-called "new deal." The words "new deal" are used constantly in the Literary Digest articles and are used constantly by the newspapers throughout the country; and, Mr. Speaker, when I say that there never was anything more deliberate, there never was anything more well-defined in advance than this vote on the new deal, I mean literally what I say. The matter was studied in advance for weeks and months, planned to accomplish a certain effect; and it is running true to form; it is accomplishing that effect.

I hold in my hand and show you some of the literature that is being sent out by the Literary Digest to influence the new-deal poll. It is subtle but well done. It has not been treated as if there were 2 candidates or 2 policies presented to the voters; that would be a fair way to obtain the impression of the American people toward the new deal. On the contrary, they send out this pamphlet bearing a fine picture of a handsome President, which no one would feel in the mood to discourage or to treat lightly. With that face on a letter you could accomplish almost anything [applause]; and that is the reason I say, Mr. Speaker, that this poll was so cunningly planned. Instead of mailing out a ballot which spoke for itself, the Digest propagandized the prospective voter with a picture of the President and a letter which in itself practically endorsed the new deal, whatever that might encompass. It was as unfair as the endorsement of but one candidate in an election poll.

The success of the new deal depends almost entirely upon the national approval of the National Industrial Recovery

Act. As N.R.A. stands for Gen. Hugh Johnson, his face should be published in the Digest propaganda and not the President, because, after all, Gen. Hugh Johnson and the N.R.A. are synonymous throughout the country. There is no division between them; they are one.

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

Mr. BRITTEN. I yield.

Mr. BYRNS. The gentleman is complaining on account of the tremendous popularity of the President and because his picture has been placed upon the pamphlet to which the gentleman refers. I grant the gentleman that the President's popularity will carry any proposition that is submitted to the people in his name today. [Applause.]

The gentleman says that General Johnson's picture should be on the pamphlet rather than that of the President because, he claims, that the President had nothing to do with it. I ask the gentleman, Who issued the Executive order under which General Johnson is acting?

Mr. BRITTEN. Aside from the issuance of the Executive order, the President does not know any more about these hundreds of codes than does the gentleman from Tennessee himself.

Mr. BYRNS. The gentleman from Illinois is entirely mistaken about that. The gentleman is making statements that are unsupported by any information he has.

Mr. BRITTEN. Is the gentleman asking me a question?

Mr. BYRNS. No; I am replying to complaints made by the gentleman.

Mr. BRITTEN. I thought the gentleman from Tennessee desired to ask me a question; excuse me.

The truth of the matter is, of course, as the distinguished gentleman from Tennessee indicates, the President did sign these codes; but is there any Member in this House with sufficient gullibility to seriously suggest that the President read them? If he started to read the 435 or more codes, it would take him until a year from next summer to accomplish that feat alone, and then he could not possibly comprehend them. Their operations and effects are so varied.

There is no question but that General Johnson is the N.R.A., and the N.R.A. is General Johnson; and they started to crack up on him on yesterday.

Mr. Speaker, the price fixing, which, under N.R.A. codes has become so common, is not authorized by the terms of the National Industrial Recovery Act. The act provides merely that, when the President finds destructive wage or price cutting, he may issue licenses. The act does not say he may fix prices. On the contrary the Supreme Court has held that price fixing is an "unfair method of competition."

It is true that section 5 of title I of the N.I.R.A. gives temporary exemption from the provisions of the antitrust laws. But, Congress never intended, in granting this exemption, to authorize price fixing. On the contrary, Senator WAGNER, who sponsored the N.I.R.A. bill in the Senate, explained on June 8, 1933:

> I have reiterated on the floor two or three times, and it was stated any number of times in the committee, that prices shall not be fixed, because the fixing of prices is not in conformity with the preservation of fair competition.

So much for that. But there is more. The act specifically forbids monopolies. Monopolies, according to the Supreme Court, are not merely industrial concentrations. Monopolies are also restraint of trade "by means of every contract, combination, and so forth." It is, therefore, unreasonable to assume that Congress in the same act would forbid monopolies and authorize monopolies—that is, combinations under codes to fix prices and restrain trade.

The country is entitled to a clear explanation from the Government on this essential point of law. For if I am correct, not only is current price fixing in the codes illegal, but its beneficiaries are liable to full prosecution under the Sherman Act. However, the gentleman has accomplished his purpose; he has taken me away from my subject matter. [Laughter.]

> Your personal vote is critical and important.
>
> If the majority of the citizens of the United States believe in President Roosevelt's policies, then they should support these policies by a mighty vote of approval.

I wish the Digest would manage my campaign in Chicago next October. I think this is a work of art. If you approve of the President's policies, just put a cross in the square marked in front of the word "yes" and let it be a mighty vote of approval. That language is right under the President's picture.

In another accompanying pamphlet they go on and show pictures of the mighty employers of labor, and the mighty employers of money, who back the new deal. The first name on the list favoring the new deal is Walter C. Teagle, president of the Standard Oil Co. of New Jersey. Let us see what he says:

> It is apparent that President Roosevelt is feeling his way by trial and error to a more equitable distribution of the national income and more power to him. It is the only ultimate insurance of human welfare and community property.

Walter Teagall says that he is looking for an equitable distribution of the income of the country, and that is the wealth of the country. He certainly is looking for distribution of that income. He practices what he preaches. His Standard Oil Co. has raised the price of gasoline three times in the last 90 days. He is distributing the income and wealth by collecting it. Of course, the Standard Oil Co. is for the new deal, because it permits the company to fix prices throughout the United States to the detriment of the little oil producer. What do they care about the consumer, the little man on the street, or the farmer? Let them pay. What do they care about them. The gentleman from California has just shown me a Standard Oil bill coming up next week. I wish I had the time to read it. If I said anything about that bill now, it would be like the fellow in the White House, who signs all these codes without knowing what is in them. No human being could read all of them and know what is in the codes, because he would not live long enough.

The Standard Oil Co. is for this distribution of income, because the new deal permits them to promote their monopoly in violation of existing law.

[Here the gavel fell.]

Mr. BRITTEN. Mr. Speaker, I ask unanimous consent that I may proceed for 10 additional minutes.

Mr. BYRNS. Will not 5 minutes be sufficient? I may say to the gentleman that we have some rules and election contests to take up this afternoon.

Mr. BRITTEN. I was told that the gentleman had but one bill, and was then going to quit. It is only 2 o'clock in the afternoon.

Mr. BYRNS. I shall have to object to 10 minutes. I am willing that the gentleman may have 5.

Mr. BRITTEN. I will go along as rapidly as I can. Mr. Speaker, I ask unanimous consent that I may proceed for 5 additional minutes.

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

There was no objection.

Mr. BRITTEN. The next gentleman whose picture appears for new-deal endorsement and propaganda is Mr. Thomas Lamont, of J. Pierpont Morgan & Co. Why would not Lamont be for the new deal? It would be absurd to suggest that he is not for the new deal. I should like to quote his language because it deals entirely with money, and the gold standard which he figures is still in doubt, but yet he is for the new deal.

> We (the firm of J. P. Morgan & Co.) have not opposed the present administration, but from the very start have cordially supported it. Immediately upon the withdrawal from the gold standard Mr. Morgan issued a public statement—a thing very rare for him to do—upholding the administration's declaration. Members of this firm have since made it clear upon many occasions that we regarded this step as having been of extraordinary benefit to the American people as a whole.

Then Charles M. Schwab, president of the Bethlehem Steel Corporation, is shown here.

> We are all behind the President supporting him, of course. I can't flatter myself that I can read exactly how these innovations—so new to me and my experience in business—will turn out. I have always been an optimist. I am determined to continue an

optimist, even though I don't pretend to be able to size up the wisdom or the unwisdom of all the novel experiments now being tried.

Why would not the big steel companies and the steel people generally be for the new deal? You would examine their heads for lunacy if they were not for the new deal.

Every nail that goes into a farmhouse, every piece of steel that is transported over the United States today moves under a price fixed by the Steel Corporation. It moves under a fixed price set by this tremendous monopoly in distinct violation of existing law.

Then there is Pierre S. du Pont, partner of John Raskob, and chairman of the E. I. du Pont de Nemours Corporation. Why would not Du Pont, with a thousand million back of him in corporation stocks, be for the new deal? He controls General Motors, and I may say also that there is a statement from a General Motors man that I shall refer to in a minute.

I went to Washington thinking that N.R.A. was an upsetting influence in business and in labor conditions. I confess that I have been completely converted. Everyone who goes to Washington learns very quickly the meaning of N.R.A. and becomes enthusiastic.

Of course these men are for the new deal, and everybody who reads their statements before putting a cross in front of "yes" or "no" is impressed by what they say, these great industrial magnates, these men who employ labor by the millions. The suggestion will be made in the press of the country that this poll being conducted by the Literary Digest shows a 2½ or 3 to 1 vote in favor of the President's new deal. [Applause.]

I know what you are applauding. You are applauding the trick that has been put across by the Literary Digest, and I do not blame you. I think it was a very clever piece of politics to send this into the home of an old maid, for instance. Do you think she would vote against anything that this handsome man [holding up a picture of President Roosevelt] sponsored or was apparently sponsoring? [Applause.]

When the Literary Digest printed these pictures of distinguished industrialists and distinguished politicians, you did not see Al Smith's picture included. We all know what he would say about the new deal. You do not see a statement from the distinguished former Senator from Missouri, Mr. Reed. You do not see his picture, and you did not see quoted his impression of the new deal. You did not see the picture of my distinguished friend on the other side of the Capitol, Senator CARTER GLASS, and his impressions of the new deal. They are not printed 15,000,000 times for the benefit of influencing judgment. Oh, no. You did not see anything about the gentleman whom the President himself selected to head a very important board in the N.R.A., Clarence Darrow.

I am told he has a very well-defined idea about this new deal and its manipulation and disastrous effect upon the little business man as well as the consumer.

You do not see anything in there from the Attorney General or from the Federal Trade Commission.

Mr. HENNEY. Does the gentleman endorse Darrow's views?

Mr. BRITTEN. Where he refers to monopolies and price fixing; yes.

Mr. HENNEY. The gentleman is crying because he is not included there.

Mr. BRITTEN. No; I am not crying; I am laughing. This artful method of making people vote the way you want them to would make a horse laugh. [Laughter.]

Mr. HENNEY. The gentleman is referring to the wrong species.

Mr. TRUAX. Will the gentleman yield?

Mr. BRITTEN. No; not now.

The fact of the matter is that under the new deal everybody knows—your Attorney General knows, your President knows, Gen. Hugh Johnson knows, your Federal Trade Commission knows—and they will admit it if questioned—that monopolies have been formed and are operating under a price-fixing code which is destructive of the little business man and destructive of the income of the consumer and is bound to crack up and ultimately destroy the Democratic Party. [Applause.]

Mr. Speaker, the expected cracking-up of the N.R.A. was started today when Gen. Hugh Johnson was authorized by the President to suspend operations of such codes of the service trades and industries as he (Johnson) concluded were not adding to the public welfare or which were not meeting with success and approval of those trades and industries.

By the Executive order General Johnson himself is designated as the sole authority to decide which codes should be scrapped. The hundred or more code authorities now in Washington representing thousands of industries will not be called in to determine for themselves the wisdom of this action nor will they be consulted as to which of the industrial codes should be thrown into the wastebasket. They have not been consulted heretofore, and there is no reason why they should be consulted now.

The next step of the N.R.A. will be to announce that the steel, oil, and practically every other important code is operating in violation of the law in the direct promotion of monopolies which are not only destroying the smaller business man and industrialist but are working a great burden upon the American consumer and farmer.

The N.R.A. law distinctly provides against the setting-up of monopolies, and no one knows this better than the President himself, General Johnson, the Attorney General, and the Federal Trade Commission. Unless price-fixing monopolists are halted in their manipulation of prices and combinations in restraint of trade, I will introduce a resolution for a searching congressional investigation which will immediately prove beyond the slightest doubt that the N.R.A. is the direct cause of law violations never intended by Congress.

When I say that the President himself, General Johnson, the Attorney General, and the Federal Trade Commission agree that trade monopolies now exist in practically every line of trade endeavor, I know what I am talking about and that they will admit it when questioned.

I shall by congressional resolution call upon the Federal Trade Commission to perform its duty and advise Congress concerning the illegality of the price-fixing monopoly-making codes.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

Mr. THOMPSON of Texas. Mr. Speaker, will the gentleman withhold that a moment?

Mr. BLANTON. I want to answer the gentleman from Illinois.

Mr. SNELL. Mr. Speaker, I am not going to object to the gentleman having 5 minutes, but I should like to ask the majority leader what will be the program for the balance of the afternoon.

Mr. BYRNS. I may say to the gentleman that there are not going to be any more speeches by unanimous consent until we consider this election contest and the rule that the gentleman from New York is going to call up. I regret that the gentleman from Illinois saw fit to take this time, and I am not going to object to the gentleman from Texas having 5 minutes; but, so far as I am concerned, I think it is entirely unnecessary for the gentleman to answer the gentleman from Illinois, because the gentleman from Illinois, partisan Republican that he is, has made the best Democratic speech in behalf of the President and in favor of the election of a Democratic Congress in November that I have heard. [Applause.]

Mr. SNELL. If the statement made by the majority leader is correct, it is not necessary to take the time of the House to answer the speech.

The SPEAKER. The gentleman from Texas asks unanimous consent to proceed for 5 minutes. Is there objection?

Mr. RICH. Mr. Speaker, reserving the right to object, I should like to ask the majority leader if he would be willing that I may have 5 minutes in order that I may explain something that is vital to the welfare of the Membership of the House, coming from the Joint Committee on Printing.

Mr. BYRNS. Will not my friend wait until we dispose of these other matters?

Mr. RICH. May I have the time later on in the day?

Mr. BYRNS. The gentleman can wait as well as these other matters; and following their disposition, I shall not object.

Mr. RICH. Mr. Speaker, I ask unanimous consent that I may have 5 minutes at such time this afternoon as may be designated by the majority leader.

The SPEAKER. The gentleman can submit his request later.

Is there objection to the request of the gentleman from Texas to proceed for 5 minutes?

There was no objection.

Mr. BLANTON. Mr. Speaker, the Republicans have a leader on the House floor, but they have no national leader in the United States, and this is what is bothering them. This is bothering the gentleman from Illinois [Mr. BRITTEN] because he knows that the Literary Digest, when it has a poll, it is usually a correct one. It has proven itself in past history.

The gentleman now complains because, he says, "all of the old maids in the United States are for the present President." It is not merely the old maids—it is the young maids, it is the married women, it is the married men, it is the bachelors, it is the business men, it is the farmers, it is the men in the ditches, it is the men on the street, it is everybody for the President of the United States, Franklin D. Roosevelt, and that is bothering the gentleman. [Applause.]

The gentleman from Illinois [Mr. BRITTEN] cannot forget that when, in the public places, in the picture shows and theaters, the picture of his last President was thrown on the screen, smiles left the people's faces and they became blue and glum. There was not a bit of applause. But you let the present President's picture be thrown on the screen anywhere in the United States and you will hear loud applause in every picture house and public gathering in the United States. This is what is bothering the gentleman from Illinois and he cannot get over it. It is working on him.

Four hundred and thirty-five Members of the House could not agree on any code. Ninety-six Senators could not agree on any code. There is not a single code we could all agree upon. If left to ourselves we probably would have 435 different programs here in the House.

But President Franklin D. Roosevelt has one program. He is one man who has a definite policy. He is the man who is putting his policy and his program into effect to bring about economic recovery in this country. And we Democrats are backing him, whether we believe in some of his codes or not; we believe in him, and we have confidence in him.

I do not agree with lots of these codes, but I am following the President just the same. Some of these codes look ridiculous to me, but I am following the President just the same. Some of the codes may look ridiculous to some of my constituents, but if you take my constituents as a whole, they are for the President because he has a definite plan and a definite program, and they are behind the President in Kentucky and in Texas and in Illinois, and everywhere else in the United States. We may not like some of his codes, but we like our President. He will properly rectify the bad codes just as fast as he can reach them.

Why does not my friend from Illinois [Mr. BRITTEN], with all his astuteness, with all his skill and ability, with all of his experience as a legislator, why does he not quit his snarling and backbiting and get behind the President? Why does he not stand up with the rest of the people?

Mr. WEIDEMAN. What about the result of the primary in Illinois?

Mr. BLANTON. That evidenced President Roosevelt's popularity. We all like FRED BRITTEN, in spite of his faults. We seated him here the other day instead of a Democrat.

Mr. BRITTEN. And you are going to do it next January. [Laughter.]

Mr. BLANTON. The gentleman from Illinois [Mr. BRITTEN] has made himself more popular this morning on both sides of the aisle by the frank admissions in his speech than anything else he has done since he has been a Member of Congress, because he shows exactly what the power of the President is when his picture is exhibited in the Literary Digest, as well as upon the screen in the theaters.

Mr. CONNERY. Will the gentleman yield?

Mr. BLANTON. I have not much time, but I could not refuse to yield to my good friend from Massachusetts.

Mr. CONNERY. If the N.R.A. had done nothing else except to abolish child labor, to abolish the "yellow dog" contracts, giving labor the right to collective bargaining, they would have been worth while.

Mr. BLANTON. I want to say this to my friend from Illinois [Mr. BRITTEN]—he would be mighty glad to have the Standard Oil Co. on his side of the aisle; he would be mighty glad to have this French Delaware corporation, whose name he could not pronounce, on his side of the aisle; he would be glad again to have have the Steel Trust on his side—he has had the Steel Trust ever since it was organized on his side—but these men now realize, together with all other business men, that they have followed you until you ruined some of them financially, and now they, along with all the workers, are for the President. [Applause.]

[Here the gavel fell.]

THE BANKRUPTCY BILL

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent that the conference report on the bill H.R. 5884, the bankruptcy bill, be recommitted to the conferees in order to correct an error.

The SPEAKER. Is there objection?

There was no objection.

ELECTION CONTEST, SEVENTY-THIRD CONGRESS, SECOND DISTRICT OF CONNECTICUT

Mr. THOMPSON of Texas. Mr. Speaker, I call up House Resolution 296, the contested-election case of the Second District of Connecticut.

The Clerk read the resolutions, as follows:

Resolved, That William C. Fox is not entitled to a seat in the House of Representatives of the Seventy-third Congress from the Second Congressional District of the State of Connecticut.

Resolved, That William L. Higgins is entitled to a seat in the House of Representatives of the Seventy-third Congress from the Second Congressional District of the State of Connecticut.

The resolutions were agreed to.

CONTESTED-ELECTION CASE OF BREWSTER *v.* UTTERBACK

Mr. THOMPSON of Texas. Mr. Speaker, I call up House Resolution 390, in the contested-election case of *Brewster* v. *Utterback*, of the Third Maine District.

The Clerk read the resolutions, as follows:

Resolved, That Ralph O. Brewster is not entitled to a seat in the House of Representatives of the Seventy-third Congress from the Third Congressional District of the State of Maine; and further

Resolved, That John G. Utterback is entitled to a seat in the House of Representatives of the Seventy-third Congress from the Third Congressional District of the State of Maine.

The resolutions were agreed to.

Mr. PATMAN. Will the gentleman yield?

Mr. THOMPSON of Texas. I yield to the gentleman from Texas.

N.R.A. IMPROVEMENT OVER TRADE-PRACTICE CONFERENCES

Mr. PATMAN. Mr. Speaker, I just want to say a word about the difference between trade-practice conferences and the N.R.A.

Commencing in 1925, we had a Federal Trade Commission that refused to follow the law and adopted a policy that was contrary to the public interest. Before 1925 there had not been many trade-practice conferences because the different industries did not have the incentive to organize them. Beginning then, the Federal Trade Commission adopted the policy of letting the representatives of the different industries get together and organize themselves, even under the guidance and with the assistance of the Federal Trade Commission.

TRUST-FORMING ORGANIZATION

Such an organization resulted in the sky being the limit as to prices. It resulted in labor not being protected and it resulted in the destruction of independent business and in creating monopolies and trusts. There was nothing done at these conferences toward prohibiting child labor or controlling the hours of work. There were no provisions for minimum wages and maximum hours. I opposed the activities of the Federal Trade Commission in organizing, condoning, or permitting these conferences for the reasons I have just stated. I even went so far as to oppose the appropriations for the Federal Trade Commission when the bills came on the floor of this House. One time in December 1932, when I was fighting against an appropriation for the Federal Trade Commission that would further encourage these trade-practice conferences, I received information that as soon as the President-elect came into office in March 1933 he was going to change that; he was going to have something set up in the form of the N.R.A. that would protect the public, independent business, and labor, and such conferences would not be tolerated. After I was convinced it would take the place of the Federal Trade Commission, insofar as trade-practice conferences were concerned, I withdrew my opposition to the appropriation for the Federal Trade Commission because I did not want to interfere with the good work it was doing in other directions. The N.R.A. has been organized as it was contemplated. They have what may be termed "trade-practice conferences." They are called "conferences to agree upon a code."

LABOR, CONSUMERS, AND SMALL BUSINESS PROTECTED

Unlike the trade-practice conferences organized under the Republican administration, the public, labor, and independent business are protected under the codes. Instead of the sky being the limit as to prices, the consumer is protected. Instead of labor receiving nothing, the laboring man is protected now. Under the trade-practice conferences, industries were encouraged to organize monopolies and trusts. They cannot do that now. The independent is protected. So as between trade-practice conferences under the Republican administration, where there was no protection for labor, as was stated by the gentleman from Massachusetts [Mr. CONNERY], where there was no protection for the consumer, where the sky was the limit as to prices, and where they were encouraged to organize monopolies and trusts in their own interests, and the N.R.A., which protects the consumer, which protects labor, which prohibits monopolies and encourages independent business, I am in favor of the N.R.A.

Mr. RANDOLPH. Will the gentleman yield for one observation?

Mr. PATMAN. I yield.

Mr. RANDOLPH. I am in hearty accord with what the gentleman has said. In West Virginia the coal industry has really been put back on its feet again by the N.R.A. It has been the salvation of that industry, both as to the employers and the employees.

Mr. PATMAN. Between 1925 and 1933, under a Republican Federal Trade Commission and a Republican administration, more than 100 large industries in this country were organized in trade-practice conferences, as I have outlined, and the public was absolutely unprotected. The N.R.A. is protecting those who were helpless under the Republican administration.

DIFFERENCE BETWEEN N.R.A. AND TRADE-PRACTICE CONFERENCES UNDER REPUBLICAN ADMINISTRATION

Under the codes there are provisions against child labor, for minimum wages and maximum hours, allowing labor to bargain collectively, protecting consumers against exorbitant prices, protecting small business enterprises, and discouraging monopolies and trusts. Trade-practice conferences only helped the owners of the industry and disregarded the many benefits under the N.R.A. The representatives of an industry enforced the trade-practice rules, whereas under a code under the N.R.A. labor is protected by a labor advisory council, the consumers are protected by a consumers' advisory council, and the industry is protected by an industrial advisory council.

Mr. RICH. Will the gentleman yield to me?

Mr. THOMPSON of Texas. I yield to the gentleman from Pennsylvania 5 minutes.

Mr. BYRNS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BYRNS. I am not going to object to this request, but is it in order for the gentleman from Texas to yield for general debate on a proposition of this sort?

