

First Lt. Robert Benjamin Hood, Field Artillery, from June 1, 1934.

First Lt. James Joseph Harris, Quartermaster Corps, from June 1, 1934.

First Lt. Charles Franklin Fletter, Quartermaster Corps, from June 1, 1934.

First Lt. Roy Milton Thoroughman, Infantry, from June 1, 1934.

TO BE FIRST LIEUTENANTS

Second Lt. Robert Albert Howard, Jr., Infantry, from June 1, 1934.

Second Lt. Thomas Joseph Counihan, Field Artillery, from June 1, 1934.

Second Lt. Ephraim Hester McLemore, Field Artillery, from June 1, 1934.

Second Lt. James Easton Holley, Field Artillery, from June 1, 1934.

Second Lt. Frederick G. Stritzinger, 4th, Field Artillery, from June 1, 1934.

Second Lt. Robert Falligant Travis, Air Corps, from June 1, 1934.

Second Lt. John Dabney Billingsley, Ordnance Department, from June 1, 1934.

Second Lt. Thomas Joseph Cody, Signal Corps, from June 1, 1934.

Second Lt. Robert George Butler, Jr., Coast Artillery Corps, from June 1, 1934.

Second Lt. Carl Herman Sturies, Signal Corps, from June 1, 1934.

Second Lt. Joseph Anthony Michela, Cavalry, from June 6, 1934.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 8 (legislative day of June 6), 1934

UNITED STATES ATTORNEY

Fred A. Isgrig to be United States attorney for the eastern district of Arkansas.

UNITED STATES MARSHAL

Virgil Pettie to be United States marshal for the eastern district of Arkansas.

POSTMASTERS

ALABAMA

Madge S. Jefferies, Citronelle.
Kate B. Patterson, Falkville.
Ella L. Rentz, Gilbertown.
Alba Freeland, Grand Bay.
J. Thomas Martin, Jacksonville.
Emma E. Yarbrough, Monroeville.
Herman Grimes, Pine Apple.
Lorenzo D. McCrary, Prattville.
Alice Armstrong, Stevenson.
Joe H. Kerr, Wedowee.
William H. McDonough, Whistler.

ARKANSAS

Cecil H. Justus, Tyronza.

CALIFORNIA

Roy W. Scott, Baldwin Park.
Alice E. Schieck, Eldridge.
William M. Erwin, Hanford.
Magdalena Seawell, Healdsburg.

COLORADO

Harry J. Bender, Edgewater.

GEORGIA

Walter R. Cannon, Clayton.

HAWAII

Ernest Rapozo, Kapaa.

IDAHO

Rose J. Hamacher, Spirit Lake.

INDIANA

Thomas S. Stephenson, Leavenworth.
Paul E. Byrum, Milltown.

KENTUCKY

Thomas A. Spalding, Bardstown.
George A. Buckner, Blue Diamond.
Willis Conley, Garrett.

NEBRASKA

Charles J. Carrig, Columbus.
Lorraine M. Corey, Homer.
Marie Weekes, Norfolk.
Vera J. King, Primrose.
Frank R. Hall, St. Edward.
John J. Burns, Scotia.
Josh B. Keene, Sumner.
John D. Juilfs, Talmage.

NEW JERSEY

Jacob Garrison, Cape May Court House.
Nelson Pickel, Clinton.
Phillip L. Fellingner, East Orange.
William D. Hayes, Millburn.

TENNESSEE

William I. Easley, Bruceton.
James W. Stout, Decaturville.
Thomas G. Hughes, Jackson.
Robert L. Oakes, New Tazewell.
Loraine Adkins, Wartburg.

VIRGINIA

Isaac P. Weston, Jonesville.
Joseph Schmidt, Yorktown.

WEST VIRGINIA

Jennings B. Campbell, Albright.
Wilson P. Barlow, Buckhannon.
Clarence L. Perkins, Gassaway.
John B. Puryear, Jr., Holden.
John W. McNabb, Paw Paw.
William C. Bishop, Scarbro.
Bess M. Gwinn, Thurmond.
John A. Bursee, West Liberty.

WISCONSIN

Julia L. Quigley, Arena.
Raymond Dufek, Denmark.
Archie A. Veness, Exeland.
Melvin I. Dunn, Fall River.
Fern Dagnon, Ferryville.
Ethel E. Welch, Gleason.
Birnam M. Walker, Hancock.
Earl L. Persons, Lake Nebagamon.
Walter E. Smith, Lodi.
Cleveland N. Akey, Port Edwards.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 8, 1934

(Legislative day of Monday, June 4, 1934)

The recess having expired, at 11 o'clock a.m. the House was called to order by the Speaker.

PRE-TRAINED LEGISLATORS IN CONGRESS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to append thereto an article from a magazine known as "State Government." It is of some importance. It gives the names of a number of Members of Congress who had previous service in State legislatures and analyzes them. It is not very long and would be informative to the House and to the country at large.

Mr. RICH. Mr. Speaker, I reserve the right to object. It is really a tabulation of the Membership of the House, showing their former status as State legislators.

Mr. O'CONNOR. Exactly.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, State Government, a magazine published by the American Legislators' Association, comprising 500 State legislators, contained in its May num-

ber a very interesting article showing the number of Members in the present Senate and House of Representatives who had previous experience in their State legislatures. A similar situation existed in the Seventy-second Congress. It points out that 34 percent of the present Senators and 23 percent of the Representatives saw service in their State legislature, or stated otherwise, 35 Senators and 149 Representatives received such preliminary training with an average service of 4.4 years in their State bodies.

It is also interesting to note that of those 184 Members of the present Congress, every State is represented except Wyoming, and that of the 184 ex-State legislators, 128 are Democrats, 52 Republicans, and 4 Farmer-Laborites. It might be said in passing that the majority party is more particular in picking trained apprentices. The article mentioned is as follows:

ONE HUNDRED AND EIGHTY-FOUR OF US IN CONGRESS

(Possibly Congress has its troubles. But possibly it would have even more of them without its pretrained legislators)

[Data by John Brown Mason, Colorado Woman's College]

The never-ending marvel of representative government was no more fascinating feature than the variety of men whom the people select to represent them:

Rich man, poor man, beggar man, thief.

Doctor, lawyer, merchant, and representative of every other conceivable occupation.

The electorate chooses an equally surprising combination of men for its State legislators and for its Congressmen. But an impressive number of those elected to Congress have been through the State mill.

State Government considers this a good sign. In fact, only the fear of encountering a serious-minded reader prevents us from suggesting an amendment to the United States Constitution providing that no one shall be eligible for Congress until he has served in the legislature of his own State. The candidate would then know more about government, and his constituents would know more about him.

Apparently a large slice of the 40,000,000 American voters share these sentiments to some extent; at any rate, when they have a chance to elect to either branch of Congress a man who has been schooled as a State legislator, they very frequently—perhaps they usually—do elect him. Not always is there a State legislator's name on the ballot, but the electorate has nevertheless succeeded in filling more than a third of the seats in the north wing of the Nation's Capitol, and also more than a third of those in the south wing, with ex-State legislators.

The presence of such a large proportion of these gentlemen is not merely a peculiarity of the Seventy-third Congress. State Government's faithful readers—Heaven bless them—will recall that a similar situation was revealed by the study of the Seventy-second Congress made in the fall of 1932 and published in the January 1933 issue of the magazine.

The list which follows was compiled for State Government by John Brown Mason, professor of history at the Colorado Woman's College and member of the staff of the City College of the University of Denver. It shows that 34 percent of the Nation's present Senators, 36 percent of its Representatives have learned the ropes "back home." Since this is the educational number of this magazine, we ought to say that these Members of Congress have had vocational training, and that they have received an excellent form of "adult education for Congressmen."

When the roll is called in the Nation's Capitol today, it includes the names of 35 United States Senators and 149 United States Representatives who recall the eras when they shouted "here" in the humbler halls in St. Paul, Frankfort, Nashville, Oklahoma City, Columbus, Trenton, Little Rock, Salem, and the rest. The average length of time which they served in State legislatures was, Senator, 3.2 years; Representatives, 5.6 years. In the two houses of Congress combined, the count of the ex-State legislators shows 184 Members, 35 percent of all the Members, 4.4 years' average service in the home capitol.

The 7,500 State legislators of today who constitute the American Legislators' Association, salute these 149 United States Representatives and these 35 United States Senators—our fellows of yesterday who have gone on to greater responsibilities and to abuse upon a larger scale.

UP THE LADDER

Alabama (5 out of 11): Senator John Hollis Bankhead, Democrat; Hon. John McDuffie, Democrat; Hon. Henry Bascom Steagall, Democrat; Hon. William B. Bankhead, Democrat.