The SPEAKER. It is not the practice.

Mr. BYRNS. I am not going to object to the request of the gentleman from Pennsylvania, but I want to call attention to the fact that general debate is not in order under a motion such as the gentleman from Texas has made.

Mr. SNELL. It certainly is not; and I am glad the gentleman has called attention to that fact. The rules ought to be complied with.

Mr. RICH. Mr. Speaker, I ask unanimous consent to have 5 minutes after the conclusion of the bills now before the gentleman.

Mr. BYRNS. I am not objecting to the gentleman from Pennsylvania addressing the House at this time.

Mr. RICH. Mr. Speaker, the Joint Committee on Printing advertised for bids for paper and envelops for the Federal Government for a period of 6 months or 1 year, beginning July 1, 1934. The reason for the request being for a 6-month to 1-year period was because the members of the committee really expected Congress to adjourn by July 1, and that would eliminate the necessity for their coming to Washington before January 1 next to renew contracts. The Public Printer also could function in doing the work necessary and could conduct his department in the best possible manner by having the supply of material furnished by contract.

The bids were to be opened Monday, May 21, 1934. The joint committee met on that date, and several members were notified by some of the bidders before entering the committee room that they were only permitted to bid for a 3-month period on account of the paper-code authority or N.R.A. not permitting a longer-period contract.

The Joint Committee on Printing then discussed the advisability of opening the bids on Monday, May 21, and after looking at the situation from all angles decided to notify the code authority of the paper industry and the N.R.A. that the Joint Committee on Printing wanted to secure contracts for at least 6 months to 1 year—at the request of the Printing Office. At this meeting the following resolution was adopted by the Joint Committee on Printing:

Whereas section 4 of the Printing Act of January 12, 1895, provides that the advertisements for paper proposals "shall specify the minimum portion of each quality of paper required for either 3 months, 6 months, or 1 year, as the Joint Committee on Printing may determine": Therefore, be it

Resolved, That in view of the apparent uncertainty among the paper trade as to whether the Joint Committee on Printing would consider proposals for furnishing paper for the public printing and binding for a term of 3 months beginning July 1, 1934, in accordance with the action taken by the paper-industry authority, instead of 6 months or 1 year, as advertised for by the Public Printer, in compliance with the direction of the Joint Committee on Printing, the committee do now take a recess until 10 o'clock a.m., Friday, May 25, 1934, in order that all bidders whose sealed proposals have been received up to 10 o'clock a.m. on Monday, May 21, 1934, shall be given an opportunity to file a statement, if they so desire, that their respective proposals may be considered for a period of 6 months or 1 year, which was determined by the Joint Committee on Printing on April 26, 1934, under authority of section 4 of the Printing Act of January 12, 1895.

On Friday, May 25, the committee met; and I sat 3 hours listening to the opening of 50 bids, in which the prices were practically all uniform—the same. The length of time they were permitted to bid being 3 months, thus the Joint Committee on Printing had no bids for paper except for envelops, and the committee let the contract for this material for 1 year. There seems to be no restriction of time by N.R.A. on envelop paper.

Now, the situation is just this: That all the advertising is lost; all the work done by the committee was for naught,

as the N.R.A. would not permit the manufacturer to bid for more than 3 months, whereas the Joint Committee on Printing requested bids on a period of 6 months to 1 year. Therefore the law permitting the Joint Committee on Printing to function is violated by the N.R.A. They could not function according to law on account of N.R.A. The joint committee could not let contracts for 6 months as per their advertisement for bids, because the manufacturers were prohibited from submitting bids for a 6-month period or longer.

Would not the manufacturers be better off if they had work for 6 months or 1 year ahead on contract so they could in an orderly procedure conduct their business rather than compelling the Public Printer to purchase his requirements on the open market? This would cause the Government to do business in a disorderly fashion and contrary to good regulated business principles.

Is the N.R.A. cooperating with business or is it hindering it? Is the N.R.A. permitting the Government committees to function according to law or is the N.R.A. hindering the Joint Committee on Printing from functioning according to law? This I will let each Member of Congress ask himself.

Why not ask the N.R.A. to function for the best interests of the Government, the manufacturers, the laborers, and the taxpayers?

Mr. THOMPSON of Texas. Mr. Speaker, I move the adoption of the resolution.

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

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes.

ESTABLISHMENT AND OPERATION OF FOREIGN-TRADE ZONES

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 381.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9322, a bill to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States to expedite and encourage commerce, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed 30 minutes, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit.

With the following committee amendment:

Page 1, line 9, strike out the words "thirty minutes" and insert in lieu thereof the words "one hour."

Mr. MARTIN of Massachusetts. Mr. Speaker, a point of order. I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is no quorum present.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 148]

Abernethy	Ayres, Kans.	Bloom	Browning
Adams	Bailey	Boland	Brumm
Allgood	Beck	Boylan	Buckbee
Andrews, N.Y.	Berlin	Brennan	Bulwinkle
Auf der Heide	Black	Brooks	Cannon, Wis.
Carley	Foulkes	Kurtz	Rudd
Carter, Calif.	Frear	Kvale	Seger
Cavicchia	Frey	Lambeth	Shallenberger
Celler	Goldsborough	Lanzetta	Shoemaker
Chapman	Granfield	Lea, Calif.	Simpson
Chase	Green	Lee, Mo.	Sirovich
Church	Greenway	Lehlbach	Sisson
Claiborne	Griffin	Lesinski	Smith, Va.
Clark, N.C.	Guyer	Lewis, Md.	Smith, W.Va.
Cochran, Pa.	Haines	Lindsay	Snyder
Cooper, Ohio	Hamilton	Lloyd	Somers, N.Y.
Corning	Hancock, N.Y.	McDuffie	Stalker
Crump	Hancock, N.C.	McLean	Steagall
Dickstein	Hart	McMillan	Strong, Pa.
Dies	Healey	Marland	Studley
Dingell	Hoeppel	Monaghan, Mont.	Sullivan
Disney	Hoidale	Moynihan, Ill.	Swank
Douglass	James	Muldowney	Tobey
Doutrich	Jeffers	Murdock	Traeger
Durgan	Jenckes	Norton	Wadsworth
Edmonds	Jenkins	Perkins	Waldron
Ellenbogen	Johnson, Okla.	Peterson	Weaver
Ellzey, Miss.	Kee	Powers	Welch
Fiesinger	Kennedy, Md.	Ramspeck	Wilcox
Fitzgibbons	Kenney	Rayburn	Wilson
Flannagan	Kerr	Reid, Ill.	Withrow
Ford	Kleberg	Rogers, Okla.	

The SPEAKER. Three hundred and four Members have answered to their names, a quorum.

On motion of Mr. BYRNS, further proceedings under the call were dispensed with.

The doors were opened.

FOREIGN-TRADE ZONES

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. O'CONNOR. This is a rule providing for the consideration of the bill H.R. 9322, known as the "free port" bill. For years we have heard about free ports. They are now called "foreign-trade zones." This bill provides for the establishment of free ports in the United States to be controlled by a commission made up of three Cabinet officers.

The rule provides for 1 hour of general debate. It is a wide-open rule, and the bill will be read for amendment under the 5-minute rule. It was represented to the Rules Committee that this bill had been reported from the Ways and Means Committee, that there was very little opposition to it; that for many years there has been a great deal of agitation throughout the country for the establishment of free ports in America. It was also represented to the Rules Committee that there were 41 free ports throughout the world; that the establishment of free ports or foreign-trade zones in this country would increase our foreign commerce, which is a thing we very much desire; that it would not interfere with the collection of customs duties, but on the other hand would afford an economy in their collection.

The policy established in the foreign-trade zone bill is one that has been advocated and endorsed for many years by the Chamber of Commerce of the United States and practically all the leading chambers of commerce in the cities where there are ports. It has been endorsed by the Secretary of the Treasury and by the Secretary of Commerce. They have stated that the enactment of such a bill would aid the reestablishment of our foreign trade, that it would not interfere with our domestic manufacturers or with our domestic commerce, these being amply protected in the bill. Because of these representations, the Rules Committee saw fit to bring this measure out on the floor of the House as a piece of legislation which should be considered before Congress adjourns 2 months from now. [Laughter.]

A bill not entirely identical with this passed the Senate; but I understand the Committee on Ways and Means saw fit to report the House bill as more nearly meeting the situation than the Senate bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 15 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Speaker, the bill under consideration, H.R. 9322, like its companion bill, S. 2001, is not new legislation. The latter bill passed the Senate unanimously.

Legislation having for its purpose the establishment and operation of foreign-trade zones within the ports of the United States has been before Congress for a great many

years. It is not, therefore, either new or surprise legislation. To be exact, during the Sixty-fifth Congress, on May 3, 1918, the Senate Committee on Commerce referred to the Tariff Commission Senate bill 4153, which had the same purpose as the pending bill. The Tariff Commission made an exhaustive study of the matter. Hearings were held in San Francisco, Chicago, New York, New Orleans, Galveston, and other leading commercial and seaport cities of the United States. The Commission finally submitted a report to Congress, 6 months later. Their report is rather lengthy, but for the information of the Members present I shall read the concluding paragraph of that report:

After exhaustive study of foreign institutions and careful investigation of American conditions and mercantile opinion the Tariff Commission recommends the policy of permitting the establishment of free zones in American ports and endorses with certain suggested amendments the bill S. 4153 as shown in the print, analysis, comment, which follows.

That was in 1918. May I state that former President Hoover, while Secretary of Commerce, endorsed this policy. A few moments ago it was stated that the present Secretary of the Treasury endorsed the policy sought to be established by this bill. His predecessor, Secretary of the Treasury Mellon, gave his unqualified endorsement to this policy.

Mr. Speaker, for many years past I have been a stanch advocate of the policy of establishing foreign-trade zones in the United States. I have repeatedly introduced measures to bring this policy into being and have testified before committees of the House of Representatives in their behalf.

I presented the matter for consideration when the Tariff Act of 1930 was before the House of Representatives in the spring of 1929. While I have introduced bills to establish the policy since that time, I have not urged their consideration because of the economic conditions prevailing throughout the country. I did not feel that the various ports were in a position to assume the financial burden necessary to establish foreign-trade zones.

In the hearings held before the Committee on Ways and Means of the House of Representatives when the Tariff Act of 1930 was under consideration I referred to a foreign-trade zone as a place, limited in extent, that differs from adjacent territory in being exempt from the customs laws as affecting goods destined for reexport; it means simply that, as regards customs duties, there is freedom unless and until goods enter the domestic market. A foreign-trade zone is an isolated, enclosed, and policed area in or adjacent to a port of entry, without resident population, furnished with the necessary facilities for lading and unlading, for supplying fuel and ship's stores, for storing goods and reshipping them by land and water; an area within which goods may be landed, stored, mixed, blended, repacked, and reshipped without payment of duties and without intervention of customs officials. It is separated from surrounding territory by a stockade. Goods cannot pass this stockade into the hands of the consuming public without undergoing customs revision and paying the full tariff duty.

One who has not been directly connected with international trade or marine problems can hardly appreciate the advantages which will accrue to American international commerce, as well as domestic labor and industry, from the establishment of foreign-trade zones in each and every port of the United States engaged in reexport business.

As I have stated before committees of this House, the establishment of foreign-trade zones will aid in better carrying out the principle of protection to American labor and industry;

It will encourage the investment of American capital in new industries;

It will employ American labor in work and enterprise now carried on in foreign countries;

It will develop American business in foreign markets and foreign trade;

It will build up centers in the United States for the distribution of the world's merchandise throughout the world;

It will simplify, facilitate, and cheapen the handling of exports and imports;

It will establish large transshipment points in the United States;

It will expedite the loading and unloading of ships;

It will aid in securing return cargoes for American vessels;

It will involve no change of principle not already well established, but merely of procedure; and

It will be a permissive law only.

The development of a consignment and transshipment trade by the use of foreign-trade zones will do much toward rehabilitating, developing, and maintaining our merchant marine. It will assist in restoring to the United States its position of leadership in international commerce.

With a limited number of natural harbors the ports of the United States have become of national importance. They are the gateways to the seven seas. Through them must pass all of the international trade of this vast Nation. The establishment and operation of foreign-trade zones in each of these ports is infinitely more far-reaching than local interest. Foreign-trade zones would have a beneficial influence over areas far greater than State boundaries. Their national importance gives the Federal Government an additional interest.

Because of this national significance of foreign-trade zones, I believe the present measure does not go far enough. I believe the Congress should authorize the establishment of foreign-trade zones as a public-works project, probably in accordance with the terms of the bill now under consideration. Foreign-trade zones so established would be self-liquidating and could be amortized over a period of years so that they would ultimately not cost the Federal Government a single penny. The financial burden of establishing zones, with its sacrifices due to high discount and interest rates, would not be imposed upon the ports and communities where the zones are established.

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

Mr. WELCH. I yield.

Mr. CULKIN. Will the gentleman state how these zones are to be established and financed under this bill? I notice the word "corporation" is used. Are they to be private corporations?

Mr. WELCH. They will be financed by publicly owned ports, or by privately owned ports. As the gentleman perhaps knows, the great major ports of this country are publicly owned. A few are privately owned. So they would be financed, as I said, either by the State or municipalities owning the ports, or by private corporations which now own and control some of the ports of this country.

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

Mr. WELCH. I yield.

Mr. DONDERO. Will the gentleman give a concrete example of how the free port will operate, taking any given commodity as an example; will he not explain how the system will work?

Mr. WELCH. I should like to comply with my colleague's request but my time will not permit going into the full details of how a free port operates.

While I personally favor the policy long established in the majority of our larger ports of governmental ownership and operation of port facilities as public utilities, I recognize the vested rights of private enterprise in some major ports. In those ports, however, as in publicly owned ports, foreign-trade zones should be operated as public utilities. The interest of the Federal Government, through Public Works financial assistance, would be a step in this direction.

However, the development of final policy in the operation of foreign-trade zones will come gradually through our experience in their operation. In establishing the principle by legislation of this character, we should be interested in safeguarding the heritage of all the American people, while at the same time developing a means for freer handling of international commerce and wider markets for American commodities.

Notwithstanding what I consider to be weaknesses in the present legislation, I shall vote for it, for the inherent principle is a definite and positive step in the right direction. Foreign-trade zones are necessary to the fullest development

and employment of our resources, both in commodities, merchant marine, and labor, and their immediate authorization by the Congress will do much to assist in the restoration of normal international trade.

Mr. Speaker, I yield back the balance of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, I am opposed to this measure. I anticipate it will pass the House, so I do not feel I am likely to convince anybody of the demerits of the bill. I realize that Members of the House from seaport sections are naturally in favor of any measure which will increase the commerce of their ports. It could not be otherwise. That is what this bill is designed to do, namely, aid in the local sale of foreign-made goods, and nothing else.

I was asked a moment ago by a Member to give an illustration of how this bill would work. I use this as an example: Supposing that there is a desire to purchase a thousand yards of some kind of cloth. The cloth may be made in this country. A similar cloth is made abroad. If the American-made goods are offered in competition with the foreign-made goods, it is fair to assume that the question of time of delivery would be extremely important. The American manufacturer can deliver his goods within a reasonable time. Possibly they are in his warehouse at the time the customer is looking for the goods.

The man offering the foreign goods must place the order for the goods and have them shipped to this country, thereby incurring considerable delay. But if this bill is passed the foreign-made goods stand on a parity with the American-made goods because of the creation of this zone. You fence the zone in and employ a lot of people to watch that no trespassing is done, and so forth; but the goods are shipped to this country to await sale. If not sold within 2 years then they are auctioned off, under the provisions of the bill. Consequently I do not hesitate to say that this bill follows the Democratic program that we have heard here for some little time of favoring foreign producers. We passed a reciprocal-tariff bill without any information about the kind of reciprocity that would be put into practice. Now we are asked in addition to that to set up a little market place where goods may be sold which are not consigned to a purchaser.

Mr. VINSON of Kentucky. Will the gentleman yield?

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

Mr. VINSON of Kentucky. I am certain that the gentleman recognizes the amendment adopted in the committee prohibiting the exhibition of the goods.

Mr. TREADWAY. They cannot be exhibited, but let me cover that matter. I grant the word "exhibit" has been put in there. However, assuming that I am the agent of a foreign manufacturer, I can have in my office in New York City a sample card book, as all dealers do. Those goods are not being exhibited. I have a right to have those samples, and I can say to you as my customer: "Mr. VINSON, I can deliver these goods to you the moment the duties are paid on them because I have them right here in this zone warehouse."

Mr. VINSON of Kentucky. If they are sold and removed from the foreign-trade zone they must pay the full tariff duty.

Mr. TREADWAY. I am not saying that the Government does not get the duty. That is perfectly all right. We get the duty, but we do favor the foreign manufacturer by having the goods available for immediate delivery.

Mr. FITZPATRICK. Will the gentleman yield?

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

Mr. FITZPATRICK. Will he have to pay for storage in this warehouse?

Mr. TREADWAY. The question was asked a moment ago, Who was going to pay the bill? That is another serious objection to the bill. I suppose the importer will pay the bill, but it will require, in order to complete properly the setting up of these inland ports of entry and the zone adopted in inland cities, a very large expense, not alone to the actual owners of the goods but likewise to the Government itself, because it means the adding of just that many more employees on the part of the Government. Of course, additional employees mean additional Democratic officeholders.

May I say that the gentleman from New York [Mr. FITZPATRICK] and I were neighbors in Massachusetts. He was born in the next town to where I was born and where I have always lived. I have never had an opportunity to bring this up on the floor, but I am sorry that the gentleman from New York in his youth did not imbibe a little more of our good old Republican doctrine before he moved down to New York State.

Mr. FITZPATRICK. I believe in a fair protective tariff. For this reason, I wanted to ask how they could compete with the American-made goods when they would have to pay for the storage and also the duty.

Mr. TREADWAY. Of course, we all recognize that 9 times out of 10 the foreign goods can be made much cheaper than our goods, in view of the wages paid by the manufacturers abroad, so that they can well afford to pay this storage.

Mr. FITZPATRICK. I am against bringing anything into this country without paying a fair tariff.

Mr. TREADWAY. After all, I am glad to see my good friend did imbibe some good principles before he left Massachusetts.

Mr. BLANTON. I have been wondering how our friend from New York so well outlived the environment of that earlier association.

Mr. TREADWAY. He left there pretty young, but you can see it lasted and still shows in his good judgment.

Mr. McFADDEN. Will the gentleman yield?

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

Mr. McFADDEN. May I ask the gentleman more particularly about the facilities that will be provided? Do I understand that the Government has to erect these warehouses at each one of these ports?

Mr. TREADWAY. It is my impression that is left to the applicants for the privileges. I think the property has to be furnished by somebody interested in the sale of these goods. This brings up another very interesting question.

All these port facilities are to a certain extent adjoining valuable land. Somebody must have some land they want to sell to the people that are setting up these zones. I do not know anything about that or who they are, but somebody is going to benefit in real-estate transactions by the passage of this bill.

Mr. EVANS. Will the gentleman yield?

Mr. TREADWAY. I yield for a short question.

Mr. EVANS. Further answering the gentleman from Pennsylvania, may I say that in this bill the Government furnishes nothing except supervision. It furnishes no land or facilities in the way of physical property.

Mr. WELCH. Will the gentleman yield?

Mr. TREADWAY. I should like to talk on the bill.

Mr. WELCH. I know the gentleman wants to be fair. When the gentleman asserts that someone has land to sell——

Mr. TREADWAY. I did not assert it. I thought it, and I still think so.

Mr. WELCH. Nearly all of the ports in the United States are owned and controlled either by cities or by municipalities. The cities and municipalities own the land; so they are not going to sell it to themselves.

Mr. TREADWAY. There is plenty of privately owned land.

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

Mr. TREADWAY. I yield.

Mr. COLDEN. In the case of Los Angeles, the city owns 2,000 acres of harbor land; and such a harbor proposition would increase the revenue of the city.

Mr. TREADWAY. That is good. I am pleased that there is some benefit in that way.

Mr. WELCH. And every port on the Pacific coast is in the same position.

Mr. TREADWAY. Let me call your attention to the way this bill is before us. I think it was 16 or 17 years ago that a Member from California, Mr. Kent, brought in the free-zone proposition. It has been hanging around the doors of Congress a good deal of the time since then. When this bill was referred to a subcommittee of the Ways and Means Committee in this Congress, it was reported favorably. We had some conferences in the committee—one I recall, where I asked if it would not be possible to take time enough to hear from the Tariff Commission on the subject; and the Democratic members were so anxious to immediately get the bill passed that we would not even send downtown and get Mr. Page, Vice Chairman of the Tariff Commission, here to tell us about it. The reason for that, Mr. Speaker, is the Tariff Commission——

Mr. CULLEN. Mr. Speaker, I do not like to interrupt the gentleman, but he has just said something about hearings. There were hearings other than those held at this session. We had extensive hearings during the last session of the Congress and Mr. Page appeared before the committee at that time.

Mr. TREADWAY. And he told you at that time there was no reason to pass the bill, and that was a very good reason for your not wanting to hear him this year.

Mr. CULLEN. No; he did not do that. He simply appeared before the committee and expressed his opinion. He was not opposing the bill.

Mr. TREADWAY. He did not favor it.

Mr. CULLEN. As a matter of fact, the Tariff Commission approved the bill.

Mr. TREADWAY. No. It was distinctly stated there was no need of it. The Secretary of Commerce did not favor the bill.

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

Mr. TREADWAY. I yield to my colleague from Massachusetts.

Mr. GIFFORD. The gentleman has brought out the point about quick delivery and furnishing storage for that purpose. This is dangerous to the manufacturer; but I should like to ask the gentleman about the word "assembled" which appears in the measure. If a manufacturer here has part of the goods necessary, but has to buy other parts in order to complete the manufacture, under this bill he can bring parts from foreign nations and have the goods carried to this free port and assemble them there and in this way practically put out of business the manufacturer here.

Mr. TREADWAY. The language in section 3——

Mr. GIFFORD. That section provides they can be assembled not only to foreign parts, but domestic parts and the parts that heretofore have been purchased in this country will be replaced by foreign parts so the article can be sold cheaper.

Mr. TREADWAY. Here is what can be done. The language of section 3 is, "may not be manufactured or exhibited"—you cannot take foreign material and make it up——

Mr. GIFFORD. But it uses the word "assembled."

Mr. McFADDEN. If the gentleman will yield further there, I want to call attention to the fact that these foreign goods stored in these warehouses in the United States under present law can be financed with Federal Reserve credit at a low discount rate, which at the present time is one-fourth of 1 percent or one-half of 1 percent, and I submit this is unfair to American industry.

Mr. TREADWAY. I thank the gentleman for that information.

Here is what is provided in section 3:

> And may not be manufactured or exhibited in such zone, but may be stored, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated.

Mr. GIFFORD. That is the point—mixed with foreign or domestic merchandise.

Mr. TREADWAY. Or otherwise manipulated. Perhaps the advocates of this bill can tell us what is meant by "otherwise manipulated." It goes about the limit.

Mr. WELCH. Is not that permitted under the Tariff Act of 1930, which the gentleman helped to frame?

Mr. TREADWAY. I think anything in the nature of a drawback is all right.

Mr. WELCH. And the language with respect to mixtures to which the gentleman has referred exists in the present tariff act which the gentleman helped to frame.

Mr. TREADWAY. I have very little time, and I must refuse to yield further. The gentleman does not need to argue the matter with me further. We are on opposite sides on the merits of the bill. There is no question but what you can practically lose the identity of the foreign goods under this language. Therefore I insist you cannot be more unfair to the American manufacturer than by giving the foreigner this benefit with respect to competition.

This is right along the usual line of the desire and the effort in this present Congress to favor the foreigner over the American producer, and I am not for that type of legislation and never have been.

Mr. WEIDEMAN. Will the gentleman yield for a brief question?

Mr. TREADWAY. Certainly.

Mr. WEIDEMAN. I am looking for information. I do not know whether I am going to be for this bill or against it, but I cannot see now how this bill is going to help a single American manufacturer. Does the gentleman know how it will do this?

Mr. TREADWAY. On the contrary, it puts the American manufacturer at an extreme disadvantage.

Mr. WEIDEMAN. If the gentleman will yield for a further question, under the laws governing the Federal Reserve banks and in conformity with what the gentleman from Pennsylvania [Mr. McFADDEN] has just said, foreign commercial paper is discounted in the Federal Reserve banks, which means that the taxpayers and the people of the United States will now be financing all these foreign shipments of goods into the United States at the low rate of one twenty-sixth of 1 percent.

Mr. TREADWAY. I should think after the statement the gentleman has just made, he would know how he is going to vote with respect to this bill. [Laughter.]

Mr. WEIDEMAN. I am asking this for the benefit of the other fellow, too.

Mr. TREADWAY. Now, there are several other features I desire to speak of, but we have consumed practically all the time allowed under the rule. I think it would be well to adopt the rule and then have the debate later on.

Mr. CONNERY. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman.

Mr. CONNERY. I have had an open mind on the bill, but after the remarks of the gentleman from Massachusetts [Mr. TREADWAY] and the questions asked him I am going to vote "no." The President discovered only yesterday or the day before along the lines of what the gentleman from Massachusetts said that we are in great danger from foreign imports, so much so that he has used his power given in the N.R.A. to put an additional tax on Japanese rugs.

Mr. TREADWAY. Would it not be desirable to do the same thing on shoes?

Mr. CONNERY. Yes. As the gentleman from Massachusetts said, if you have a mingling of domestic and foreign articles it would ruin the American manufacturer.

Mr. TREADWAY. Take the Czechoslovakian shoes. They can bring them in to the free zone, take samples to Lynn, and sell those shoes out of that free zone.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I am very sorry to hear the gentleman from Massachusetts [Mr. CONNERY] jump so quickly to a conclusion. I am afraid that my friend does not realize that the gentleman from Massachusetts [Mr. TREADWAY] has not pointed out anything in the bill that is not in the Hawley-Smoot Tariff Act, referring to assembling and mixing.

The gentleman from Massachusetts [Mr. TREADWAY] says that by the passage of this bill we give the power to assemble

and manipulate, and so forth. There is nothing in that that is not contained in the tariff law passed in 1930, which the gentleman from Massachusetts helped to draft. That bill now exists, and goods are coming into bonded warehouses under it.

Every time a bill comes in my friend here raises the political flag. I greatly respect the gentleman from Massachusetts, and have a high regard for him personally, but he should not overlook the fact that distinguished members of his party have tried to bring about its passage in the past. This is not a Democratic measure. It is supported by members of both parties.

This bill comes in here, and the gentleman from Massachusetts [Mr. TREADWAY] takes the floor, and what does he say? He says it is the usual Democratic program to favor the foreign manufacturer. That is incorrect. There are no tangible facts to support such a statement. The Boston Chamber of Commerce favors it. The maritime association of Boston favors it—both located in Massachusetts. From my experience and knowledge, 90 percent of the members of these organizations are not Democrats, although they are both fine organizations.

It is easy to make general statements, but one should take the floor and give the facts honestly, disinterestedly, and impersonally. If a Member is opposed to a bill, he should fight it, and fight it upon its merits, without taking the floor and simply saying, "This is injurious to the American manufacturer." My friend is trying to raise another political issue with reference to a bill which is not connected with any particular party. As a matter of fact, distinguished members of the Republican Party were those who first conceived this legislation, and members of the Democratic Party joined with them, as the result of which this bill is now before the House. This does not create any new law with reference to manipulation, assembling or anything of that kind. This prohibits manufacturing, because we do not want manufacturing in the foreign-trade zones entering into competition with our domestic manufactures. We specifically protected our American manufacturers and we provided that there shall be no exhibition within a foreign-trade zone, to protect further our American manufacturers; and my friend from Massachusetts, Mr. TREADWAY, knows that.

There is one more thought that I want to leave. Mr. TREADWAY talks about conservative Republicans. I respect them. I respect the rights of all schools of thought which operate within the law. We want the progressive school. We do not want the radical school; but they are entitled to their thought, as long as they stay within the Consitution and the law. I admire conservatism. I like to consider myself a progressive, but I do not like to see my friend take the floor and then try to create a party issue, when, as a matter of fact, the real credit belongs to members of both parties rather than to members of any one party.

I hope the rule will be adopted, and then we can debate this question further when it comes up for consideration in the committee. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Massachusetts [Mr. MCCORMACK] has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. Mr. Speaker, the pending bill authorizes the creation, operation, and maintenance of free-trade zones at ports of entry in the United States. This bill was given very careful consideration by the Ways and Means Committee. Hearings were conducted by a subcommittee of the Committee on Ways and Means. Later the full committee gave very careful consideration to the proposed legislation. It has the support of a large majority of that committee, not only members of the majority but several members of the minority. It also has the support of the Secretary of the Treasury of the United States, also the support of his distinguished predecessor. It has the support also of the Secretary of Commerce. It has the support of the American Chamber of Commerce. It has the support of practically all business organizations of the country. In fact, it has the support of all who know most about it, and is opposed by those who know least about it.

It also has the support of the Tariff Commission of the United States, a nonpartisan organization. The fact is there is no partisanship whatever in this legislation. The idea of trying to raise the red flag of partisanship in the discussion here shows to me very conclusively the bankrupt condition of those who are opposing this legislation. If I were in the place of those who are so vigorously opposing this legislation, I would first go to those of my own household to see if I could not convince them.

I know there are still men in this House, both Republicans and Democrats, whose patriotism rises above partisanship, and they are anxious to see the business of this country resuscitated and put on its feet again. In order to do that, they think it is best to follow the enlightened judgment of men who know most about legislation of this kind and pay little attention to those who know least about legislation of this character. [Applause.]

Its passage will aid industry and labor. It will also aid our international trade and should receive the unanimous support of the House.

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

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

The committee amendment was agreed to.

The resolution as amended was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the the table.

Mr. CULLEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 9322, with Mr. JOHNSON of West Virginia in the chair.

The Clerk read the title of the bill.

Mr. CULLEN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CULLEN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, if there is one thing that I enjoy more than another in this House it is to see my distinguished brother, TREADWAY, take the floor on matters of legislation. He is really appealing. He rather gets under your skin with the serious way that he starts to explain bills; and then, when there is a suggestion of anything in relation to tariff or free trade, Brother TREADWAY is right at home.

The gentleman knows just as well as I do that there is not the suggestion of tariff, not the suggestion of interference with American manufacturers, not the suggestion of free trade within this bill; but simply because of the fact that the bill establishes these free foreign-trade zones, my friend TREADWAY wants to leave the impression on the Membership of the House: "Look out for it; you are going to get caught here somewhere; Europe is going to flood us with a lot of their manufactures; the American manufacturer is going to be destroyed!"

Of course, nobody who has real, good, ordinary, common sense in regard to this matter and who has read this bill thoroughly thinks there is any suggestion of that kind, but, on the contrary, is completely convinced that there is not such a suggestion within the four corners of the bill.

Now, let us see what the bill does and let us see how a free zone is defined. It is not a new thing, but has been before Congress off and on for the last 20 years.

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

Mr. CULLEN. I yield.

Mr. HOLMES. All goods which are imported at the present time have to go into a bonded warehouse, and they cannot be taken out of this warehouse until the duties are paid.

Mr. CULLEN. But the importer or the shipper has to pay the expense of having the goods held in the warehouse under bond.

Mr. HOLMES. Of course, he has got to pay what they call storage on them.

Mr. McCORMACK. And under the operation of the foreign-trade zones as provided in this bill the importer or the shipper will have to pay the expense of the operation of the foreign trade zone.

Mr. HOLMES. But it comes into the free zone without any kind of expense.

Mr. CULLEN. It comes into the free zone without duty, but the expense of organizing and operating the free zone has to be met by those who use its facilities, whether the free zone be operated by a municipality or by a private corporation.

Mr. HOLMES. The reason I raise this point is because in past years European countries have dumped steel into the warehouses of Boston, landed there duty paid and freight paid for $1 a hundred pounds; and the best we can do in these same warehouses on American steel from Pittsburgh, Detroit, or Chicago, or anywhere else in this country is $2 a hundred base.

Now, will the free zones make it possible for foreign steel manufacturers to dump an unlimited amount of their steel into these ports for the consumption of the people of the United States in competition with domestically manufacured steel?

Mr. CULLEN. That most certainly is not the intention of the bill.

Mr. HOLMES. That is the point that bothers me in the consideration of the establishment of free zones.

Mr. CULLEN. Similar bills have been before Congress for many years. H.R. 9322 is a bill authorizing the establishment, operation, and maintenance of foreign-trade zones in the ports of entry of the United States to expedite and encourage foreign commerce.

Similar bills have been before Congress for the past several years, and a great deal of information has been submitted at public hearings at different times. In 1919 the Tariff Commission made a very thorough investigation and study of this subject, and in their statement submitted to Congress stated in part as follows:

> After exhaustive study of foreign institutions and careful investigation of American conditions and mercantile opinion, the Tariff Commission recommends the policy of permitting the establishment of free zones in American ports.

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

Mr. CULLEN. I yield.

Mr. BLANCHARD. Will the gentleman state just who is going to benefit through the passage of this bill?

Mr. CULLEN. It will benefit the unemployed; it will benefit our shipping, which is absolutely paralyzed today; and it will bring into the country much more commerce, because we lack this type of zone which is provided in 41 cities in Europe today.

During the hearings on March 6 and 7 of this year there appeared many witnesses, all of whom were in favor of the establishment of such zones. Among the organizations favorably commending the proposed legislation are the following: Chamber of Commerce of the United States, the Port of New York Authority, the Chamber of Commerce of the State of New York, the Merchants' Association of the City of New York, the Maritime Association and Boston Chamber of Commerce, the Philadelphia Board of Trade, the Baltimore Association of Commerce, the Export and Import Bureau of Baltimore, the New Orleans Association of Commerce, the New Orleans Cotton Exchange, the Chicago Association of Commerce, the San Francisco Chamber of Commerce, the Pacific American Steamship Association, and the Ship Owners' Association of the Pacific Coast, the Trade Association of Hampton Roads and Norfolk, the Chamber of Commerce of Jersey City, and also the Secretary of the Treasury and the Secretary of Commerce.

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

Mr. CULLEN. I yield.

Mr. BURNHAM. Will not the gentleman add to his list the city of San Diego? The people of that city are tremendously interested in this bill and in its passage.

Mr. CULLEN. I am very glad to have the city of San Diego join in support of such a worthy project.

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

Mr. CULLEN. I yield.

Mr. FISH. The gentleman should also add to his list the names of the cities of Beacon and Poughkeepsie in his own State.

Mr. CULLEN. Yes. I thank my colleague from New York for mentioning these cities. I may say I am advised with respect to the city of Beacon, with the founding of which I had something to do years ago.

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

Mr. CULLEN. I yield.

Mr. BOILEAU. I could see where there will be a tremendous advantage to foreign products coming into this country were this bill adopted; they would have an advantage; but I fail to see anything in the bill which would be of advantage to American interests. I am asking for information.

Mr. CULLEN. The gentleman does not see any advantage that is coming to American manufacturers?

Mr. BOILEAU. Yes.

Mr. CULLEN. It is not going to hurt American manufacturers.

Mr. BOILEAU. Will it not result in an increase of imported products laid down on the shores of this country?

Mr. CULLEN. Not to the disadvantage of domestic commerce.

Mr. BOILEAU. It will be of advantage to importers.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. I yield.

Mr. VINSON of Kentucky. One of the major benefits will be in the transshipment of goods. I think there is a misapprehension as to what can be done under this bill. Under the present tariff law foreign goods can enter this country; and if they are mixed, mingled, or manipulated and then exported from the country, there is a drawback of the tariff. Consequently the same thing that would be done under the pending bill is already being done under existing law.

Mr. BOILEAU. But this bill will provide the added advantage of warehouse facilities.

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

Mr. CULLEN. I yield.

Mr. GIFFORD. I want to emphasize that it is the maritime branch of the Boston Chamber of Commerce that is interested. There is no question as to their feeling in the matter.

I was glad to hear the gentleman from Kentucky mention "drawback." The passage of this bill would aid merchants inasmuch as it is troublesome to get the drawback, and sometimes they have to wait a long time to get it. But I want to ask the gentleman from New York whether the passage of this bill will not encourage and increase the importation of foreign goods from the obvious advantage which would be enjoyed through having goods right on our shores ready for immediate delivery?

Mr. CULLEN. Not any more than it does today.

Mr. GIFFORD. I cannot see that.

Mr. CULLEN. I refuse to yield further.

Mr. WELCH. My statement was that it was a warehouse for goods in transit, not a warehouse for foreign goods.

Mr. CULLEN. In view of the fact that considerable misunderstanding has prevailed in the past regarding foreign-trade zones, I shall take a few moments on this phase of the subject.

The establishment of such zones in the ports of entry of the United States will in no way interfere with or change existing tariffs, and is in no way an entering wedge for the dumping of foreign products in competition with our domestic products. At this point I desire to quote from the report of the Tariff Commission defining such zones and the purposes and functions of the same. The Tariff Commission's definition is as follows:

A free port or free zone is a place, limited in extent, that differs from adjacent territory in being exempt from the customs laws as affecting goods destined for reexport; it means simply that, as regards customs dealers, there is freedom, unless and until imported goods enter the domestic market. * * * The purpose of the free zone is to encourage and expedite that part of a nation's foreign trade which its government wishes to free from the restrictions necessitated by customs duties. In other words, it aims to foster the dealing in foreign goods that are imported, not for domestic consumption but for reexport to foreign markets, and for conditioning or for combining with domestic products previous to export.

This should, in my opinion, dissipate any fears that the creation of such zones will in any way adversely affect our domestic markets, or enable foreign products to avoid our tariff levies and compete with domestic products.

In this connection I want to quote from a letter written by Mr. Harriman, president of the Chamber of Commerce of the United States, which is incorporated in the report on this bill. Mr. Harriman, referring to foreign trade zones, says:

The chambers of commerce and trade associations comprising our membership have, for many years, advocated that there should be legislative permission for the creation of such facilities in American ports. It has been our feeling that foreign-trade zones will contribute to the expansion of our international trade, particularly transshipment trade, to the supplying of additional cargoes for our American merchant marine and for the simplification of customs administration. * * * It is believed that a free zone is a part of the equipment of a country for doing a diversified international trading business which American business men ought to have made available to them. It is believed that with free zones in American ports the American merchant marine will benefit from an increased share in the carrying trade of the world; that American merchants and manufacturers will benefit in a variety of ways from the advantages of a wide American consignment market for foreign products; that the free zones will bring needed improvements in American port and terminal facilities; that the free zones will bring added business to American banks, insurance companies, freight forwarders, and warehousemen; that free zones will bring about a vast improvement of the type of facilities provided at present only by bonded warehouses and drawbacks together with a simplification and saving in the work of customs administration.

That which I have just quoted is what the proponents of this legislation are seeking, and is what I believe every Member of this House should be in favor of. The creation of these trade zones will have a most beneficial effect on our shipping industry, which at the present time is practically paralyzed and lying idle and rusting away for want of cargoes. Any aid that will come to our merchant marine by the passage of this legislation will be of inestimable value from the standpoint of national defense. We all vividly recall the condition we found ourselves in during the World War, and the millions and millions of dollars we were required to expend because of the lack of a mere semblance of an adequate merchant marine.

Now, after we have again placed the American flag on the high seas at such tremendous cost, are we to allow again our merchant marine to distintegrate to a condition similar to that prior to the World War, or are we to extend such aid as is possible and such as is provided in this bill? Other countries have extended similar aid to their shipping and other interests by recognizing the principle of foreign-trade zones. There are 41 such zones in various parts of Europe, and they have been of material aid in the handling of additional tonnage in the ports where located.

Not only that, but this legislation has received endorsement from every commercial body in the United States. Practically nobody opposes it. Nobody that I know of opposes this bill except the gentleman from Massachusetts [Mr. TREADWAY].

Mr. MILLARD. Will the gentleman yield?

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

Mr. MILLARD. If it is such a good bill, why has it taken 20 years to pass?

Mr. CULLEN. The bills that were introduced in the prior sessions of Congress were not pressed with any degree of seriousness. They were introduced as a matter of suggestion, but from one thing grows another. From an acorn large oaks grow. The suggestion came, and hence the bill is before you now because of the fact the people of the country realize this is important legislation and we should have it.

Mr. VINSON of Kentucky. In the bills which were considered in prior Congresses there was the authority to manufacture within the foreign-trade zone. Unquestionably this would give an advantage over the manufacturers of similar products in the interior of this country and that character of bill should not be enacted into legislation. The manufacturing end of it and the authority to manufacture are striken from the bill. We have gone so far as to strike the exhibition of goods from the bill.

Mr. CULLEN. Yes; that was taken out.

Mr. McCORMACK. We prohibit the manufacture of goods within this zone.

Mr. CULLEN. Yes.

Mr. TREADWAY. Will the gentleman yield?

Mr. CULLEN. Yes.

Mr. TREADWAY. The gentleman from Kentucky [Mr. VINSON] bears down on the inclusion of the word "exhibit." Will the gentleman claim that a man endeavoring to sell foreign goods could not have a sample in his office from which he could sell?

Mr. VINSON of Kentucky. May I ask the gentleman from Massachusetts [Mr. TREADWAY] if he thinks the business men of the world, even though they are foreign-business men, are going to go to the expense of manufacturing goods and shipping them blindly out into the ports of the world in the hope that they may be able to sell the goods?

Mr. TREADWAY. I absolutely think they will because there is sure to be a sale of the goods in 2 years' time under this bill.

Mr. VINSON of Kentucky. What benefit would the foreign manufacturer get if they are abandoned and sold under auction? They certainly would do nothing except suffer loss.

Mr. CULLEN. My time is being used up. I refuse to yield further.

The passage of this bill will, in my judgment, also mean a saving of considerable Customs Service expense to the Government, as well as annoyance, delay, and expense to shippers and domestic industries.

The enactment of this legislation does not call for the expenditure of any public funds, but merely authorizes States, political subdivisions thereof, municipalities, or other public agencies to establish, operate, and maintain such zones. Private corporations are authorized to establish such zones only in the case such zones are not established by the States or other public agencies, with a further limitation that they must be chartered by the State legislature. The cost of maintaining whatever additional customs services as may be required in these zones is to be borne by the operators of such zones.

The Secretary of the Treasury, as also the Secretary of Commerce, have signified their approval of the establishment of these zones, as evidenced by their letters which are incorporated in the report, and as this legislation will inevitably encourage our foreign commerce and be of inestimable benefit to many of our domestic industries, I feel the same should meet with the unanimous approval of the membership of this House. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, I have listened to the distinguished gentleman from New York and to my distinguished friend from Massachusetts [Mr. McCORMACK], and the other speakers, but I am a little bit leery of this bill. I am a little suspicious of it. I have listened to all the talk about the free zones and free ports and where the cities are going to build up free ports and all about foreign goods coming into the United States and into these free ports, where the goods wait until an American customer comes

along to buy the goods. Then after a certain period of time, if the goods are not sold, they are auctioned off.

The first thought that occurs to me is that you will have a surplus of goods. You are creating a condition of surplus of goods on hand in a free zone which is a threatened competition to the same type of goods in the United States. True, you are not allowing them to put the goods on exhibition where the American can go in and look at the goods and see whether they are as good-looking a shoe, for instance, as is made in the city of Lynn, Mass., and if they are as good looking as the shoes from Lynn they may be bought at a cheaper price. I know my distinguished friend from New York [Mr. CULLEN] does not want to throw the shoe workers of Lynn, Mass., out of employment, for instance, but before we had a tariff on shoes there were some 6,000,000 pairs of Czechoslovakian shoes coming into the United States every year. We had the same situation in reference to textiles and a lot of other manufactured products of the United States.

As to shipping, I can see where anyone who comes from a seaport would be inclined to favor this bill. Lynn, where I live, is a seaport city. We have just had our harbor deepened. Boston is 10 miles from Lynn and is a great port. The idea supposedly here is to help American shipping, which sounds fine, but these goods are not going to be carried in American ships. They will be carried in English, German, Argentine, French, and other ships.

When the United States Government saw fit to enter into negotiations for Brazilian coffee in exchange for some other articles, the coffee was carried up here in Brazilian ships, and the other products shipped back in Brazilian ships, not American ships. I brought this fact out on the floor of the House at that time. So you need not worry about building up the American merchant marine. It will not be done in this manner because the foreign governments take better care of their shipping than we do. These goods will be shipped in foreign ships. They have control of the ocean, and they intend to keep control.

I am also suspicious when they say the United States Chamber of Commerce and Mr. Harriman are in favor of this bill. Mr. CULLEN says this is going to inure to the benefit of labor. Mr. Harriman appeared last year before the Committee on Labor. I have nothing against the gentleman and have no antagonistic feelings toward him personally. He is a fine gentleman with a good character, but with very little sympathy for the shoe workers of Lynn, or the textile workers of Lawrence, or other men who toil with their hands.

I am suspicious that this bill is another move of the international bankers to protect their interests at the expense of the American workers. The importers and international bankers work pretty well in double harness. The original bill, I understand, would actually have permitted manufacturing in these free zones. Then it would have permitted exhibitions of the goods. That would be almost as good as letting in the goods duty free. It seems to me that for the safety of the American workers and their protection against foreign competition of low wages and long hours this bill should be defeated, and I am against the bill. [Applause.]

Mr. CULLEN. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. Mr. Chairman, you perhaps do not know it, but there is a free port within a stone's throw of the confines of the United States right below my State. Right across the border from San Diego, from where my good friend and colleague from California [Mr. BURNHAM] comes, the Mexican Government, which, I suppose would be considered by us more backward than our own, has established a free port at Tia Juana, and they have established the kind of free port where they permit not only the importation of foreign goods to be repacked and rehandled, and so forth, but they also permit such goods to be manufactured in this free port and free zone. There is an island, so to speak, there that is fenced about with a high fence with barbed wire on top, and they invite, today, the American manufacturer of southern California to come down into this free zone and fabricate their goods, using foreign labor.

What do you suppose the industrialists of San Diego can do against this sort of competition? There are over 41 free zones established in the world, and one of them is right there at the border of southern California, at Tia Juana, Mexico.