Arizona (1 out of 3): Senator Henry Fountain Ashurst, Democrat.

Arkansas (5 out of 9): Senator Joseph Taylor Robinson, Democrat; Hon. William J. Driver, Democrat; Hon. Claude A. Fuller, Democrat; Hon. D. D. Glover, Democrat; Hon. Tilman Bacon Parks, Democrat.

California (2 out of 22): Hon. Charles J. Colden, Democrat; Hon. Richard J. Welch, Republican.

Colorado (2 out of 6): Hon. Edward Thomas Taylor, Democrat; Hon. John Andrew Martin, Democrat.

Connecticut (5 out of 7): Senator Frederic Collin Walcott, Republican; Hon. Charles Montague Bakewell, Republican; Hon. Herman Paul Kopplemann, Democrat; Hon. William Lincoln Higgins, Republican; Hon. Edward Wheeler Goss, Republican.

Delaware (1 out of 3): Senator John G. Townsend, Jr., Republican.

Florida (4 out of 6): Senator Duncan U. Fletcher, Democrat; Senator Park Trammell, Democrat; Hon. Robert Alexis Green, Democrat; Hon. Millard F. Caldwell, Democrat.

Georgia (8 out of 12): Senator Walter Franklin George, Democrat; Senator Richard Brevard Russel, Jr., Democrat; Hon. Edward Eugene Cox, Democrat; Hon. Emmett Marshall Owen, Democrat; Hon. Robert Ramspeck, Democrat; Hon. Carl Vinson, Democrat; Hon. Malcolm Connor Tarver, Democrat; Hon. John Stephens Wood, Democrat.

Idaho (1 out of 4): Hon. Thomas C. Coffin, Democrat.

Illinois (8 out of 27): Senator James Hamilton Lewis, Democrat; Senator William H. Dieterich, Democrat; Hon. Thomas J. O'Brien, Democrat; Hon. Frank R. Reid, Republican; Hon. Frank Gillespie, Democrat; Hon. Kent Ellsworth Keller, Democrat; Hon. J. Leroy Adair, Democrat; Hon. Martin Adlai Brennan, Democrat.

Indiana (3 out of 14): Senator Arthur R. Robinson, Republican; Senator Frederick Van Nuys, Democrat; Hon. William Henry Larabee, Democrat.

Iowa (5 out of 11): Hon. Lloyd Thurston, Republican; Hon. Cassius C. Dowell, Republican; Hon. Otha D. Wearin, Democrat; Hon. Fred C. Gilchrist, Republican; Hon. Guy Mark Gillette, Democrat.

Kansas (5 out of 9): Hon. William Purnell Lambertson, Republican; Hon. Harold McGugin, Republican; Hon. Kathryn O'Loughlin McCarthy, Democrat; Hon. Clifford R. Hope, Republican; Hon. Randolph Carpenter, Democrat.

Kentucky (3 out of 11): Hon. John Young Brown, Democrat; Hon. Brent Spence, Democrat; Hon. Glover H. Cary, Democrat.

Louisiana (4 out of 10): Hon. Joachim Octave Fernandez, Democrat; Hon. Paul Herbert Maloney, Democrat; Hon. Numa Francois Montet, Democrat; Hon. Riley Joseph Wilson, Democrat.

Maine (1 out of 5): Senator Frederick Hale, Republican.

Maryland (5 out of 8): Senator Millard E. Tydings, Democrat; Hon. Vincent L. Palmisano, Democrat; Hon. Stephen Warfield Gambrell, Democrat; Hon. Ambrose Jerome Kennedy, Democrat; Hon. David John Lewis, Democrat.

Massachusetts (9 out of 17): Senator David Ignatius Walsh, Democrat; Hon. Allen Townner Treadway, Republican; Hon. Robert Luce, Republican; Hon. George Holden Tinkham, Republican; Hon. John J. Douglass, Democrat; Hon. John W. McCormack, Democrat; Hon. Joseph William Martin, Jr., Republican; Hon. Charles L. Gifford, Republican; Hon. William Joseph Granfield, Democrat.

Michigan (3 out of 19): Hon. George G. Sadowski, Democrat; Hon. Carl E. Mapes, Republican; Hon. W. Frank James, Republican.