I am in sympathy with this bill. I am supporting it because my suspicion is it will encourage the American merchant marine; because my suspicion is that wherever these free zones are established, it will add some employment from the army of unemployed today. I am in thorough sympathy with this bill and want to see it pass.

You may say I am a port-town Member of Congress. This may be true. While I do not represent the district within which is the port of Los Angeles, nevertheless, if I were from Iowa, or if I were from the State of Michigan, I would not object to this bill, and I am sorry to hear my friend and colleague from Michigan state that he feels he will have to oppose the measure, because it will not be long before along the Canadian border there will be established by the Canadian Government free zones, inviting American manufacturers to come in these zones and manufacture and fabricate their goods and buy foreign basic products and put them up and sell them in the United States. In this bill we have safeguarded against this. We only provide that these foreign goods can be brought into this free zone and repacked, rehandled, cleaned, and manipulated; and manipulated, if you will look at the derivation of that word, means handled by the hands. Manus, I believe, is the Latin word for hand, and manipulating means just exactly what it says, that it shall be repacked or rehandled, which is just another similar expression.

So I am supporting this measure and I hope it passes. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I simply want to go on record in favor of this legislation. Two of the cities in my district, Poughkeepsie and Beacon, on the Hudson River, have made a very careful study of the free-zone proposition and the business men there are almost unanimously in favor of it. I can see many advantages and but few disadvantages from the passage of this bill.

I am not very much concerned, however, about the suggestion that the Tariff Commission of the United States favors it—this alleged nonpartisan Commission is like other so-called "nonpartisan commissions" composed mostly of Roosevelt Republicans and college friends of the President who left the Republican Party years ago. The intention of Congress has been repeatedly violated both in spirit and in the letter of the law by appointment of Roosevelt Republicans to represent the policies of the Republican Party.

If anyone could prove to me that this legislation would take away the job of any American in a factory, I would vote against it, but it seems to me, after listening to the distinguished gentleman from Massachusetts [Mr. MCCORMACK] who spoke at some length that it is a fair proposition to provide a free zone or free port so that foreign goods can be transshipped.

It does not propose to favor any foreign goods or take away any American trade. It is merely to extend a much-needed convenience to the foreign shipper so that goods can be held in storage in a free zone without payment of duties until transshipped. I do not see any partisanship in the bill. I do not see that it is a Democratic measure or a Republican measure. It is brought here on its merits, just as years ago it was proposed by a Republican Congress. I see no reason to inject partisanship into it now unless Members can prove definitely that American factory owners and workers will not lose their jobs through unfair competition. I am a protectionist and believe that the American market must be preserved for the products of American labor and that our wage earners need protection more today from the cheap output of Japan and Europe than ever before.

All I can say is that the people of my district, after considering carefully the free-port proposal on its merits for

several years, have asked me to support the pending bill, and I propose to do so, unless some good reason is produced why it should not be adopted.

Mr. COLDEN. Will the gentleman yield?

Mr. FISH. I yield.

Mr. COLDEN. Is it not a fact that some factory owners and manufacturers must use foreign products at times, and this will enable them to get their supplies much better and easier?

Mr. FISH. I do not know whether that is true or not, but the free zone provides a place where they can store their goods until they are transshipped.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, it seems to me that this bill must be for the purpose of giving a benefit to somebody. I cannot see wherein the American manufacturer or producer or where the American laborer will get any advantage under the bill. It does seem to me, however, that the American importer and the foreign producer or manufacturer is going to get some advantage, because under the terms of the bill they would be able to bring their products into the free zones, put them into the warehouses there, leave them there until such time as conditions will enable them to get an opportunity to sell their commodities.

Under present conditions I do not believe that any importer or any foreign producer or manufacturer will ship goods into this country unless they have a place to sell those commodities in this country. In other words, there are practically no goods coming into this country now unless there is someone here ready to buy them or who has already purchased the goods.

Under the terms of this bill the importer or foreign producer could ship goods into the free zone, put them in the warehouse, keep them until he has an opportunity to sell them. The only result of this kind of legislation is to encourage importation from foreign countries. This certainly is a concession to the foreign producer, the foreign manufacturer, and makes it easier for them to sell their goods and merchandise in this country.

Every time we give a concession to foreign interests who are in competition with American interests we are doing something against the interests of our own people, and I for one do not believe that we should pursue that course.

Mr. FORD. Will the gentleman yield?

Mr. BOILEAU. I will yield to the gentleman.

Mr. FORD. How are we going to sell goods abroad if we do not buy goods abroad?

Mr. BOILEAU. Under the present law we consume here about 93 percent of all the commodities produced in this country, and we should preserve our own market for American interests and not worry so much about the 7 percent we sell abroad.

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. WEIDEMAN].

Mr. WEIDEMAN. Mr. Chairman, I am a little suspicious when the Greeks begin to bear gifts. I do not know how this bill is going to benefit American industry. Consumption is fixed. We consume just so much of shoes, so much food, and so much of anything else, commensurate with the amount of money we have to pay for it. Is it not a self-evident fact that the more we import from some country, the less of American goods we are going to use? I am in favor of doing a little bit for the folks over here once in a while.

Another objection I have to this bill is this: Our policy of government says we are now producing too much. We are producing too much, and still you want free ports to bring in more. Either we are wrong one way or the other. To answer the gentleman from California, the gentleman said the gentleman from Michigan should be for this bill. I am not so sure about that. I want to call to his attention that when Tia Juana, Mexico, has a free port, where they use cheap Mexican labor in the fabrication of foreign material, and rather than help American labor it harms us.

If the argument is sound that we are overproduced and that it is necessary to reduce farm acreage because of surpluses, and that the N.R.A. authorities have given industries the right to reduce the hours of labor, where is the necessity to increase our imports at this time?

Experience has shown us that if we increase imports the imported articles will be brought here in foreign bottoms. Does it not stand to reason that the greater imports we introduce into this country at this time the greater number of American articles we will displace with foreign goods.

It should also be brought to the attention of the American citizen that these foreign shipments will be financed with their money through the Federal Reserve banks at a cost of one-thirtieth of 1 percent. Of course, the Federal Reserve bankers and international bankers will make a tremendous profit from the financing of these international deals at the expense of the American Government. If the proponents of this bill will show me how it will help reopen one American factory, and not close many, I will vote for this bill. As yet, this has not been shown. I am not yet in favor of putting Russian and Japanese labor in competition with American labor.

In the course of a few years the imports of Czechoslovakian shoes rose from about 400 pairs per year to 6,000,000 pairs in 1929. This did not help the American shoe industry.

Mr. TREADWAY. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. MCFADDEN].

Mr. MCFADDEN. Mr. Chairman, I do not regard this as a tariff matter in any sense whatsoever. It is a further aid to the foreigner to compete with American manufacturers. It is a further aid to the importer, because he makes his profit from the importation of foreign goods into the United States. It is a direct blow to American industry, because it furnishes facilities to permit the foreign importer to store in the United States, for immediate shipment, in competition with American-manufactured goods.

The claim is put forward that it will mean additional employment. That is probably so in those ports of free entry, but I want to call attention to the fact that whatever employment is gained there will be lost in the factories of the United States. There will be imported into these warehouses or big yards these products. The big yards will be stored with steel and cement, sugar, oil, and probably Russian and Welsh coal, and the warehouses will be filled with perishable products like shoes, cotton goods, and other commodities, manufactured in foreign countries with foreign cheap labor which come in to compete with American industry and American labor. This will simply be another facility to make foreign merchandise readily available to American buyers—and will increase the competition of the American factories.

Another thing to which I called attention a few moments ago, if there is a political party matter involved here I would place on the side of this kind of tactics the Democratic Party, because they seem to be perfectly willing that there shall come into this country foreign-made goods, free and in increasing quantities, and that the foreigner and his industry shall be financed with Federal Reserve credit. There is no question now as to that situation because of the amendments which have been made to the Federal Reserve Act, which permit the financing of the foreigner in the holding, manufacture, and shipment of his goods into the United States. We give the foreigner the benefit of cheap Federal Reserve credit through the use of acceptances. May I point out to you that acceptance credits follow these shipments from the time the raw material is manufactured abroad, while it is being shipped across, and while it is stored in the warehouse for 2 years under this plan, awaiting consumption on the part of the American public.

This is an additional advantage to the foreigner and his goods against the American manufacturer and consumer. Foreign goods are now filling the shelves of our chain and department stores, such as Macy's and Gimble's, of New York, and similar stores of other of our American cities.

To have great quantities of such goods stored in great cities of this country ready for immediate shipment to re-

tailers in zones where quick delivery and favorable shipping zones are at hand, will, I submit, be the keenest kind of competition with American producers and besides few American manufacturers are in a position to get acceptance credits at the low rates of discount as are given to the foreigner.

Mr. McCORMACK. Will the gentleman yield right there?

Mr. McFADDEN. I am sorry, but I am through. I yield back the balance of my time.

Mr. CULLEN. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. McCORMACK] 3 minutes.

Mr. McCORMACK. Mr. Chairman, I want to call the attention of the gentleman from Pennsylvania and the members of the committee to the 2-year provision. Under the present law goods can be brought in and stored in bonded warehouses for a period of 3 years. The 2-year period in this bill is 1 year less than the existing law with reference to bonded warehouses which the distinguished gentleman from Massachusetts [Mr. TREADWAY] helped draft in the passage of the Hawley-Smoot bill of 1930.

Mr. McFADDEN. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. McFADDEN. The gentleman is furnishing free zones for the storage, a very different proposition from the present bonded warehouse which is in existence.

Mr. McCORMACK. I know, but if my friend will get this, nothing can be done under this law that cannot be substantially done under existing law except that it will result in a saving to American business, and be beneficial in many other respects. Our business men put up a bond double the value brought in from a foreign country and placed in a bonded warehouse. That means inconvenience to our business. The duty has to be paid on imports which are assembled in this country outside of bonded warehouses and when exported, they must show they are the identical goods that were imported in order to get the drawback of 99 percent. There is nothing in this bill such as my good friend from Massachusetts, Mr. CONNERY, and my good friend, Mr. WEIDEMAN, from Michigan, think. If we are going to legislate on suspicion, we will never progress. This is to expedite action for the protection of American business. They have under this bill everything that the law now gives them, except that they will be able to expedite action and save the money that they need and which can be utilized to good advantage. In addition, there are the advantages of transshipment and reexport.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WEIDEMAN. To expedite American business you want to make it easier for the importer to make a little money so that they can bring foreign goods in here cheaper, in competition with American industry, so we use more foreign goods and less American goods.

Mr. McCORMACK. Oh, the gentlemen is mistaken about the imports. He should think of American business. That is what this bill is for.

Mr. WEIDEMAN. No. I know the international bankers are the only ones who profit in the interchange of foreign goods. I do not propose to penalize American industry in favor of foreign commerce to make more money for a few international bankers and traders.

Mr. McCORMACK. The international bankers have nothing to do with this bill, and I am no more interested in them than my friend is.

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

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. HOLMES].

Mr. HOLMES. Mr. Chairman, I made an inquiry from my distinguished colleague from New York relative to the situation as it applied to steel. May I say in answer to my good friend from Massachusetts that I do not believe the gentleman from Michigan [Mr. WEIDEMAN] is unduly alarmed over this bill, nor is my colleague from Massachusetts [Mr. CONNERY] because as a matter of fact today we are importing from European steel manufacturers steel at a rate far less than it can be produced for in this country. We have the commodities right in storage under bond in the various seaports of the United States; the manufacturers of Michigan and other States rather than consume the same material of better quality manufactured in American plants by American labor will take out of bond such quantity of this wire as they may want to use. The ultimate effect of this, of course, is to take away that much employment from American workmen. Nor do I have to go to Michigan, for I see it daily going by my door in Worcester, a city where thousands of men are employed in steel mills, as wire drawers, and so forth. These men are suffering because of this foreign competition; yet we in this country had to work for years to develop this industry.

When we come to the question of a more adequate tariff on shoes, which was accomplished after years of work by my friend CONNERY, from Lynn, do you suppose the shoe jobbers or dealers in the United States paid the increased tax? No, it was absorbed by the shipping interests and the manufacturer of the shoes abroad. The local jobber paid just exactly the price he paid before the tariff was increased. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. EDMISTON].

Mr. EDMISTON. Mr. Chairman, it seems to me the argument advanced in support of this bill that to help American shipping we must import more foreign goods into the country is ridiculous. How can we increase our imports without hurting our manufacturers?

In my opinion the chief offender under this bill would be Japan. At the present time, in pottery alone—and I speak of pottery because this industry is located in my district—Japanese imports have increased since the first of the year until now a million dozen units of Japanese pottery are imported into this country each month.

If by the passage of this bill free zones are to be created and the importation of Japanese pottery expedited, we will keep the pottery workers of West Virginia and Ohio unemployed, because Japan is flooding this country with cheap pottery made by workers who receive a wage of 4 cents a day—made by pauper labor. What do they care if they do lose money? If they lose, their Government will subsidize them.

So I fear the passage of this bill will injure American industry; and I hope the bill will be defeated.

Believing as I do that Japan will be the chief offender under this bill I want to call to the attention of the House the utter disregard of the rest of the world that Japan continues to display. Japan has the cheapest and most pauperized labor in the world. She has them in great numbers so she must find room for them. She, by sheer force, ruthlessly overrides China; and, in my opinion, if she thought she had the force would ruthlessly override the rest of the world. Why do we want to pass a measure here that will hurt our own American manufacturers, keep American labor out of work, and aid a country like Japan? I firmly believe that this bill will make it more convenient, at least, for Japanese pottery to be imported into this country; and personally I am for an embargo or limitation against all Japanese products that conflict with American articles.

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I have been trying fairly to understand the bill so that if possible, I could vote for it, but no illustrations of the operation of the free zones have been brought forward except the bare statement that there would be more employment in the shipping ports; but let us who represent manufacturing districts not be asleep at the switch.

The question has many times been asked if this bill would furnish facilities for the more convenient and quicker sale of foreign goods; but this question has not been answered.

I sympathize with the importer who has to pay the duty and wait a long time to get the drawback; but they finally get it after a long wait.

The question was asked if American business men could not get foreign material they needed more quickly and more readily if free-trade zones were established. Yes, of course they could; and it would also be better for those who wanted foreign merchandise in preference to domestic merchandise; and I am wondering if there are no jobbers in this country—men who do not actually manufacture—who would take advantage of this sort of thing by having these foreign goods shipped into the free ports, thus keeping large quantities on hand right on our shores.

The proponents of the bill have shown how it helps the foreign manufacturer, but they have not shown how letting foreign goods come into this country easier will help or improve the domestic manufacturer. Not a single instance of this kind has been presented. So it seems to me clear and unmistakable that it will jeopardize the domestic manufacturer and be helpful only to the ports.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, the question of the free port or trade zone has been approached in this debate from various angles. I know that every Member of this House, in considering the bill and in arriving at a conclusion as to how he or she will vote upon it, will be controlled by what he or she believes to be for the best interests of our country. There never was a time when it was more essential for Members to consider the question in this light than right now. We must not lose sight of the fact that there are large numbers of people on the relief rolls today, and the reports indicate that unemployment is increasing. President Green, of the American Federation of Labor, according to a report in this morning's Post, stated that recently unemployment had been on the increase.

It so happens that I live near the northern border of the United States. I live right across from Canada on Lake Erie; and I hope you Members will listen to me for a minute, because some of you come from far inland towns and cities; therefore, you little realize what it means to live near to foreign markets. Naturally there are literally thousands of people in this country who will buy foreign goods if they have the opportunity, especially when they are operating on a limited budget. You Members may be interested to know that in 1 year 6,000,000 people crossed the Peace Bridge at Buffalo into Canada and returned to the United States the same day. Much has been said about the Hawley-Smoot tariff bill, but let me say that the bill permits a person in an automobile to bring in free of duty $100 worth of foreign goods. I have the figures here, and they are very illuminating as to the amount of foreign goods that come into this country free of duty because of this loophole in the law. The Canadian law is not reciprocal. A Canadian would not be permitted under any circumstances to purchase goods in this country and take them over there.

I have some figures as to what came in through a few ports along the border. There came into this country in 1 year through 11 ports of entry merchandise valued at $4,460,107 free of duty. In addition to the above it is estimated that oral declarations of articles valued at $25 or less amounted to $450,000 more at Buffalo; $250,000 more at Pembina, N.Dak.; and $2,900,000 more at Ogdensburg, N.Y. What is happening over there is that there are stores right across the border within an hour's drive from cities in the United States. Persons drive over to Canada from Buffalo, Rochester, Syracuse, and even from as far away as Cincinnati. They cross over into Canada in an automobile and then return loaded down with the choicest kind of chinaware, pottery, woolens, and other articles of foreign make, which comes in direct competition with similar goods manufactured in this country. What is the result? There was a time when Buffalo had some of the finest china and pottery stores in this country. Today there are only a few of any importance left.

This system of importing foreign goods is going to reach out like creeping paralysis into the other cities. Here is what will happen under the present bill. When you establish a free port or free zone in New York, the trade center of our population, you will establish a great sales agency for the foreign governments. Make no mistake about that. People are going to flock to the free zone, not by the thousands, but by the millions. They are going to watch for foreign bargains and they are going to get them. Foreign interests will have that trade zone equipped with the finest high-pressure sales organization that money can buy. When our people go there they will be supplied with attractive, illustrated catalogs, and they will buy from them, just as many persons purchase through catalogs here. All of the foreign goods bought through this system will throw many of our workmen out of employment.

Our pottery business is now being destroyed by foreign competition. Take the tailoring establishments in Buffalo. They are at a great disadvantage when competing with the Canadian firms because of the low price of woolen cloth in Canada. I have a list here of the wonderful advertisements that are being mailed out by the thousands every day from Canada, urging Americans to "Come over to Canada to do your buying", and explaining in detail just how much can be saved by crossing over the Peace Bridge. This method of Canadian merchandising is going on all along our border and in every one of the border cities. When you open a trade zone you are inviting all the countries of the world to come in and destroy our business. Present custom duties will not stop the exploitation of the American market by foreign manufacturers. [Applause.]

Mr. TREADWAY. Mr. Chairman, I was astonished at the statement made by my good friend and colleague from Massachusetts [Mr. McCORMACK]. How in the world he can make such statements I do not know. He knows better than to say there is no change in this bill from the Smoot-Hawley Tariff Act; that you can do under the Smoot-Hawley Tariff Act what can be done under this bill. The gentleman knows better than that if he knows anything about that act or this bill.

What is the difference? The outstanding difference is that you can import into this country any quantity of goods you want to under the free-zone system and not pay a penny's duty on them until they go into the markets in competition with American products, whereas under the drawback system of the Smoot-Hawley Act you pay your duty before the goods are landed in this country or as soon as they land. If that is not a difference I do not know what is. Under the present law thousands of dollars of interest are tied up. Under the free-zone system you pay nothing until your goods are sold. Is that not a difference?

The gentleman from Massachusetts [Mr. McCORMACK] knows that I am stating it correctly, and, of course, neither of us wants to accuse the other of intentional misstatements.

Reference has been made here to the fact that this bill is favored by administrative agencies and by the Tariff Commission. I deny the statement. You may read the reports from the Tariff Commission away back 20 years ago and get a little favor out of them, but, as a matter of fact, the present Secretary of Commerce said:

> There may be some doubt, therefore, whether the establishment of foreign-trade zones is as urgent at the present time.

That is a terribly left-handed recommendation for the free-zone system. On the contrary, the officials do not recommend it at all.

I call particular attention to the fact that the gentlemen would not permit the Vice Chairman of the Tariff Commission, himself a Democrat, to appear before the committee. He got some subordinate to appear before the subcommittee, but the committee could not secure a day's extension of time in order to hear from Mr. Page. He said exactly what I am saying or what Mr. Roper said, that in principle it might be all right, but there is no call for it today. There is no need for it. That is Mr. Page's opinion as well as the opinion of the Tariff Commission, and we have a letter to

this effect. I will be glad to print in the RECORD a letter from the Tariff Commission making this statement. The letter is as follows:

UNITED STATES TARIFF COMMISSION,
Washington, May 11, 1934.

MY DEAR MR. TREADWAY: I have your letter of May 9, requesting the personal opinion either of myself or of Mr. Page regarding the merits of the legislation proposed for the establishment of foreign-trade zones in the United States.

The subject is one to which I have given little or no study and which has not come up for consideration before the Tariff Commission since I have been connected with this agency. On inquiry I cannot find that it has been a matter for Commission consideration since a report was made by the Commission based on hearings and inquiry conducted during and immediately after the World War. That report, which I am informed was written by Mr. Page, was based on conditions which were widely different from those now existing. Not only was the trade of this country at that time enormously greater than at present and severely handicapped by the lack of adequate port facilities, but also provisions of law regarding drawback, the handling of goods in bond, and other matters affecting our foreign trade were antiquated, cumbersome, and restrictive. Since that time new legislation, based upon recommendations which were made by the Tariff Commission almost contemporaneously with its report on free zones, have greatly simplified or completely removed the difficulties then imposed by law.

In view of the alteration that has occurred in the conditions enumerated there appears at present to be little that might be gained by merchants and shipowners of the United States through the establishment of free zones.

The proposed construction and regulation of such zones would entail a large expenditure. It is true that under proper regulation the greater part of such expenditures would devolve upon the ports where the zones are constructed. Nevertheless, the proper policing of the zones with a view to maintaining Federal regulations would be a matter of considerable expense to the Federal Government.

Obviously, this expense would be increased according as the number of such zones may increase. It is not unreasonable to suppose that in the competition for business the establishment of such a zone at one port would lead to a demand that a similar zone be established in many other ports. I may add that, although I have not studied the bill to which you refer with care, I am inclined to think that interior cities would likewise wish to create zones of the sort contemplated.

On the whole, whether the outlays for construction, maintenance, regulation, and policing of free-trade zones be borne by the inhabitants of the cities where they are located or by the Federal Government, it is impossible to see how profits or benefits accruing from the establishment of such zones could possibly equal the costs.

I may say that Mr. Page concurs with me in what I have written.

Very sincerely yours,

ROBERT L. O'BRIEN, *Chairman.*

Hon. ALLEN T. TREADWAY,
House of Representatives, Washington, D.C.

So we get right down to the facts of the case, that the party in power favors foreign over domestic trade. That is what the bill is here for, and that is what you are going to be called upon to pass today. It is the same policy that we have objected to throughout this session of Congress, and we still object to the policy.

[Here the gavel fell.]

Mr. CULLEN. Mr. Chairman, I yield the balance of my time to Mr. VINSON of Kentucky.

Mr. VINSON of Kentucky. Mr. Chairman, it is a rather amusing thing for me in this debate to watch the operation of the human mind and the ingenuity of man in setting up bars and barriers in opposition to this legislation. Our friends on the other side say that this bill is for the benefit of foreigners. May I ask in all fairness, if the 41 foreign-trade zones in other climes are set up for our benefit, or are they created, and are they operated for the benefit of their own people? There can be but one answer to that. I realize you can throw in fear, suspicion, doubt, and all that sort of thing, but the foreign-trade zones of the world are created and operated in order to benefit the nations and the people where they are situated. That is our purpose in this bill—to benefit American business.

Our friends throw in the propaganda, and that is what it is—it is just simply bunkum—that if you create a foreign-trade zone you permit foreigners to manufacture goods, ship them over here, store them in these warehouses, and that it will be a sales house. They admit that there can be no exhibition of the goods, but, they say, somebody up in the city will have samples and will sell these goods from samples. Then they will pay the usual tariff duties and their goods will come into competition with our goods.

Now, let us see. What is to prevent any foreign concern from doing that very thing today. I submit to you that under existing law they can manufacture their goods, they can ship them into this country, they can transport them to the bonded warehouses, and then all their high-powered salesmen can have their samples and their books and sell the goods to the American people today; and when sold they pay the tariff, and the goods will go out in competition with American-made goods.

Mr. HOLMES. Will the gentleman yield?

Mr. VINSON of Kentucky. In just a moment.

All this bill does in this respect is to eliminate the requisites of law with respect to the bonds for payment of tariff. If the goods are transshipped out of the country, the drawback is eliminated. You can have all the sales from samples under existing law that you can have under this bill, and if there is anyone who cares to deny that statement, even though my time is limited, I pause for such denial.

Mr. McFADDEN rose.

Mr. VINSON of Kentucky. I yield to the gentleman from Pennsylvania.

Mr. McFADDEN. I want to ask the gentleman to define the area, say, of the port of New York. Does it include all of New York City?

Mr. VINSON of Kentucky. Oh, no; the bill sets up a board to determine the area. We have the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of War. The location, area, and such things are prescribed under rules and regulations of this particular board.

Mr. McFADDEN. May it include the Rockefeller Center Building, where the exhibition of foreign goods is now taking place?

Mr. VINSON of Kentucky. If the gentleman thinks that is a serious question, I am perfectly willing for him to answer it.

I now yield to the gentleman from Massachusetts.

Mr. HOLMES. I agree with all the gentleman has said with reference to what the foreign governments are doing along the same line that the bill proposes, but the sooner we stop that practice, hundreds of thousands of American workmen who are today loafing will get back their jobs.

Mr. VINSON of Kentucky. The gentleman exaggerates because of fear. The gentleman referred a moment ago to steel. I do not care to get into a controversy with him, but I happen to know something about the quantity of steel that is imported. It is of negligible quantity. We export steel. Of course, if the gentleman is fearful that a few piano wires are coming in here, of course, I cannot help it, but when you fear the importations of steel because of this legislation, it is ridiculous. Can you say that foreign business would manufacture steel, ship it to this country, and store it in a warehouse at their expense, and then await a sale, and, if not sold, then put these goods up at public action and sell them? What sort of price will they bring? They will be sold for nearly nothing. Now, my friends, when has it happened that foreign manufacturers are willing to make up and fabricate their goods with all the expense involved, bear the expense of shipment, the expense of storage, and lose all of this expenditure.

I think it is time for us to stop and take stock in regard to this legislation, because there is nothing involved here that is particularly new. It is merely a convenience to Americans and the measure is solely for their benefit.

[Here the gavel fell.]

Mr. CULLEN. Mr. Chairman, I move that the Committee rise in order that the Speaker may sign a bill that is to go to the President.

The motion was agreed to.

Accordingly, the Committee rose, and the Speaker, having resumed the chair, Mr. JOHNSON of West Virginia, Chairman of the Committee of the Whole House on the state of

the Union, reported that the Committee, having had under consideration the bill H.R. 9322, had come to no resolution thereon.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2837. An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes;

H.R. 6803. An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes;

H.R. 9068. An act to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes; and

H.J.Res. 347. Joint resolution to prohibit the sale of arms or munitions of war in the United States under certain conditions.

FOREIGN-TRADE ZONES

Mr. CULLEN. 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 (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H.R. 9322, with Mr. JOHNSON of West Virginia in the chair.

The clerk read the title of the bill.

The CHAIRMAN. The clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That when used in this act—

(a) The term "Secretary" means the Secretary of Commerce;

(b) The term "Board" means the Board which is hereby established to carry out the provisions of this act. The Board shall consist of the Secretary of Commerce, who shall be chairman and executive officer of the Board, the Secretary of the Treasury, and the Secretary of War;

(c) The term "State" includes any State, the District of Columbia, Alaska, Hawaii, and Puerto Rico;

(d) The term "corporation" means a public corporation and a private corporation, as defined in this act;

(e) The term "public corporation" means a State, political subdivision thereof, a municipality, and a public agency of a State, political subdivision thereof, or municipality;

(f) The term "private corporation" means any corporation (other than a public corporation) which is organized for the purpose of establishing, operating, and maintaining a foreign-trade zone and which is chartered under special act enacted after the date of enactment of this act of the State or States within which it is to operate such zone;

(g) The term "applicant" means a corporation applying for the right to establish, operate, and maintain a foreign-trade zone;

(h) The term "grantee" means a corporation to which the privilege of establishing, operating, and maintaining a foreign-trade zone has been granted;

(i) The term "zone" means a "foreign-trade zone" as provided in this act.

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

Mr. Chairman, the gentleman from Massachusetts [Mr. TREADWAY] a few moments ago made some statements during which he said I had made the statement that there was no change in this bill from the Smoot-Hawley bill, and the gentleman knows better than that.

I am not going to draw back a bit from that statement, although the gentleman misquoted me. I sent for a copy of my remarks, and I have here what I did say, and yet I accept the statement that the gentleman from Massachusetts makes, in view of the several remarks I have made today on this bill. What I said with reference to the gentleman from Massachusetts [Mr. TREADWAY] is as follows:

The gentleman from Massachusetts [Mr. TREADWAY] says that by the passage of this bill it gives the power to assemble and manipulate, and so forth. There is nothing in that that you have not in the tariff law passed in 1930, which the gentleman from Massachusetts helped to draft.

This was the statement I made, and there is nothing in this bill but what the Tariff Act of 1930 now provides with reference to the bonded warehouses of this country.

With reference to the drawback, in a colloquy with the gentleman from Michigan [Mr. WEIDEMAN], I specifically referred to the drawback and I referred to that as an illustration that this bill would be helpful by eliminating the unnecessary expense and the inconvenience and the trouble of the drawback.

I like the gentleman from Massachusetts personally and have a high regard for him; and these exchanges today, while they are personal, are meant to be friendly. However, when my friend from Massachusetts [Mr. TREADWAY] undertakes to state that I made statements that the RECORD shows I did not make, then I feel constrained for the gentleman's own personal benefit to correct the erroneous impression that honestly exists in his mind.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last two words. I not only have the highest personal admiration for my colleague [Mr. McCORMACK], but I have a very high political admiration for him. To a certain extent, that is caused by the fact that his is contrary to my own political attitude. I have known for these many years that he is rated as one of the leading influential Democrats in the Old Bay State, and we all know of his standing with his party in Congress. [Applause.] Today he is being written about, talked about, gossiped about as a possible candidate of the Democratic party for the empty honor this fall of being the Democratic gubernatorial candidate. [Applause.]

Mr. CONNERY. Did the gentleman say empty?

Mr. TREADWAY. Yes; I said the empty honor.

Mr. McCORMACK. But the Governor is going to be a Democrat.

Mr. TREADWAY. Not this fall as the present Governor has declined to be a candidate. My objection to the suggestion I have offered is that it would deprive this House of the services of one of the influential leaders of the Democratic side, and we all know it is greatly in need of leadership.

So far as the argument between us is concerned, I am only too glad to offer to my colleague from Massachusetts any apology or explanation or any word he wants to put in. My suggestion in relation to my statement is that my good friend talks so fast and so loud and is so rapid in gesticulation that it is hard for a confused mind like mine to follow him. Therefore, I think he will permit me to say that I surely had no expectation that he would say that there was no great difference between the Smoot-Hawley bill and this bill.

So I think he had better let the whole thing rest right where it is, and that we will continue to be as good friends as we have been for many years. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last four words. Mr. Chairman and Members of the Committee, there is a principle in law which says that there is no benefit without a burden. If this bill has any benefits I should like to have them for my district. If the benefits are charged with burdens which are not excessive, I still should like to have them. From the discussion I am not quite clear as to what it might do for people living inland.

A port of entry, while not described in the bill, is, as I understand, any port designated by the President where there is a collector of customs. That means that Chicago is a port of entry; that means that St. Louis, Peoria, and all these ports on inland waterways where there is a collector of customs are ports of entry. Now, the importance

of a port of entry, inland, can best be had from this bill if you will read the first eight or ten words of section 3 on page 4, where it reads:

Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the custom laws * * * be brought into a zone.

It does not say that it must be material or mechandise that is boxed that can go into a bonded warehouse. It does not necessarily have to be crated. It says "merchandise," and that would include bulk goods.

I am here in the spirit of inquiry, and I am going to ask the committee whether that section would permit bulk goods to come in. Can ships from South America, for instance, come in with wheat, go up to one of the grain unloaders in an inland port and have that grain unloaded? It does not have to be in bags, it does not have to go into a bonded warehouse. It will save money. They do not have to crate steel to bring it in. They do not have to crate lumber. Welsh and Russian coal are included in the term "merchandise." I see nothing in the bill that compels the building of warehouses or stockyards, or anything else. Even livestock can come in under the provisions of this bill.

Now, the advantages, as pointed out, to the American importer are that there is no fee that goes along with putting bulk merchandise in bond. There would be nothing to prevent them setting up a free zone at any one of the inland ports of Illinois or Ohio or West Virginia, or wherever there is a navigable stream and a collector of customs, to permit the unloading of bulk goods, such as steel and lumber, wheat and coal. That is an advantage, as far as the importer is concerned. There is no fee for putting it in bond. There is no necessity for great extensive bonded warehouses. You can see that it is a distinct advantage. That is an important consideration.

I note that Philadelphia, Boston, San Francisco, and some of the other coast points have memorialized Congress to the effect that they are in favor of this bill. I see nothing, however, from some of the inland ports, like Duluth, Milwaukee, Chicago, St. Louis, Peoria, and elsewhere. I am just asking the committee whether they have endorsed the principle of this bill.

Mr. VINSON of Kentucky. The gentleman realizes that if an inland port does not want to take advantage of this legislation there is nothing in the bill to compel them. It is permissive, but we felt they should have an opportunity to take advantage of it if they so desired. If we had not incorporated that thought in the bill, I think the gentleman from Illinois, my very capable friend, Mr. DIRKSEN, would be here today complaining of not being given an opportunity to avail himself of it.

Mr. DIRKSEN. I want to ask another question. Is it not true that bulk goods will receive a distinct advantage under this bill as compared with the present system of having to put merchandise in bond?

Mr. VINSON of Kentucky. I just do not follow the gentleman.

Mr. DIRKSEN. Is there anything to prevent them from bringing all kinds of bulk goods that would be too expensive to put in a bonded warehouse, and upon which you must pay fees at the present time for storage in bond?

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DIRKSEN. I want to ask another question. I understand that if a State or municipality undertakes to make application, it must first be approved by the legislature of the State?

Mr. VINSON of Kentucky. Not at all. If the gentleman will take time to read the first four lines on page 2 he will find that public corporations means a State, political subdivision thereof, a municipality, a public agency of a State, political subdivision thereof, or municipality. When it comes to the definition of a private corporation it is limited to those who get a special charter from the legislature. The idea about that was to have it of a public nature, so that people might not go out and form a private corporation with the idea of making a tremendous amount of money and possibly be disappointed. Our idea was to have it of a public nature, or at least quasi-public, until this thing was tried out and we could see whether or not it was advantageous to permit it to be operated by private corporations.

Mr. DIRKSEN. The language of paragraph (d) of section 4 is rather involved. I want to say that I should like to vote for this bill if it brings any advantage to the port of entry in my district. If the disadvantages outweigh the advantages, I should vote against it.

[Here the gavel fell.]

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

I want to say to my friend from Illinois, Mr. DIRKSEN, who is worrying about bulk goods, that all throughout the country bulk goods are being unloaded and stored in bond, under the Hawley-Smoot tariff law. In the city of Buffalo we have regular grain elevators, and we have milling concerns. The grain used in manufacturing flour for export to the island of Cuba is stored in bulk in the mills at Buffalo. It comes in as Canadian grain and goes out as American flour and gets the 20-percent preferential tariff which we have with Cuba today. It is done to the direct damage of the hard-wheat section of the Northwest and the Kansas Hard-Wheat belt. That is permitted today under the Hawley-Smoot tariff.

Now, as to goods coming into ports like New York, Philadelphia, and Baltimore, I have bought merchandise from samples taken while those goods were in bond, and also sold them for shipment. The original importer, after they had been bought and resold on samples procured from the bonded warehouse, paid the tariff, and shipped those goods. So that the very thing provided for in this bill is being done today.

So far as bringing in bulk grain to Peoria or St. Louis or any of the ports on the Mississippi River is concerned, I do not think that any country will be foolish enough to ship their grain into those markets, because the price is higher at the eastern terminal, to which the freight has to be paid from the West. Grain does not move in that direction.

Mr. DIRKSEN. The gentleman mentioned milling in bond, but what about other bulk commodities?

Mr. HART. I am not familiar with other bulk commodities except I have bought and sold other commodities that went directly into a bonded warehouse, obtained samples, sold goods, and then afterward the party who imported them released them from bond by paying the duty, and shipped them out. That is the only thing that can be done under the operation of this bill should it be enacted into law, but instead of having to pay this tariff, or having to get a drawback, he can store the goods indefinitely; but he can do the same thing under the Hawley-Smoot tariff bill.

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

Mr. HART. I yield.

Mr. WHITE. What is the situation with reference to wheat coming into this country from Canada?

Mr. HART. They can store wheat in elevators just as they are doing in Buffalo.

[Here the gavel fell.]

Mr. SABATH. My colleague from Illinois wants to know what the bill will do for Chicago and what the attitude of the merchants and importers of that city is relative to this bill. I have received from the Commerce Association of Illinois and of Chicago several communications endorsing this legislation. Consequently I am satisfied that the business men and the importers, as well as the manufacturers, must feel favorably disposed toward the bill.

Knowing the personnel of the Ways and Means Committee, and knowing their desire to aid the commerce of the Nation, even if such a recommendation had not been made, I would not hesitate to support this legislation because under Republican administration we lost nearly all of our export

trade. I want to congratulate the committee and the administration upon the splendid efforts they have made and are making toward rebuilding our exports and increasing our business and manufactures. While we still have close to 9,000,000 people out of employment, the number is being steadily reduced, and I feel that every effort should be made to increase production and create employment. I feel that this bill will, in a measure, aid in bringing that about. It is my earnest belief that this bill should receive favorable consideration and be passed without long delay.

Mr. CULLEN. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The Clerk read as follows:

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

(b) Each port of entry shall be entitled to at least one zone, but when a port of entry is located within the confines of more than one State such port of entry shall be entitled to a zone in each of such States. Zones in addition to those to which a port of entry is entitled shall be authorized only if the Board finds that existing or authorized zones will not adequately serve the convenience of commerce.

(c) In granting applications preference shall be given to public corporations.

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

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

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 3, line 11, after the word "States", strike out the period, insert a comma, and the following: "And when two cities separated by water are embraced in one port of entry a zone may be authorized in each of said cities, or in territory adjacent thereto."

Mr. CULLEN. Mr. Chairman, this is, of course, to provide for Newport News?

Mr. BLAND. Yes; to take care of such a situation as we have at Norfolk and Newport News; and I think there is a similar situation in California and one in Texas.

Mr. CULLEN. Mr. Chairman, I accept the amendment.

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

The amendment was agreed to.

Mr. McDUFFIE. Mr. Chairman, I move to strike out the last word to ask a question with regard to subsection (d). Suppose a State owns harbor facilities in a port and the city owns harbor facilities in the same port. I take it, under this language, the Board could not grant an application to any corporation until the legislature of the State has taken action. In some States the legislatures meet only once in 4 years. Would this necessarily mean, therefore, that in a case such as I cited there would be a delay of from 2 to 4 years before that port city could have the advantage of this legislation?

Mr. McCORMACK. I might say to the gentleman from Alabama that that particular case was never called to the attention of the subcommittee, where the Commonwealth or the State owned port facilities in a harbor and at the same time the city owned facilities in the same harbor. It seems to me the language of this section is very protective of the city's interest and would clearly show the justification of such a provision.

The committee had in mind that in some States there are ports in which the State owns the water front or where the city owns it; and the committee was confronted with the situation where the State could immediately establish a foreign trade zone in its State-owned port, whereas the city-owned port would have to go to the legislature for authority to issue bonds to raise the necessary money to establish the foreign-trade zone. The committee felt that it was not fair to give this advantage to the State; that both should start on a par; that both should have the same opportunity.

Mr. McDUFFIE. I think the committee has been eminently fair in meeting the situation; but I refer to the case of a port in which not only does the State own facilities but the municipality also owns facilities.

I think New Orleans, La., occupies this position and I know the port of Mobile, in my district, in Alabama, is in a similar position. I was fearful there might be some delay in those cities taking advantage of this legislation which I heartily approved.

Mr. VINSON of Kentucky. If I understand the gentleman from Alabama, the case which he presents is where both State and cities own harbor facilities, of course, at the same place.

Mr. McDUFFIE. At the same place.

Mr. VINSON of Kentucky. It is my understanding that in that character of case subsection (d) would not apply.

Mr. McCORMACK. That is my opinion.

Mr. McDUFFIE. Subsection (d) is made to apply to 2 ports and 2 cities in the same State.

Mr. VINSON of Kentucky. Yes.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman may be allowed to proceed for 2 additional minutes.

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

There was no objection.

Mr. McCORMACK. In relation to the ports where one is owned by the State and the other port is owned by the city, you will notice the language:

In case of any State in which harbor facilities of any port of entry are owned and controlled by the State and in which State harbor facilities of any other port of entry are owned and controlled by a municipality.

So this would not apply to the particular case the gentleman has in mind where the State and city both owned some part of a water front within the port.

Mr. COLDEN. May I ask the gentleman a question? The harbor at San Francisco, Calif., is owned by the State. At Los Angeles the harbor is owned by the municipality. Why would it be necessary for those two cities to go to the State Legislature to establish one of these zones? I cannot see the logic of that proposition.

Mr. McDUFFIE. The gentleman takes the position that the Board, which must be a board composed of men who understand these problems would be fair in its decision and there would be no necessity for subsection (d)?

Mr. COLDEN. Yes. I cannot see any reason for discrimination against either the port of San Francisco or the port of Los Angeles.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 3. Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this act, be brought into a zone and may not be manufactured in such zone but may be stored, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, and be exported, and foreign merchandise may be sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise: *Provided*, That when the privilege shall be requested the collector of customs shall supervise the unlading of foreign merchandise, in the zone, cause such merchandise or any portion thereof to be appraised and the duties liquidated thereon. Thereafter it may be stored or manipulated under the supervision and regulations prescribed by the Secretary of the Treasury, and within 2 years after such unlading such merchandise, whether mixed with domestic merchandise or not, may be sent into customs territory upon the payment of such liquidated duties thereon; and if not so sent into customs territory within such period of 2 years such merchandise shall be disposed of under rules and regulations prescribed by the Secretary of the Treasury and out of the proceeds the duties shall be paid and the remainder, if any, shall be delivered to the owners of the property: *Provided further*, That subject to such regulations respecting identity and the safeguarding of

the revenue as the Secretary of the Treasury may deem necessary, articles the growth, product, or manufacture of the United States, and articles previously imported on which duty has been paid, or which have been admitted free of duty, may be taken into a zone from the customs territory of the United States, and may be brought back thereto, free of duty, whether or not they have been combined with or made part, while in such zone, of other articles: *Provided*, That if in the opinion of the Secretary of the Treasury their identity has not been lost such articles not entitled to free entry by reason of noncompliance with the requirements made hereunder by the Secretary of the Treasury shall be treated when they reenter the customs territory of the United States as foreign merchandise under the provisions of the tariff laws in force at that time.

With the following committee amendment:

Page 4, line 5, after the word "manufactured" insert "or exhibited"; and in line 6, after the word "stored", strike out the word "exhibited."

The committee amendment was agreed to.

Mr. McFADDEN. Mr. Chairman, I move to strike out the last word for the purpose of securing some information. May I ask the gentleman in charge of this bill a question in connection with section 3? It says that foreign merchandise may be brought into a zone in the United States and may not be manufactured or exhibited in such zone, but may be stored, broken up, repacked, assembled, distributed, and so forth. Then on page 9, line 5 of the bill, reference is made to adequate facilities for coal or other fuel. May I ask the gentleman whether or not Russian coal, for instance, will be permitted to come into these free ports and be stored?

Mr. VINSON of Kentucky. I think the gentleman will find that that provision is in connection with the zone.

Mr. McFADDEN. Will the gentleman tell me whether or not Russian coal may be shipped to these free zones, stored and reshipped to American consumers?

Mr. McCORMACK. This language applies to coal that is actually used in connection with the foreign trade zone itself, just the same as you and I buy coal for our homes.

Mr. McFADDEN. But, eliminating that now, can Russian coal be shipped in and stored in these free zones?

Mr. McCORMACK. No.

Mr. McFADDEN. Why not?

Mr. McCORMACK. Why, there are various reasons from the practical angle that that would not be done.

Mr. McFADDEN. Would the gentleman say that Russian coal may not be stored?

Mr. McCORMACK. Nothing can be done under this bill that cannot be done under existing law. This does not extend the existing law; it simplifies existing law.

Mr. McFADDEN. Goods may now come in under bond. It seems to me Russian coal can come in, be stored and sold in competition with coal from my State. I should like to have somebody answer that question for me. No duty would have to be paid till coal or other goods were resold.

Mr. HOLMES. Is there any limitation in this law as to where zones are created? Cannot any city establish a free zone, if they desire, under this bill?

Mr. McFADDEN. Any city that is a port of entry.

Mr. WELCH. Russian coal brought in and deposited in a foreign trade zone and that coal afterward sold in the United States would have to pay the tariff duty. Then why would they have to store the coal?

Mr. McFADDEN. For convenience in ready shipment to the trade. I am asking whether or not it is possible to ship goods in here from Russia and store and sell them here.

Mr. WELCH. That is not the intent and purpose of the bill.

Mr. McFADDEN. I want to know whether it can be done or not.

Mr. McCORMACK. I cannot understand the gentleman from Pennsylvania. It is as plain and clear as the noonday sun that this covers adequate facilities for coal or other fuel and for light and power.

Mr. McFADDEN. For what purpose?

Mr. McCORMACK. For the convenience of the zones.

Mr. McFADDEN. Under clause 3 merchandise or other materials may be imported from abroad.

Mr. McCORMACK. That does not relate to this at all.

Mr. McFADDEN. Will the gentleman say that this will not permit the shipment of Russian coal, to be stored in these three zones, to facilitate earlier and quicker delivery?

Mr. McCORMACK. No more than the law does today. This language provides for heating and lighting.

Mr. McFADDEN. I am referring now to section 3, and no one has answered my question.

Mr. TREADWAY. Mr. Chairman, I do not want to intrude on this colloquy because I am opposed to the bill as a whole, but I do think the gentleman from Pennsylvania [Mr. McFADDEN] brings up a question that ought to be definitely answered.

Mr. CULLEN. The question was definitely answered a moment ago.

Mr. TREADWAY. The gentleman said it was as plain as could be, but it is not plain to the gentleman from Pennsylvania or to me or to many others here.

Mr. CULLEN. The answer is that they can no more do that under this bill than they can today.

Mr. TREADWAY. That is a mistake. What do you have the bill here for if you are not making changes in the law? If you can do under the present law what this bill provides, let us throw this bill in the waste basket and go home. It is half past 5 now and it is time to go home. There is no use sitting around here debating this bill if we can do under existing law exactly what we can do after we pass this bill.

Mr. CULLEN. If the gentleman is tired——

Mr. TREADWAY. Just a moment. I have not yielded to the gentleman. I will, of course, yield to him, but I want to insist that we have more of an explanation of the inquiry of the gentleman from Pennsylvania than simply having him told that this is as plain as can be and does not change the present law.

Mr. CULLEN. I cannot give the gentleman any further explanation of it.

Mr. McFADDEN. If the gentleman will permit, I may say further that Russian coal can be shipped into New England ports or to Atlantic ports today at $1 a ton less than it can be shipped to the same points from the anthracite section of Pennsylvania, and I should like to know whether this is going to facilitate the sale of Russian coal in competition with Pennsylvania coal.

Mr. FITZPATRICK. Assuming they shipped the coal, unloaded it, and put it in storage and then shipped it out again, could they do this at a lower cost?

Mr. McFADDEN. I think they might; yes.

Mr. FITZPATRICK. It seems very doubtful to me.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 5. Vessels entering or leaving a zone shall be subject to the operation of all the laws of the United States, except as otherwise provided in this act, and vessels leaving a zone and arriving in customs territory of the United States shall be subject to such regulations to protect the revenue as may be prescribed by the Secretary of the Treasury.

With the following committee amendment:

Page 6, after line 7, insert: "Nothing in this act shall be construed in any manner so as to permit vessels under foreign flags to carry goods or merchandise shipped from one foreign trade zone to another zone or port in the protected coastwise trade of the United States."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 9. The Board shall cooperate with the State, subdivision, and municipality in which the zone is located in the exercise of their police, sanitary, and other powers in and in connection with the free zone. It shall also cooperate with the United States Customs Service, the Post Office Department, the Public Health Service, the Bureau of Immigration, and such other Federal agencies as have jurisdiction in ports of entry described in section 2.

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

The Clerk read as follows:

Amendment offered by Mr. Goss: Page 7, line 25, after line 25 insert a new section as follows:

"That paragraph (1) of section 3 of the Interstate Commerce Act, as amended, is hereby amended by adding at the end thereof a new sentence to read as follows: 'The word "locality" as used herein, includes any port with respect to import, export, and coastwise traffic routed through it.'"

Mr. GOSS. Mr. Chairman, I am offering this amendment because I want to call the Committee's attention to this fact. The Supreme Court a year ago passed upon section 3 of the Interstate Commerce Act, and this amendment amends that section so that the word "locality" would include a port.

Today it is unlawful for any common carrier, subject to the provisions of the Interstate Commerce Act, to make or to give any undue or unreasonable preference or advantage to any particular person, firm, or corporation or any particular description of traffic in any respect whatsoever or to subject any particular person, firm, or corporation or locality or any particular description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

I am reading from the act itself. All that this amendment does is to cure for the port cities the decision handed down by the Supreme Court, and I am sure that the Congress, when it originally passed this act, intended to have the word "locality" include a port. This is all there is to the amendment.

Mr. CULLEN. Mr. Chairman, this is too important an amendment to be agreed to in this way. We did not have this question presented to us when the bill was before the subcommittee or before the committee.

Mr. GOSS. That is true.

Mr. CULLEN. And I do not think we should accept it now.

Mr. GOSS. There is a bill pending now dealing with this subject and all the port cities are favorable to it.

Mr. CULLEN. I think this is a matter that should have further study, and therefore I do not think the amendment should prevail.

The amendment was rejected.

The Clerk read as follows:

SEC. 11. If the title to or right of user of any of the property to be included in a zone is in the United States, an agreement to use such property for zone purposes may be entered into between the grantee and the department or officer of the United States having control of the same, under such conditions, approved by the Board and such department or officer, as may be agreed upon.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word. We did not seem to secure a great deal of information on the possibility of the importation of coal which might be sold. Like other statements, we were told that it was not going to change the law. Of course, if it is not going to change the law, we need not pass the bill.

But I state definitely that it does change the conditions under which articles can be imported, such as coal.

A year ago we were urged by the representatives of the coal area to put an excise tax on coal. It was in an excise bill but it was a tariff pure and simple. There were four articles added to the excise bill, and one was coal. The reason it was put in is that the representatives of the coal-producing area felt that there was great danger of the importation of too much Russian coal.

Mr. McFADDEN. It also includes oil.

Mr. TREADWAY. Oil, lumber, and copper, I believe, were the other articles. Now, if there is danger of the importation of Russian coal in competition with West Virginia, Pennsylvania, and other coal areas, the difference you are setting up in this bill is simply that when coal is brought in under the present law you have to pay the tariff before it can be landed. Now it is going to be stored and paid for when it is sold in competition with coal from Pennsylvania or West Virginia. If that is not a change of law, I wish the gentleman would explain it.

FOREIGN TRADE ZONES

Mr. Chairman, I am opposed to the passage of this bill, which provides for the setting-up of so-called "foreign-trade zones" in the ports of entry of the United States, into which foreign merchandise may be entered without payment of duty, there to be stored, repacked, assembled, and otherwise manipulated before transshipment to other countries of entry from the United States.

This bill will be of no benefit to American producers or American workmen, nor is it intended for that purpose. On the contrary, it will encourage the dumping of cheap foreign merchandise upon the domestic market, and thereby further depress domestic industry. It is out of harmony with the policy of protection and is a step in the direction of free trade. It would increase the opportunity for smuggling, and at the same time would require enormous additional expenditures for the protection of the Federal revenue.

While ostensibly proposed as an aid to the transshipment of foreign merchandise to other foreign ports, it would be used chiefly as a means of consigning immense quantities of foreign goods into the free zones, there to await sale in the United States. In fact, this is one of the arguments cited in support of the measure. In the report of the committee there is a letter from the Chamber of Commerce of the United States directly stating that—

It is believed that * * * American merchants and manufacturers will benefit in a variety of ways from the advantages of a wide American consignment market for foreign products.

The merchants who would benefit, of course, would be those selling foreign goods.

This bill is not necessary as an aid to commerce in the transshipment of foreign goods, as is contended, because under existing law there is ample provision for the importation of goods under bond and for drawback of duties on goods reexported. While doubtless complete freedom from customs custody, as provided by the bill, would be more convenient, our primary consideration must be the welfare of our own producers and the convenience of the Government of the United States.

The report of the committee sets forth letters from the Treasury and Commerce Departments supporting "in principle" the proposed legislation, but it purposely does not include a communication from the Tariff Commission, in which the Commission throws doubt upon the practicability of enacting the measure at the present time. The communication states in part:

The Tariff Commission has given no special study to this particular subject since its report to the Congress in 1919. The conditions then facing the commerce of the United States were radically different from what they are at the present time. The positive arguments then advanced by the Tariff Commission in favor of free zones accordingly would have little or no weight at present. Testimony to this effect was presented to your committee last year by Thomas Walker Page, Vice Chairman of the Commission, when you conducted hearings on the subject. The expense, the intricacy, and difficulty of devising regulatory legislation, and the probable cost imposed upon sundry ports due to efforts to maintain themselves in the competition for transshipment business would lead to considerable trouble. The amount of traffic has diminished even more. There appears to be at the present time no reason such as existed 14 years ago for the establishment of free zones.

While favoring the legislation in principle, the Secretary of Commerce, Mr. Roper, also expressed some doubt as to the practicability of enacting the bill at the present time. After referring to the changes which have taken place with respect to our foreign trade in recent years, Secretary Roper said:

There may be some doubt therefore whether the establishment of foreign-trade zones is as urgent at the present time.

Although the present Secretary of the Treasury states that he sees "no objection" to the proposed measure, I call the attention of the House to the fact that under date of December 19, 1929, the then Acting Secretary of the Treasury, Hon. Ogden L. Mills, in a letter to the Senate Committee on Commerce, opposed similar legislation then under consideration. He emphasized the fact that the proposed legislation was unnecessary in view of the provisions of existing law under which foreign merchandise may be manipulated under bond without payment of duty, and pointed out that after all, the warehouse system was, in effect, a modified form of free-zone activity.

In this connection, Acting Secretary Mills said:

This warehouse system has been built up by various carefully considered enactments of law extending over a long period of time. If it should seem desirable to add to the privileges now allowed under the manipulation warehouse law that of taking domestic merchandise into warehouse, this could readily be accomplished by amending said section 562.

Addressing himself to the burdens which the proposed legislation would put upon the Treasury, Mr. Mills continued:

The expense now incurred by reason of customs supervision in a restricted area such as warehouses would be small in comparison to the expense which would necessarily be incurred in guarding free zones. Exact records must be kept of all importations and of every change made in connection therewith. The same restrictions that are now thrown around warehouses, such as the employment of storekeepers, would be necessary. It seems obvious that greater opportunity for loss by smuggling and theft would be present in a large area into which domestic merchandise could be taken than is now present under the existing warehouse system.

After a careful consideration of the bill in connection with a review of the facilities now afforded by storage warehouses, where merchandise may remain for 3 years without payment of duty, of manufacturing warehouses, smelting, and refining warehouses, and manipulation warehouses, I am of the opinion that it should not become a law.

In connection with Secretary Mills' reference to the greater opportunity for smuggling, I wish to point out that the present Secretary of the Treasury, Mr. Morgenthau, in his letter to the committee, also referred to this feature of the free-zone system. He said:

The location of these zones has an important bearing on the possibility of smugging. * * *

The report of the committee lays great stress upon the fact that there are now 41 foreign-trade zones in various countries of the world, one of the most noted of which is that of Hamburg, Germany. It may be that in the European countries there is some necessity for free ports, owing to the large amount of goods unladen at a central port and then transshipped to nearby countries. In this country no such condition exists. Our transshipment business is a very small part of our foreign trade, and it will always be so, no matter how many free ports we may have.

As bearing upon this phase of the bill, I wish to quote from a letter found in the hearings upon this subject which were held before the Ways and Means Committee in 1919. This quotation, I believe, is a direct answer to those who think that because the free-zone system works advantageously in Europe, it should be invoked here. Addressing the then chairman of the committee, Mr. Fordney, Mr. Irving T. Bush, president of the Bush Terminal, in New York City, stated:

There are fundamental reasons why a free port is an advantage in certain countries in Europe.

First. Some of the countries are compelled to import a large part of their raw materials for purposes of manufacture.

Second. These same countries are compelled to find a market for a large part of their manufactured product in foreign countries.

This makes an unusually advantageous combination for the development of a free port.

In the United States we produce within our own country the greater part of the raw material which enters into our manufactures, and our great market for the consumption of our manufactured products is within our own boundaries.

This variance betwen the conditions in Europe and those in the United States makes a fundamental difference between the advantages which may come from a free-port development in Europe and in this country.

My objection to free ports, however, has nothing to do with the matter of transshipments. Rather, it is directed more to their effect upon domestic industry. Attention has already been called to the smuggling feature. More important is the direct invitation to dump foreign products upon the domestic market. Not all the goods brought into the free zone will be destined for reexport to foreign countries. A large part will be sent on consignment for importation into the United States as the demand arises.

Thus these foreign-trade zones will be nothing but a bazaar, a veritable world's fair, where goods from all nations may be stored for ready access to the domestic market. The Atlantic and the Pacific, which now form somewhat of a natural barrier against foreign imports, will be obliterated by the bill. The products of Japan, of India, of Czechoslovakia, and of other countries will be sold at our very doorstep in competition with domestic merchandise.

Of course, any goods taken out of the foreign trade zone for sale in the United States must pay the regular customs duty, but the fact is that by bringing the goods to our shores in large lots and then parceling them out in small quantities, foreign producers will make it more convenient for domestic importers to obtain their merchandise. Everyone understands that accessibility for quick delivery is an important consideration in trade. The bill, therefore, is an encouragement to foreign importations and will redound directly to the detriment of American producers and American workmen. It is in complete harmony with the administration's program to make the domestic market more accessible to foreign producers. Coupled with the reciprocal tariff bill, and the consequent reduction of duties on imported foreign goods, it should help the administration's effort to make it unprofitable to produce goods in this country.

In closing, I wish to point out that this bill is the culmination of 15 years of effort to get this legislation enacted. During all that time Congress has repeatedly refused to give it favorable consideration. Now, when even some of its former sponsors admit its enactment is impracticable, it is brought out of the moth balls and rushed through with only an hour's debate. A similar bill in the Senate was put through that body without any debate.

I wish to call attention, also, to the fact that the Tariff Commission, in their letter to the committee, stated that they would be glad to have Commissioner Page come before the Ways and Means Committee and discuss the bill, and that the committee refused to call him before it. This legislation was handled in the committee by a subcommittee, of which the gentleman from New York [Mr. CULLEN] was chairman. It was reported out by the full committee after only brief consideration at a morning session, without a majority of the committee knowing what it was all about. I tried, unsuccessfully, to postpone consideration for an additional day to have Commissioner Page come before the full committee and explain the Commission's opposition to the bill. Of course, if the Democratic majority wish to take the responsibility for enacting this legislation without full consideration of its implications, that is their privilege. Most of the legislation which has been enacted in the Seventy-third Congress has been considered in this way.

Mr. VINSON of Kentucky. Mr. Chairman, there is no more authority in this bill for the importation of Russian coal into this country than exists in existing law. Under existing law, Russian coal can be laid down in New York Harbor and can be stored in a bonded warehouse. Whenever that coal is taken from the bonded warehouse, you must pay the tariff upon the coal and then it goes into competition with American-produced coal.

Under this bill coal can be laid down in New York or any other foreign-trade zone; and before it goes into competition with other coal, it must pay a tariff duty. The only difference between existing law and this bill is that under this bill you avoid the execution of bond.

Mr. HASTINGS. And the same is true on oil.

Mr. VINSON of Kentucky. And the same is true on oil. This bill does not open the door any wider for Russian coal or foreign oil than the present existing law of the land.

Mr. GLOVER. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. GLOVER. Section 4 of this bill provides that the Secretary of the Treasury shall assign to the zone necessary customs officers and guards to protect the revenue and to provide for the admission of foreign merchandise into the customs territory. The question I desire to ask is, Will that require an additional expense to be incurred in the collection of this revenue? Will it not create quite an additional expense in collecting the revenue when it is collected?

Mr. VINSON of Kentucky. The gentleman asks a very pertinent question. I refer him to section 14, on page 10, where he will find that the cost of maintaining the additional Customs Service required under this act shall be paid by the operator of the zone.

The Clerk read as follows:

SEC. 15. (a) No person shall be allowed to reside within the zone except Federal, State, or municipal officers or agents whose resident presence is deemed necessary by the Board.

(b) The Board shall prescribe rules and regulations regarding employees and other persons entering and leaving the zone. All rules and regulations concerning the protection of the revenue shall be approved by the Secretary of the Treasury.

(c) The Board may at any time order the exclusion from the zone of any goods or process of treatment that in its judgment is detrimental to the public interest, health, or safety.

(d) No retail trade shall be conducted within the zone except under permits issued by the grantee and approved by the Board. Such permittees shall sell no goods except such as are brought into the zone from customs territory.

With the following committee amendment:

Page 11, line 10, after the word "such", insert "domestic or duty-paid or duty-free goods."

The committee amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. BURNHAM. Mr. Chairman, I move to strike out the last word. I have always favored a protective tariff, and I do today. I believe in protection for American industry and American labor. For that reason I am going to support this bill because I believe it effects no change as far as the protective tariff is concerned, for any commodity that might come to our shores.

I notice that this bill has received favorable commendation from such public and private organizations as the Chamber of Commerce of the United States, the Chamber of Commerce of the State of New York, the Merchants' Association of the City of New York, the Boston Chamber of Commerce, the Philadelphia Board of Trade, the Baltimore Association of Commerce, the Chicago Association of Commerce, the San Francisco Chamber of Commerce, and many other trade and public organizations.

The San Diego Chamber of Commerce has wired me urging me to support this measure. The membership of these various organizations which favor this legislation are composed of Democrats and Republicans alike, and they are all, each and every one, Americans and must therefore necessarily have the welfare of this country and this Nation and the industries of this country and the labor of this country at heart.

The Secretary of the Treasury says:

I believe that, under normal conditions in world trade, foreign trade zones such as provided for in the bill might aid materially in fostering a growth of the transshipment and reexport trade of ports advantageously situated to handle such trade. In principle, therefore, I believe the bill is meritorious, and I see no objection to its enactment.

The Secretary of Commerce, Daniel C. Roper, says:

The establishment of such foreign-trade zones is for the purpose of facilitating reexport and transshipment trade. It can hardly be expected that the potential volume of such trade will approach the extensive operations of Hamburg and certain other so-called "free ports" of Europe. However, if such ports are properly located with regard to existing and potential currents of trade, they should not only aid in the expansion of our export and transshipment trade, but be of some assistance to our merchant marine. The proposal does not introduce anything essentially new into our law. In fact, this is little more than the minimizing of the official limitations and costs involved in the formalities of entry into bonded warehouse and drawback now provided in the American tariff law.

I sincerely trust that this bill will receive your favorable consideration. I for one am heartily in favor of it and will support it.

Mr. PRALL. Mr. Chairman, I move to strike out the last two words. I should like to call the attention of the House to the fact that this bill was introduced by the gentleman from New York [Mr. CELLER]. I understand that through a misunderstanding Mr. CELLER is not here today. I know he was heartily in favor of the bill. I know that he appeared before the subcommittee many times in its favor. I know that if he were here, he would be in the well fighting for its passage.

The CHAIRMAN. Under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JOHNSON of West Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes, and that, pursuant to House Resolution 381, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. The previous question is ordered under the rule.

Mr. McFADDEN. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. BYRNS. I hope the gentleman will withhold the point of order, for we have an agreement that we shall not have a roll call on the bill until tomorrow.

Mr. McFADDEN. Mr. Speaker, if that is the understanding, I withdraw the point of order.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

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

Mr. BYRNS. Mr. Speaker, I understand a number of Members desire to submit unanimous-consent requests. In accordance with an understanding, it is my purpose to move to adjourn as soon as these requests are submitted so that the roll call on the bill will come tomorrow.

PERMISSION TO ADDRESS THE HOUSE

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for 10 minutes tomorrow immediately following the gentleman from Massachusetts.

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

There was no objection.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for 10 minutes tomorrow immediately following the gentleman from Tennessee.

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

There was no objection.

MY WORK IN CONGRESS

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McKEOWN. Mr. Speaker, notwithstanding the criticism and sneers hurled at the administration by some, the fact remains that we are gradually coming out of the depression under the leadership of President Roosevelt. There is room for a great deal of dissatisfaction due to mistakes which are inevitable in the conduct of human affairs. But, sir, when we take the condition of the country in the early part of 1933 as compared with the situation in this year, 1934, every loyal and patriotic citizen must feel some real satisfaction in the results.

Since the convening of this Congress this House, with the cooperation of a very large number of the Republican faith, has passed all emergency legislation requested by the President and more permanent legislation for the benefit of the masses of the people than any legislative body within the memory of anyone here.

It thrills me with pride to look over the record of accomplishments, a few of which I desire to call to the attention of the country.

When we convened this Congress every bank in this country was closed—when had such a condition faced a President and a Congress in this country? Never within our existence as a Nation.

Agriculture was the first industry to receive attention. We immediately passed the agricultural relief measure, under which millions of dollars have been paid to struggling farmers throughout the whole country. Following up this act we passed the farm-mortgage relief bill. We then gave our attention to that great menace and evil, war; we passed an act to prohibit the exportation of arms and munitions of war.

We proceeded to pass an act creating a Federal relief administrator.

Then came the passage of Muscle Shoals and the Tennessee Valley Authority Acts.

The loss of homes of our people was considered and we passed the bill for the relief of the home-mortgage indebtedness.

We then concurred in Senate amendments to these relief measures providing for currency issuance and regulation.

We found the life-insurance policies of our citizens imperiled and their savings of a lifetime for the benefit of their widows and children threatened and we passed a measure permitting the Reconstruction Finance Corporation to make loans to save the situation.

We then passed the National Recovery Act. This, in my humble judgment, is the greatest instrument ever devised by the mind of man to bring about a revolution against greed and avarice in any country. It cannot be expected to work perfectly because it is an entirely new machine thrust into the social and industrial life of a great and intelligent people. It has to be used, tried, and the rough parts of the machinery smoothed up to run true. The machine must be used for the helpful purposes for which it was designed, and not as an instrument of destruction. It is designed as a destroyer of greed and a distributor of profits fairly to those who produce these profits.

Much, of late, has been said in the papers and magazines about the "brain trust." Well, Mr. Speaker, it takes brains to properly handle the situation at the present time and, for my part, I prefer that the destiny of my country be guided by a "brain trust" rather than by "trusts" without either brains or conscience.

The pitiful state of our citizens out of employment was a real challenge to the administration and to this House, but, Mr. Speaker, we met that challenge in part by the enactment of the great public works bill, and we are meeting that challenge at this session by additions to this act. Every citizen who needs employment should be given a job until industry can absorb the unemployed. As between employment or a dole, our citizens prefer employment. But life must be sustained until employment is obtained.

Mr. Speaker, now is the time to inaugurate a pension for the helpless, aged, and injured people of this country. They have lived thus far a miserable existence upon the charity of their neighbors and kindred who are not able longer to carry the burden. More work and less dole for the able-bodied is a sound policy.

Mr. Speaker, although the House in the early days of this session passed the Economy Act, affecting the compensation and pension of our citizens who had marched in the columns of the defenders of our country, a measure to which I could not and did not give my consent and against which I voted, yet this House, upon disclosure of the injustices worked upon our soldiers, modified the act in some respects, with the approval of the President, before the first session adjourned.

To safeguard the interests of the people who deposit their money in banks we have created a Federal Deposit Insurance Corporation, guaranteeing deposits to the amount of $2,500 for any one depositor. Bank failures have ceased within the year.

This present session of Congress has unceasingly labored to provide measures for the continued return of prosperity. Lack of time precludes me from giving in detail the many accomplishments.

Mr. Speaker, many of us differed in judgment upon the question of the appropriation for the relief of the soldiers, and this difference in opinion resulted in the overriding of the veto of the President. Much ado was made and criticism of our action in that regard was had. I, for one, am not in accord with the claim that it is for the best interests of the country to put the burden of caring for disabled and sick ex-service men upon the local communities at this critical time when every community is taxed to the limit and more to care for their own distress. I, for one, have followed our great leader, the President, in the making and sustaining of his efforts for real recovery, and yielded to his judgment, but upon legislation for the ex-service men I have some notions of my own. I, for one, am of the opinion that more money in circulation would be a good thing for all our people in every walk of life. I, therefore, supported the act to grant power to the President to value the gold content of the dollar and the Dies silver bill.

It was this conviction that caused me to work and vote for the payment of the soldiers' bonus, together with the conviction that it should have been paid long ago—and I am still for the bonus payment for the benefit of ex-service men and put thousands of dollars of new money in circulation in the Fourth Congressional District, where it is needed.

Mr. Speaker, I have already taken more time than I anticipated. There are some who criticize Congress because of mistakes made by those who are appointed agents of the Government to carry out the intention of Congress. This misconstruction placed upon the purpose of Congress by certain officials whose duty it is to administer is no new thing. It is sometimes done purposely by those in authority not in sympathy with the legislation, but often it occurs from sheer lack of study. In my judgment, only those in sympathy with a legislative measure should be chosen to administer the same.

Furthermore, Mr. Speaker, all the agents of the Government ought to be made to realize that they are the employees of the great mass of American taxpayers, and where they are rude in their contact with the public they should be fired.

There is some unrest resulting from injustices occurring here and there, but a deal of the criticism leveled at Congress comes from some ambitious souls who, while promising great redress of wrongs and proclaiming great patriotism on their part, have an eye out for their own selection to the place held by some hard-working Congressman.

It is unnecessary and out of place for me to speak of my part in what takes place in this House. Every Member is fairly well acquainted with that.

Some persons never praise any meritorious act of the Congressman but are content to stir up the feelings of the people against the person in, to make room, not for someone more capable but to make room for themselves.

They present no record of accomplishments in their private career that attracts the attention of their fellow citizens out of their community, but put in a great part of their time asking the old threadbare question, "What has he done in Washington?"

Mr. Speaker, the American people will not be misled by such fallacies. The people everywhere realize the gigantic task before those elected to Congress to return this country to prosperity. It is a laudable ambition for any man to aspire to a seat in this House, but in this crisis the public welfare should be uppermost in the minds of our people.

The selection of a Representative in this House is the duty of all the people of a district and not the duty of a few politicians. As to my services here, I am content to let my record speak for itself. Modesty and lack of time prevent me from giving an extended list.

At the outbreak of the war I introduced the bill regulating the sale of explosives in this country and it was promptly enacted.

It was my bill to grant soldiers 1 cent railroad fare while on furlough that resulted in that going into effect.

I also introduced a bill to grant a $60 bonus upon discharge to soldiers, sailors, and marines.

I introduced bills to grant seed and feed loans to farmers in drought-stricken areas.

I introduced the first allotment bill for agricultural relief.

I introduced and passed the Debtors Relief Act.

I secured a Federal fish hatchery in the fourth district.

I introduced one of the first bonus bills.

I secured an appropriation of $364,000 to pay the absentee Shawnees a debt owed them by the United States for 60 years.

I secured an Indian hospital near Shawnee.

I secured public buildings at Ada and Sapulpa and authorization to build Federal buildings at Bristow, Drumright, Okemah, Wewoka, Holdenville, and an addition to the post-office building at Shawnee.

These are a few instances in which I have done something for the fourth district.

I have performed the duties required of a faithful Representative and kept the faith of the people whom I represent.

When they ask what have I done, I can point with satisfaction to this record for which no friend of mine need apologize.

MILITARY DEFENSE OF ALASKA

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DIMOND. Mr. Speaker, under the leave given to extend my remarks, I desire again to call the attention of the House to what I consider the vital necessity of undertaking without delay some military defensive works for Alaska, including, of course and principally, air defense.

The newspapers of May 24 carry news articles concerning a statement said to have been made by the Secretary of the Navy, in which Secretary Swanson is quoted as having said that in the event Japan builds warships in excess of its London Treaty allowance, the need of additional American bases in the Pacific coast region would be considered.

In this connection it is well to remember that the Washington and London treaties do not limit, and do not attempt to limit, the United States with respect to installing defensive works and stationing defensive forces in the main body of continental United States or Alaska. It is true that in the Washington Treaty the United States agrees, substantially, not to fortify, among other places, the Aleutian Islands, which extend out from the main body of Alaska a distance of some 600 miles toward the Japanese Archipelago.

It would serve no useful purpose at this time to discuss the wisdom of this provision of the Washington Treaty in thus limiting the rights of the United States with respect to its own territory. But I cannot forbear observing that if any such limitation had been suggested to Japan with respect to the Japanese Archipelago we would have been met with the assertion that any such limitation upon the Japanese would have run counter to their national security and honor. But the Washington Treaty was ratified and so we may as well pass by at this time that provision of the treaty.

Not for Alaska only, but for the proper defense of the Nation, I again urge that proper defensive measures be taken for the Territory of Alaska, and those measures can only be taken by stationing in Alaska a substantial air and military force. We all agree that in doing this there is no element of aggression or of an aggressive spirit. If there is one nation in the world at the present time that does not wish expansion of its territory at the expense of its neighbors—or at all—that Nation is the United States.

We do not seek any further power or any territorial aggrandizement under the deceptive phrase that we desire a place in the sun. We merely wish to live our own lives in our own way and to be safe from aggression of those nations which are seeking to expand their boundaries no matter what may be the cost to the welfare and the peace of the world. Our intentions are best shown by the passage of the Tydings-McDuffie bill designed to grant ultimate freedom to the people of the Philippines without any reservations that can be in the slightest degree for our benefit either militarily or economically. In this connection it may be well to consider whether the objections of any foreign nation to proper defensive measures for our own territory are not based upon a spirit of conquest.

I assume that the policy of the Government and of the people of the United States is not one of "scuttle." I suppose that a weak nation might conceivably yield some of its possessions, like the Territory of Alaska, extremely valuable in many natural resources, to a foreign nation that was bound on conquest and on expansion, but if this policy is once adopted, why then, I suppose, at the price of peace, the same pusillanimous view would lead to the yielding of Hawaii and ultimately of the Pacific coast of the United States.

The alternative policy and the one which is supported by the sentiments of patriotism and manhood, as well as of justice and honor, ought to impel the people of the United States to take proper and adequate defensive measures for all of our possessions which do not wish to be erected as independent nations.

As I have pointed out before to the House, the possession of Alaska by any foreign country would be a constant and ever-present threat to the integrity of the continental United States. Leaving out of consideration what is commonly known as southeastern Alaska, a narrow strip of land embracing many islands extending along the west boundary of Canada, we find that the main body of Alaska is only 1,400 miles in a direct line from the northern part of the Pacific coast of the United States, whereas Hawaii is approximately 2,200 miles distant from the Pacific coast of the United States. The members of this House may not know that Prince William Sound, Alaska, which, as I have said, is only about 1,400 miles from the northern part of the Pacific coast of the United States, contains many harbors such as Valdez, Cordova, Seward, Fidalgo Bay, and others that would form admirable bases for the largest fleets of the world and sufficient in size and contour to accommodate such fleets safely.

While it may be impractical to fortify all of the 35,000 miles of the coast line of Alaska, it is at least practical to station in Alaska the comparatively small defensive force, principally an air force, that would render the seizure and occupation of any part of Alaska by any hostile nation very difficult indeed. No foreign nation would have the right to object to the installation of any such defensive measures, and, the fact, if it be a fact, that any foreign nation does object to it is the best proof which can be offered of the aggressive intentions and the spirit of conquest which animates such a foreign nation.

It is well to remember in connection with the matter discussed that so far as national defense is concerned, we have been in many cases eternally too late and we have sacrificed many lives and billions of dollars because we did not make in time adequate provisions for our defense. The thing that I urge upon the Congress now is that these defensive measures be undertaken so as to save lives and treasure in the future.

Sensible people will realize that it is folly to depend upon the charity and good nature and the self-control and the unselfishness of all of the people of the world who are in a position to attack us. We have not yet arrived at that beatific state where everybody is good and virtuous. We must know, if we look about us, that there are nations, just as there are individuals, who are outlaws and who shoot first and talk about it afterward; nations that do not take the trouble to declare war until they have inflicted the greatest possible injury on the enemy. If we are the victims of any such acts we have only ourselves to blame. Alaska has been too long overlooked in the scheme of national defense. It is time to act now.

May I direct your attention here to the provisions of H.R. 9524 and the measure of defensive protection that the passage of this bill would afford to the citizens of the United States generally and also to those citizens of our Nation who reside in the Territory of Alaska.

However, my principal object in introducing H.R. 9524 was not so much to have a defensive force in the Territory of Alaska as to give to the Army pilots needed training in flying in that region and thus enable them to become acquainted with the terrain and also to give them practice that is bound to be very valuable in flying ships of all types in subarctic temperatures to be encountered in all northern latitudes in the wintertime.

It is obvious, of course, that wars in modern times are not fought only in the summer and in fine weather. The Army pilots, whom I believe to be equal to any in the world,

are unhappily deficient in actual flying practice in cold and stormy weather. This is something that cannot be learned from books, and the men must have actual experience in order to take care of themselves and their equipment and to reach their objectives. The commercial pilots in Alaska have had this experience, but they could not have acquired their present information in any other way. With an Army training and defense base in Alaska, an opportunity will be given to a very large proportion, if not all, of the military pilots to obtain this valuable experience in Alaska. Moreover, it is obvious, in the event Alaska is a theater of war, that the actual experience with the topography of the country to be gained by pilots who fly in Alaska is bound to be of the highest military value.

It is not impossible that if an air unit is stationed in Alaska the pilots will be able to devise protective safeguards whereby they will be enabled to fly in all sorts of weather without hazard. Surely it is plain that the military pilots should have the experience of flying all types of ships under all sorts of conditions. A part of this experience can be gained by them in United States territory only in Alaska.

FREE WHITE HAIR AND WRINKLED BROWS FROM DREAD AND ANXIETY BY OLD-AGE SECURITY LEGISLATION

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. YOUNG. Mr. Speaker, the question of old-age security is receiving much consideration in the Congress. Also passage of the Wagner-Lewis unemployment insurance bill has been vigorously urged by its advocates.

I served as a member of the Ohio commission on unemployment insurance, signing the report recommending unemployment insurance for my State. In fact, I helped draft the unemployment insurance measure introduced in the General Assembly of Ohio. I greatly regret that important social legislation of this character may be shelved to clear the way for an early adjournment of the Congress. The Democratic national platform of 1932 stated "we advocate unemployment and old-age insurance under State authority."

My purpose today, Mr. Speaker, is to address the House upon old-age security. On a future occasion, when the Wagner-Lewis bill is before us for debate and vote, I shall express my views in support of that measure.

The House Committee on Labor is considering a national system of old-age pensions. Present poor-relief systems for the indigent aged are inadequate. In addition, they are costly and give no assurance of security. China and India are about the only nations which do not have old-age-security laws. No problem before us is of greater importance than that of freeing white hair and wrinkled brows from care and anxiety.

About 350 years ago while Elizabeth was Queen, somebody thought of the poorhouse. Since then we have found better ways of doing everything. We have exchanged the quill pen for the fountain pen and printing press; the candle for the electric light; the horse for the railroad, automobile, and airplane. Stage coaches, tallow dips, flintlock muskets are gone never to return. Nevertheless, we still tolerate the poorhouse. We care for our needy aged by methods in vogue in 1588.

After 4 years of depression this problem is particularly acute. Savings of thousands of aged people have been wiped out despite the fact that they providently and thriftily saved for their future. They are destitute. Their sons and daughters, lacking jobs in many instances, cannot help. Younger people and the middle aged may never be able to accumulate sufficient for their own old age, certainly they are not able to provide adequately for their aged and infirm parents. This depression, like war, leaves its toll for future generations to pay. The question is shall we provide for our aged extravagantly and cruelly, in poorhouses; or humanely, economically, and scientifically, by old-age pensions?

I am proud to represent the people of Ohio and hope my constituents will retain me for a second term as their Congressman by a vote of confidence this November. Last November the citizens of my State by an overwhelming vote, in fact by a majority of nearly 3 to 1, adopted old-age pensions for Ohio. This was the largest majority ever accorded an issue voted on in Ohio.

We provide that the needy individual, aged 65, or older, who has been for some years a resident of Ohio, shall receive $25 per month as long as he, or she, lives. No individual with an income equal or greater than this can receive an old-age pension, nor is such pension payable if the individual draws compensation or pay for work in competition with others, nor if the individual has deprived himself or herself of property in order to qualify for benefits under this law.

Old-age pensions provide an open road for happiness and contentment for men and women who have, through no fault of their own, beheld the savings of a lifetime swept away as a result of ill-founded trust and abiding faith in big city bankers, in manipulated insurance companies, in exploiting building-and-loan associations, or have been swindled in any manner through the connivance of others, or who have by reason of economic conditions, been unable to lay aside sufficient for the rainy day that awaits us all. Local communities now overburdened, relatives now overtaxed, caring for the less fortunate, and county poorhouses, will be displaced. A new era is at hand. The aged and infirm will face security and contentment instead of uncertainty, humiliation, and misery.

We should establish in the Nation old-age security for every needy person of 65 years or older. Legislatures in 27 States, including New York and California, have enacted this beneficient legislation. In Ohio and other States, old-age security acts have been adopted by direct mandate of the people. Ours is the only civilized country in the world that does not have a national old-age pension law. The cost of four battleships will pension every needy old person in all our 48 States.

The average State pension approximates $22.50 per month. The average cost of maintaining inmates in poorhouses is $40 a month. Justice and ordinary business prudence call for old-age security legislation.

The need for old-age security legislation is brought about by the congestion and intensity of modern industrial processes. Either aged people, in honorable poverty, must be supported by private charity or by the State. I favor old-age security legislation because it is the duty of the Government and also because the reliance upon private charity is an unequal and insecure dependence for men and women who have earned the right to live their few remaining years in modest independence, and enjoy a little repose.

The hope we all cherish is an old age free from care and want. To that end people toil patiently and live closely, seeking to save something for the day when they can earn no more. And yet the same fate awaits the majority. In the life of the worker there are weeks, often months, of enforced idleness, weeks of unavoidable sickness, losses from swindling, and then, as age creeps on, there is a constantly declining capacity to earn, until at 65, many find themselves destitute. There is no more pitiful tragedy than the lot of the worker who has struggled all his life to gain a competence and who, at 65, faces the poorhouse. The black slave knew no such tragedy as this. It is a tragedy reserved for the free worker in the greatest nation on earth.

There is nothing radical about the old-age-pension idea, though, personally, I do not fear being termed a "radical." The word "radical" is derived from the Latin word meaning root. We ought to go to the roots of our social and economic troubles. As a matter of fact, payment of old-age pensions by the State or National Government involves no new policy nor any innovation of principle. In 1913, as a member of the General Assembly of Ohio, I participated in the enactment of Ohio's first mothers' pension law. Before that time the State had dealt in haphazard fashion with children of destitute widows. Children were sent to children's homes and the mother to work. This blighted the lives of children and brought misery to the mother. In-

stead of cruel separations of mothers and children, we now have the enlightened system of mothers' pensions, which provides for regular payments to mothers to take care of their children. The family is kept together. Furthermore, the cost to the State is less. No State that has adopted mothers' pensions has returned to the old inhuman methods. I urge the same principle for the needy aged who, after a lifetime of industry, effort, and struggle, at 65 become in need of assistance from the Government or from public or private charities. It is time to free white hair and wrinkled brows from dread and anxiety. Instead of sending them "over the hill to the poorhouse", the Government should lend a helping hand in a scientific and adequate manner to our deserving and needy aged as they go down the sunset side of life.

Mr. Speaker, private charities, bread lines, and soup kitchens must not be the only answers of American intelligence and sense of justice to the problem of unemployment and indigent old age. Out of the hardships of this depression, when millions of people sought work which they could not find, let us hope that a better future may come for aged men and women whose condition is desperate even in the best of times, and through no fault of their own.

SENATE JOINT RESOLUTION 36

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Senate Resolution 36 and to include a copy of the resolution.

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

There was no objection.

Mr. MEAD. Mr. Speaker, I wish to draw attention to Senate Joint Resolution 36, honoring Gen. Casimir Pulaski, which has recently been signed by the President. A copy of the resolution follows:

Senate Joint Resolution 36

Authorizing the President of the United States of America to proclaim October 11, 1934, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski

Whereas the 11th day of October 1779, is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of West Virginia, New Jersey, Massachusetts, Kentucky, Illinois, Michigan, Tennessee, Indiana, Wisconsin, New York, Nebraska, Texas, Minnesota, Delaware, Maryland, Arkansas, New Hampshire, Pennsylvania, Missouri, Ohio, and other States of the Union, through legislative enactment designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929, and October 11, 1931, to be General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the death of this great American hero of the Revolutionary War: Therefore be it

Resolved, etc., That the President of the United States is authorized to issue a proclamation calling upon officials of the Government to display the flag of the United States on all governmental buildings on October 11, 1934, and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies of the death of Gen. Casimir Pulaski.

The Congress of the United States, in recognition of the valiant services of the great Polish Revolutionary War hero, Gen. Casimir Pulaski, has passed this joint resolution in commemoration of his death. It is a fitting and proper tribute to one of America's early patriots.

The resolution, passed unanimously, authorizes the President to declare October 11, 1934, as a select day in memory of General Pulaski. The President will issue a formal proclamation, which will be broadcast by radio and newspaper to every remote corner of our Nation, announcing the occasion. On October 11, next, our Federal establishments, public buildings, schools, and homes throughout the Republic will proudly display the country's flag in reverent respect to a man who fought so ably and courageously that the dreams of a new Government might be realized.

Throughout the United States on October 11, patriotic demonstrations and appropriate ceremonies will be enacted. The name of General Pulaski, now hailed by historians as an outstanding martyr in the cause of American independence, will reverberate from coast to coast and the inspiring story of his military heroism and strategy will be told in the schoolrooms of America. This day, in remembrance of the youthful General Pulaski's tragic death in the service of our Nation, marks a holiday on which every loyal American citizen should pause a moment to pay tribute to his memory.

Casimir Pulaski was born in Podolia, Poland, on March 4, 1748. Early in life he became interested in military affairs and served as a soldier before he was 20. Like his father, who won fame fighting for the redemption of Poland, young Pulaski's reputation as a brave and intrepid fighter spread throughout Europe.

Through an unusual coincidence, in 1776, he met Benjamin Franklin in Paris, and although Franklin was an old man, their mutual ideals and philosophies drew them together.

Pulaski was fired with the story of the stubborn struggle of the American Colonies for independence, and in March 1777 he came to this country and immediately joined General Washington's staff. From that day on the colorful, dashing young Pole became a commanding figure in the war for liberty and self-government. A romantic, adventurous, and fearless cavalryman, time after time he led his troops to victory.

His enthusiasm and loyalty to the American cause was an inspiration to his men, and through his meritorious efforts and brilliant strategy he won the undying friendship of George Washington. As a result of his services in the Battle of Brandywine, Congress commissioned him a brigadier general, upon General Washington's recommendation.

Every history textbook contains an account of the stirring deeds of Pulaski's legion, which was a corps of light infantry under General Pulaski's command.

On October 9, 1779, Pulaski stormed the city of Savannah, Ga., where he had driven the British after several days' hot pursuit. Riding bravely at the head of his famous cavalry, he was mortally wounded but stayed in the thick of the battle until the conflict was over. He was removed from the battlefield and placed on board the brig *Wasp* for transfer to Charleston. However, the ship was delayed by adverse winds, and the noble Pulaski died at sea, where he was buried with simple ceremonies. His distinguished career was ended at 31.

The patriotic character and loyal devotion of this youthful Polish military genius deserves to become forever enshrined in American hearts, and the action of Congress and President Roosevelt in setting aside October 11 in his honor is commendable. America will pay him due homage.

REVISION OF AIR-MAIL LAWS

Mr. MEAD. Mr. Speaker, I call up the conference report on the bill (S. 3170) to revise air-mail laws.

Mr. SNELL. Mr. Speaker, I hope the gentleman will let this conference report go over until tomorrow, for it is now a quarter of 6.

Mr. MEAD. I may say to the gentleman from New York that I have discussed the conference report with the gentleman from Pennsylvania [Mr. KELLY]. I do not think it will take over 5 minutes to dispose of the conference report.

Mr. KELLY of Pennsylvania. Mr. Speaker, I should like to be heard a few minutes to discuss the conference report.

Mr. SNELL. I would remind the gentleman that it is getting late. A point of no quorum was withdrawn with the understanding that no further business would be transacted this evening other than the submission of unanimous-consent requests.

Mr. MEAD. I may say to the gentleman from New York that I will not take any time on the conference report myself. The gentleman from Pennsylvania [Mr. KELLY] will probably want to make an explanation of the report.

Mr. SNELL. I think we ought to have an explanation of the conference report.

Mr. MEAD. The conferees are practically in agreement.

Mr. SNELL. I would say they are very far from agreement, for none of the minority conferees have signed the report; is not this true?

Mr. MEAD. That is true on the part of the House committee, but I should like to have the matter disposed of tonight so we can get the bill back to the Senate. It will not take over 5 minutes.

Mr. SNELL. I do not want to object, but I think it is too late to bring up a conference report. I wish the gentleman would let it go over until tomorrow, although I understand, of course, that this is a privileged matter.

Mr. MEAD. I shall be very glad to yield under the circumstances; there is nothing else to do.

CHILD-LABOR AMENDMENT

The SPEAKER laid before the House a letter from Richard J. Beamish, secretary of the Commonwealth of Pennsylvania, forwarding certificate of the proposed amendment to the Constitution of the United States relative to the labor of persons under 18 years of age.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. WEAVER, indefinitely, on account of important business.

To Mr. SISSON, for today and tomorrow, on account of important business.

To Mr. MUSSELWHITE, for May 29, 30, and 31, on account of business at home.

To Mr. KVALE, for today, on account of illness.

To Mr. KENNEY, for 3 days, on account of important business.

To Mr. ADAMS, for today, on account of important business.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On May 25, 1934:

H.R. 9530. An act granting consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows";

H.J.Res. 345. Joint resolution to provide funds to enable the Secretary of Agriculture to carry out the purposes of the acts approved April 21, 1934, and April 7, 1934, relating, respectively, to cotton and to cattle and dairy products, and for other purposes.

On May 28, 1934:

H.R. 2837. An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes;

H.R. 6803. An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes; and

H.R. 9068. An act to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes;

H.J.Res. 347. Joint resolution to prohibit the sale of arms or munitions of war in the United States under certain conditions.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, I understand the previous question has been ordered on the free-trade zone bill to final passage, and that the vote on the bill will be the first order of business tomorrow.

The SPEAKER. Yes.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 49 minutes p.m.) the House adjourned until tomorrow, Tuesday, May 29, 1934, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

488. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1934, submitting a report, together with accompanying papers, on a preliminary examination of Steele Bayou, Miss., authorized by the River and Harbor Act approved July 3, 1930; to the Committee on Rivers and Harbors.

489. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1934, submitting a report, together with accompanying papers, on a preliminary examination of Russell Creek, S.C., authorized by the River and Harbor Act approved July 3, 1930; to the Committee on Rivers and Harbors.

490. A letter from the Secretary of the Treasury, transmitting a draft of a bill, to place officers and men of the Coast Guard on the same basis as officers and men of the Navy, with respect to Medals of Honor, Distinguished-Service Medals, and Navy Crosses; to the Committee on Interstate and Foreign Commerce.

491. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting, in accordance with the provisions of section 12B of the Banking Act of 1933, the report of operations of the Federal Deposit Insurance Corporation for the period ending March 31, 1934 (H.Doc. 389); to the Committee on Banking and Currency.

492. A letter from the Secretary of War, transmitting a proposed draft of a bill to amend section 602½ (a) of the Revenue Act of 1934, relative to the imposition of a tax on Philippine coconut oil; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KELLER: Committee on the Library. H.R. 9003. A bill to purchase and erect in the city of Washington the group of statuary known as the "Indian Buffalo Hunt"; without amendment (Rept. No. 1775). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 316. A joint resolution authorizing the erection of a memorial to J. J. Jusserand; without amendment (Rept. No. 1776). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H.R. 8055. A bill to provide monuments to mark the birthplaces of deceased Presidents of the United States; with amendment (Rept. No. 1777). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. Senate Joint Resolution 100. A joint resolution authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp; without amendment (Rept. No. 1778). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. H.R. 8389. A bill to amend section 36 of the Emergency Farm Mortgage Act of 1933 and amendments thereto; without amendment (Rept. No. 1779). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H.R. 9741. A bill 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; without amendment (Rept. No. 1780). Referred to the Committee of the Whole House on the state of the Union.

Mr. BANKHEAD: Committee on Rules. House Resolution 397. A resolution for the consideration of H.R. 9178, a bill to regulate the business of life insurance in the District of Columbia; without amendment (Rept. No. 1781). Referred to the House Calendar.

Mr. BANKHEAD: Committee on Rules. House Resolution 398. A resolution for the consideration of House Joint Resolution 271, a joint resolution providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts; without amendment (Rept. No. 1782). Referred to the House Calendar.

Mr. DRIVER: Committee on Rules. House Resolution 392. A resolution providing for the consideration of H.R. 9391; without amendment (Rept. No. 1783). Referred to the House Calendar.

Mr. BIERMANN: Committee on Agriculture. H.R. 9646. A bill to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge; with amendment (Rept. No. 1785). Referred to the Committee of the Whole House on the state of the Union.

Mr. WEIDEMAN: Committee on Immigration and Naturalization. H.R. 6912. A bill to amend the act entitled "An act to admit to the United States, and to extend naturalization privileges to, alien veterans of the World War", approved May 26, 1926; with amendment (Rept. No. 1786). Referred to the House Calendar.

Mr. WEARIN: Committee on the Public Lands. H.R. 7834. A bill to provide for conveying to the State of Iowa certain lands within the nonnavigable meandering lake beds within that State for use as public parks, recreation grounds, and game refuges; without amendment (Rept. No. 1788). Referred to the Committee of the Whole House on the state of the Union.

Mr. ENGLEBRIGHT: Committee on the Public Lands. H.R. 8683. A bill to provide for the selection of certain lands in the State of California for the use of the California State park system; without amendment (Rept. No. 1789). Referred to the Committee of the Whole House on the state of the Union.

Mr. ENGLEBRIGHT: Committee on the Public Lands. H.R. 8684. A bill to provide for the selection of certain lands in the State of California for the use of the California State park system; without amendment (Rept. No. 1790). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. H.R. 9619. A bill to authorize the disposal of surplus personal property, including buildings, of the Emergency Conservation Work; without amendment (Rept. No. 1791). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. House Joint Resolution 349. A joint resolution designating or naming a certain mountain in the State of Tennessee "Mount Roosevelt", and for other purposes; with amendment (Rept. No. 1792). Referred to the House Calendar.

Mr. FULMER: Committee on Agriculture. H.R. 7663. A bill to authorize payment of farm-loan mortgages with bonds issued by joint-stock land banks, and for other purposes; without amendment (Rept. No. 1793). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCK: Committee on Agriculture. H.R. 9702. A bill authorizing the adjustment of existing contracts for the sale of timber on the national forests, and for other purposes; without amendment (Rept. No. 1794). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCK: Committee on Agriculture. S. 1138. An act authorizing transfer of an unused portion of the United State Range Livestock Experiment Station, Mont., to the State of Montana for use as a fish-cultural station, game reserve, and public recreation ground, and for other purposes; without amendment (Rept. No. 1795). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS of Montana: Committee on the Public Lands. S. 1825. An act authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress; with amendment (Rept. No. 1796). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. S. 2924. An act to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof; with amendment (Rept. No. 1797). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. S. 3443. An act to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes; with amendment (Rept. No. 1798). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H.R. 9745. A bill to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes; with amendment (Rept. No. 1801). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H.R. 9654. A bill to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes; without amendment (Rept. No. 1802). Referred to the Committee of the Whole House on the state of the Union.

Mr. ZIONCHECK: Committee on Naval Affairs. H.R. 9272. A bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; with amendment (Rept. No. 1803). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOWARD: Committee on Indian Affairs. H.R. 7902. A bill to grant to Indians living under Federal tutelage the freedom to organize for purposes of local self-government and economic enterprise, to provide for the necessary training of Indians in administrative and economic affairs, to conserve and develop Indian lands, and to promote the more effective administration of justice in matters affecting Indian tribes and communities by establishing a Federal Court of Indian Affairs; with amendment (Rept. No. 1804). Referred to the Committee of the Whole House on the state of the Union.

Mr. MUSSELWHITE: Committee on the Post Office and Post Roads. H.R. 8245. A bill to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation; with amendment (Rept. No. 1805). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. Senate Joint Resolution 123. A joint resolution empowering certain agents authorized by the Secretary of Agriculture to administer oaths to applicants for tax-exemption certificates under the Cotton Act of 1934; without amendment (Rept. No. 1806). Referred to the House Calendar.

Mr. WOOD of Georgia: Committee on the Post Office and Post Roads. H.R. 7310. A bill to enable the Postmaster General to withhold commissions on false returns made by postmasters; with amendment (Rept. No. 1807). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. House Joint Resolution 267. A joint resolution to authorize the several States to negotiate compacts or agreements to promote greater uniformity in the laws of such States affecting labor and industries; with amendment (Rept. No. 1808). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DUNCAN: Committee on Military Affairs. H.R. 9750. A bill for the relief of Thaddeus C. Knight; without amendment (Rept. No. 1774). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on Claims. S. 1853. An act to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine; without amendment (Rept. No. 1784). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on Claims. S. 1859. An act authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.; without amendment (Rept. No. 1799). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3280. An act to carry out the findings of the Court of Claims in the claim of the Morse Dry Dock & Repair Co.; without amendment (Rept. No. 1800). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the committee was discharged from the consideration of the following bill, which was referred as follows:

A bill (H.R. 9713) granting a pension to Paul Chick; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LOZIER: A bill (H.R. 9767) to prohibit the Home Owners' Loan Corporation from charging fees with respect to loans applied for but not granted, and to provide for the refund of such fees already paid; to the Committee on Banking and Currency.

By Mr. GAMBRILL: A bill (H.R. 9768) to authorize appropriations for the creation of a public airport for national defense in or near Washington, D.C., and as a national shrine to pioneer aviators, and for other purposes; to the Committee on Military Affairs.

By Mr. CARTWRIGHT: A bill (H.R. 9769) to amend the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Oklahoma, and for other purposes"; to the Committee on Indian Affairs.

By Mr. LOZIER: A bill (H.R. 9770) to authorize the Home Owners' Loan Corporation to make loans to churches and religious organizations on the security of dwellings occupied by religious officers; to the Committee on Banking and Currency.

By Mr. HILDEBRANDT: A bill (H.R. 9771) to stimulate competitive buying of swine, to provide for establishment of standards for grading swine, and for other purposes; to the Committee on Agriculture.

By Mr. LEA of California: A bill (H.R. 9772) to provide for the selection of certain islands, rocks, and pinnacles situated in the Pacific Ocean for the use of the California State park system; to the Committee on the Public Lands.

By Mr. MONAGHAN of Montana: A bill (H.R. 9773) to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children; to the Committee on Indian Affairs.

By Mr. LOZIER: A bill (H.R. 9774) to prohibit the Farm Credit Administration and agencies subject to its control from charging fees with respect to loans to farmers applied for but not granted, and to provide for the refund of such fees already paid; to the Committee on Agriculture.

By Mr. EATON: A bill (H.R. 9775) to amend the provisions in the act approved March 3, 1931, governing the computation of commissioned service of Naval Academy graduates who have been retired for age or service ineligibility for promotion; to the Committee on Naval Affairs.

By Mr. HIGGINS: A bill (H.R. 9776) to require contractors on public-building projects to perform a part of the work on each contract themselves, to name their subcontractors, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. BANKHEAD: Resolution (H.Res. 397) for the consideration of H.R. 9178, a bill to regulate the business of life insurance in the District of Columbia; to the Committee on Rules.

Also, resolution (H.Res. 398) for the consideration of House Joint Resolution 271, a joint resolution providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts; to the Committee on Rules.

By Mr. FISH: Resolution (H.Res. 399) relative to famine in the Ukraine; to the Committee on Foreign Affairs.

By Mr. BLOOM: Joint resolution (H.J.Res. 357) for the participation of the United States in a universal and international exhibition at Brussels, Belgium, in 1935; to the Committee on Foreign Affairs.

By Mr. CANNON of Wisconsin: Joint resolution (H.J.Res. 358) limiting the number of the Members of the House of Representatives; to the Committee on the Census.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EICHER: A bill (H.R. 9777) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to James R. Kelly; to the Committee on Claims.

By Mr. GLOVER: A bill (H.R. 9778) granting a pension to James W. Morris; to the Committee on Pensions.

By Mr. LUDLOW: A bill (H.R. 9779) granting pensions to E. D. Howe, W. C. Harris, and Elwood Kirkwood; to the Committee on Pensions.

By Mr. MUSSELWHITE: A bill (H.R. 9780) for the relief of Myrton L. Genung; to the Committee on Claims.

By Mr. PARKS: A bill (H.R. 9781) to provide compensation for James Martin Wells for injuries received in citizens' military training camp; to the Committee on Military Affairs.

By Mr. REECE: A bill (H.R. 9782) granting a pension to Luther G. Martin; to the Committee on Pensions.

Also, a bill (H.R. 9783) granting a pension to Mildred K. Brown; to the Committee on Pensions.

By Mr. SABATH: A bill (H.R. 9784) for the relief of John Boska; to the Committee on Military Affairs.

By Mr. THURSTON: A bill (H.R. 9785) for the relief of Henry Steffen; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4790. By Mr. BLOOM: Petition of the members of Nativity Council, No. 357, Knights of Columbus, in the city of New York, favoring the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said non-profit-making associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

4791. By Mr. FORD: Resolution signed by Dr. Harry T. Daily, of Los Angeles, as secretary of his district Democratic committee; Rev. P. Gustam Rodgers, pastor of the Wadsworth Seventh Day Adventist Church, representing his membership of 500, and sundry other citizens of the Fourteenth Congressional District of California, urging the passage of the Costigan-Wagner antilynching bill in the Senate and the companion Ford bill in the House; to the Committee on the Judiciary.

4792. By Mr. HIGGINS: Resolution of the Sons and Daughters of Liberty of Portland, Conn., protesting against any letting down of the present restrictions in regard to immigration; to the Committee on Immigration and Naturalization.

4793. By Mr. KRAMER: Resolution adopted by the Amalgamated Association of Street & Electric Railway Employees

of America, on May 22, 1934, requesting the passage of the Wagner-Connery bill; to the Committee on Labor.

4794. Also, resolution adopted by the National Federation of Post Office Clerks on May 17, 1934, recommending that the sesquicentennial celebration of the death of Father Junipero Serra be held August 29, 1934, at Carmel Mission, Calif.; to the Committee on the Library.

4795. Also, resolution adopted by the Los Angeles County Farm Bureau on May 17, 1934, concerning certain communistic agitators of California who are doing all in their power to bring about strikes among agricultural laborers for the avowed purpose of breaking down property values, causing strife and hatred between employers and employees, and ultimately destroying our Government; to the Committee on Immigration and Naturalization.

4796. By Mr. LAMNECK: Petition of A. William Morrison and other citizens of Miami, Fla., approving an embargo against defaulting nations; to the Committee on Foreign Affairs.

4797. By Mr. LEHR: Petition of Oil and Gas Producers' Association of Michigan, representing more than 75 percent of the oil production within the State favoring the adoption of the Thomas Senate bill (S. 3495) providing that the Federal Government and State regulatory bodies coordinate their efforts to bring about protection against the return of the previous conditions; to the Committee on Interstate and Foreign Commerce.

4798. By Mr. LINDSAY: Petition of joint cooperative board, Brotherhood of Locomotive Firemen and Enginemen, Albany, N.Y., favoring the enactment of House bill 7430, the 6-hour day bill for railroad employees; to the Committee on Interstate and Foreign Commerce.

4799. Also, petition of the Brotherhood of Railroad Trainmen, legislative board, State of New York, Albany, urging support and passage of House bill 7430; to the Committee on Interstate and Foreign Commerce.

4800. Also, petition of American Federation of Labor, Washington, D.C., endorsing amendment to the Railway Labor Act (H.R. 9689); to the Committee on Interstate and Foreign Commerce.

4801. Also, petition of the Brotherhood of Railroad Trainmen, legislative board, State of New York, Albany, concerning Senate bill 3266; to the Committee on Labor.

4802. Also, petition of the Associated Coffee Industries of America, New York City, protesting against the extension of the compensating tax on jute products to jute bags imported as containers of coffee; to the Committee on Ways and Means.

4803. Also, petition of the Texas Bankers' Association, Tyler, Tex., favoring Federal assistance in cooperation with State authorities in enforcement of laws for oil industry; to the Committee on Interstate and Foreign Commerce.

4804. By Mr. McCORMACK: Petition of the City Council of the City of Woburn, Mass., urging early and favorable consideration of House Joint Resolution 329, introduced by Congressman McCORMACK, to rename the Veterans' Administration Facility, Bedford, Mass., the Reverend William J. Farrell Hospital; to the Committee on World War Veterans' Legislation.

4805. By Mr. MALONEY of Connecticut: Petition of the Sons and Daughters of Liberty, State Council of Connecticut, representing Sons and Daughters of Liberty, an organization composed of upward of 100,000 native-born American men and women, to defeat the efforts being made by political leaders and exploiters of labor to defeat the spirit of restricted immigration, etc.; to the Committee on Immigration and Naturalization.

4806. Also, petition of the Ancient Order of Hibernians and the Ladies' Auxiliary to the Ancient Order of Hibernians of the State of Connecticut, having a membership of 4,559 on May 1, 1934, to support amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said non-profit-making associations of at least 25 percent of all radio facilities not employed in public use, etc.; to the Committee on Interstate and Foreign Commerce.

4807. By Mr. MONAGHAN of Montana: Petition of 15 Butte, Mont., employees of organizations handling securities, protesting against the pending stock-exchange bill; to the Committee on Interstate and Foreign Commerce.

4808. Also, petition of 31 officers and employees of Metals Bank & Trust Co. of Butte, Mont., protesting against the pending stock-exchange bill; to the Committee on Interstate and Foreign Commerce.

4809. Also, petition of 58 residents of Anaconda, Mont., protesting against the revised Tugwell bill no. 2000; to the Committee on Interstate and Foreign Commerce.

4810. Also, petition of 22 residents of Kalispell, Mont., favoring the Frear resolution against war; to the Committee on the Judiciary.

4811. Also, petition of 95 residents of Kalispell, Mont., favoring immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

4812. Also, petition of 309 residents of Missoula, Mont., favoring the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

4813. By Mr. RUDD: Petition of the Brotherhood of Railroad Trainmen, legislative board, State of New York, favoring the passage of House bill 7430, 6-hour day bill; to the Committee on Labor.

4814. Also, petition of the Joint Cooperative Board Brotherhood of Locomotive Firemen and Enginemen, Delaware & Hudson System, Albany, N.Y., favoring the passage of House bill 7430, 6-hour day bill; to the Committee on Labor.

4815. Also, petition of the Associated Coffee Industries of America, New York City, opposing the extension of the compensating tax on jute products to jute bags imported as containers of coffee; to the Committee on Ways and Means.

4816. Also, petition of the Brotherhood of Railroad Trainmen, legislative board, State of New York, opposing certain amendments to Senate bill 3266, amending the Railroad Labor Act; to the Committee on Interstate and Foreign Commerce.

4817. Also, petition of the Texas Bankers Association, Tyler, Tex., favoring Federal assistance in cooperation with State authorities in the enforcement of laws regulating the movement of oil in commerce; to the Committee on Interstate and Foreign Commerce.

4818. Also, petition of the Catholic Benevolent Legion, Brooklyn, N.Y., favoring the proposed amendment to section 301 of Senate bill 2910, as contained in House bill 8977; to the Committee on Merchant Marine, Radio, and Fisheries.

4819. By Mr. SNYDER: Petition signed by Mr. Martin Migrock, of Banning, Pa., and 173 members of Local Union, No. 2025, of the United Mine Workers of America who are residents of Fayette County, Pa., urging the passage of the Wagner-Lewis unemployment insurance bill; to the Committee on Labor.

4820. By Mr. THOMAS: Telegram from C. R. Palmer, president Cluett Peabody & Co., Troy, N.Y., opposing further limitation of hours for industry; to the Committee on Labor.

4821. By the SPEAKER: Petition of the code authority of the narrow fabric industry, opposing House bill 8492; to the Committee on Labor.

4822. Also, petition of the National Society Daughters of the Revolution, New York, recommending the equipping and developing of the Reserve Officers' Training Corps; to the Committee on Military Affairs.

4823. Also, petition of the National Society Daughters of the Revolution, disapproving of the child-labor amendment to the Constitution of the United States, adopted by the Congress of 1924; to the Committee on Labor.

4824. Also, petition of the Nativity Council, No. 357, Knights of Columbus, in the city of New York, State of New York, requesting the support of section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4825. Also, petition of Frank B. Moore and others, opposing the lottery bill; to the Committee on Ways and Means.

4826. Also, petition of John Wright and others, requesting the passage of House bill 9596; to the Committee on Interstate and Foreign Commerce.

4827. Also, petition of the City of Dearborn (Mich.) Council, requesting removal of certain restrictions as set forth in section 204-A of the National Recovery Administration; to the Committee on Ways and Means.

SENATE

TUESDAY, MAY 29, 1934

(Legislative day of Monday, May 28, 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, Monday, May 28, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. LEWIS. I announce that the Senator from California [Mr. McADOO] is still detained from the Senate on account of illness, and that the Senator from North Carolina [Mr. BAILEY], the Senator from Florida [Mr. TRAMMELL], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

Mr. HEBERT. I desire to announce that the Senator from New Jersey [Mr. BARBOUR], the Senator from Vermont [Mr. GIBSON], and the Senator from Pennsylvania [Mr. REED] are necessarily absent from the Senate.

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

INVITATION TO COAST ARTILLERY SCHOOL BATTLE PRACTICE

Mr. SHEPPARD. Mr. President, I should like to have read at the desk a brief letter from Maj. Gen. W. F. Hase, Chief of Coast Artillery.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF COAST ARTILLERY,
Washington, May 18, 1934.

Hon. MORRIS SHEPPARD,
Chairman Military Affairs Committee,
United States Senate, Washington, D.C.

DEAR SENATOR SHEPPARD: Believing that some members of your committee and perhaps other Members of the Senate might be interested in seeing a Coast Artillery target practice, I would like to invite them to go to Fort Story, at the entrance of Chesapeake Bay, on June 8 to see the student officers at the Coast Artillery School conduct their battle practice with 8-inch railroad guns and 155 G.P.F. guns. This firing is scheduled for the morning of Friday, June 8. The party would have to leave on the 6:30 p.m. Washington-Norfolk boat Thursday, June 7, arriving at Norfolk at 8 a.m., Friday, June 8. The round-trip fare is $5, and passengers can take their automobiles as baggage without any extra charge. The trip from Norfolk to Fort Story can be made in 1 hour. The party can return from Norfolk that night and be back in Washington at 7 a.m. Saturday, June 9.

I believe such a trip would be interesting to your members, as they would have the opportunity to see our installations at Fort Story and to know what we try to teach our students at the Coast Artillery School.

If any of the Members might desire to remain over Sunday in "tidewater Virginia", they could spend Saturday and Sunday at Fort Monroe, Va., at Yorktown, Jamestown, and Williamsburg, returning from Fort Monroe on Sunday night's boat or driving back to Washington at their convenience.

I would be glad to know if any Members contemplate going, in order to inform the Commandant of the Coast Artillery School, who will arrange to meet the party at Norfolk and conduct them to Fort Story.

Sincerely yours,

W. F. HASE,
Major General, Chief of Coast Artillery.

Mr. SHEPPARD. Mr. President, I trust that as many Senators as possible will visit Fort Story on the occasion of the target practice, and, if any can make the trip, I hope they will let me know in advance.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a memorial from William S. Hauser, legislative director, etc., Brooklyn, N.Y., stating, in part, that "The postal workers of America, composed of postal employees of all classifications, urge rejection of S. 3523 in its present form, and adoption instead of bill providing for abolition of postal furloughs and guaranteeing continued employment of every postal employee", which was referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate a resolution adopted by the Sovereign Grand Lodge of F. and A. M. of Puerto Rico, in its annual communication held in Mayaguez, P.R., favoring the passage of the so-called "Lanzetta bill", excluding the island of Puerto Rico from coastwise shipping laws, which was referred to the Committee on Territories and Insular Affairs.

LA FAYETTE MEMORIAL PARK, TALLAHASSEE, FLA.

Mr. FLETCHER presented a statement embodying a resolution adopted by the City Commission of Tallahassee, Fla., relative to the dedication of La Fayette Memorial Park in that city, which was ordered to lie on the table and to be printed in the RECORD, as follows:

DEDICATION OF LA FAYETTE MEMORIAL PARK

Marquis de La Fayette, a French general and statesman, and one of George Washington's most faithful officers during the American Revolution, was born September 6, 1757, in France. His parents died when he was a youth, leaving him large estates. He entered the French army and became a general in active service. At the beginning of the American Revolution, General La Fayette espoused the cause of American independence, and, fitting out a ship, sailed from Spain, landing at Georgetown, S.C., April 24, 1777, among his companions being Baron de Kalb. The arrival of La Fayette in America gave new hope to the supporters of the revolutionary cause. On July 31, 1777, Congress bestowed upon him the rank of major general, and he was soon after attached to the staff of Gen. George Washington. In the battle of Brandywine General La Fayette was wounded while rallying the American troops. He was also with Washington at Valley Forge. He received the thanks of Congress for his brilliant military conduct at Monmouth. In 1799, on the outbreak of war between England and France, General La Fayette returned to his native land and while there secured substantial aid for the Americans. He soon returned to this country and reentered the military service. He was a member of the court martial that condemned Major Andre to death. He commanded the American forces against the British under Benedict Arnold and rendered distinguished services as a sagacious and intrepid officer. In 1781 he again returned to France, but revisited America again in 1784, when he was received with great enthusiasm. The liberal views he imbibed in America enabled him to render valiant service in the assembly and in the armies of France.

In August 1824 La Fayette returned to the United States on the invitation of the President at the request of Congress and was received in various parts of the country with warmest expressions of delight and enthusiasm. Congress voted him a grant of $200,000 and a township of land, which extended 6 miles north and 6 miles east of the city limits of Tallahassee. The patent therefor was issued July 4, 1825. General La Fayette did not see