Minnesota (5 out of 11): Senator Henrik Shipstead, Farmer-Labor; Hon. Magnus Johnson, Farmer-Labor; Hon. Henry Arens, Farmer-Labor; Hon. Ernest Lundeen, Farmer-Labor; Hon. Theodore Christianson, Republican.

Mississippi (1 out of 9): Hon. William Madison Whittington, Democrat.

Missouri (2 out of 15): Hon. Frank Hood Lee, Democrat; Hon. Clement Cabell Dickinson, Democrat.

Montana (2 out of 4): Senator Burton Kendall Wheeler, Democrat; Hon. Joseph P. Monaghan, Democrat.

Nebraska (2 out of 7): Hon. John Henry Morehead, Democrat; Hon. Edgar Howard, Democrat.

Nevada (1 out of 3): Senator Patrick A. (Pat) McCarran, Democrat.

New Hampshire (3 out of 4): Senator Henry Wilder Keyes, Republican; Hon. William Nathaniel Rogers, Democrat; Hon. Charles William Tobey, Republican.

New Jersey (7 out of 16): Hon. Charles A. Wolverton, Republican; Hon. Isaac Bacharach, Republican; Hon. D. Lane Powers, Republican; Hon. Randolph Perkins, Republican; Hon. Frederick E. Lehlbach, Republican; Hon. Oscar L. Auf der Heide, Democrat; Hon. Mary Teresa Norton, Democrat.

New Mexico: Hon. Dennis Chavez, Democrat.

New York (20 out of 45): Senator Robert F. Wagner, Democrat; Hon. Elmer E. Studley, Democrat; Hon. William Frank Brunner, Democrat; Hon. George W. Lindsay, Democrat; Hon. Thomas H. Cullen, Democrat; Hon. Loring M. Black, Jr., Democrat; Hon. Samuel Dickstein, Democrat; Hon. Christopher D. Sullivan, Democrat; Hon. John J. Boylan, Democrat; Hon. John J. O'Connor, Democrat; Hon. Martin J. Kennedy, Democrat; Hon. Joseph A. Gavan, Democrat; Hon. Frank Oliver, Democrat; Hon. Philip Arnold Goodwin, Republican; Hon. Frank Crowther, Republican; Hon. James L. Whitley, Republican; Hon. James W. Wadsworth, Republican; Hon. James M. Mead, Democrat; Hon. Anthony J. Griffin, Democrat; Hon. Hamilton Fish, Jr., Republican.

North Carolina (6 out of 13): Hon. Lindsay Carter Warren, Democrat; Hon. Franklin Wills Hancock, Democrat; Hon. J. Bayard Clark, Democrat; Hon. J. Walter Lambeth, Democrat; Hon. Robert L. Doughton, Democrat; Hon. Zebulon Weaver, Democrat.

North Dakota (1 out of 4): Hon. James Herbert Sinclair, Republican.

Ohio (10 out of 24): Hon. Leroy Tate Marshall, Republican; Hon. Brooks Fletcher, Democrat; Hon. Chester C. Bolton, Republican; Hon. Robert Thompson Secrest, Democrat; Hon. Thomas A. Jenkins, Republican; Hon. Dow W. Harter, Democrat; Hon. John

G. Cooper, Republican; Hon. Martin L. Sweeney, Democrat; Hon. Robert Crosser, Democrat; Hon. Warren Joseph Duffey, Democrat; Hon. Stephen M. Young, Democrat.

Oklahoma (6 out of 10): Senator Elmer Thomas, Democrat; Senator Thomas Pryor Gore, Democrat; Hon. Wesley Ernest Disney, Democrat; Hon. Wilburn Cartwright, Democrat; Hon. Jed Johnson, Democrat; Hon. James V. McClintic, Democrat.

Oregon (3 out of 5): Senator Frederick Steiwer, Republican; Hon. James W. Mott, Republican; Hon. Walter Marcus Pierce, Democrat.

Pennsylvania (4 out of 36): Hon. Harry C. Ransley, Republican; Hon. Benjamin K. Focht, Republican; Hon. Clyde Kelly, Republican; Hon. Matthew A. Dunn, Democrat.

Rhode Island (2 out of 4): Senator Jesse Houghton Metcalf, Republican; Hon. Francis B. Condon, Democrat.

South Carolina (3 out of 8): Senator Ellison DuRant Smith, Democrat; Hon. Thomas Sanders McMillan, Democrat; Hon. Hampton Pitts Fulmer, Democrat.

South Dakota (3 out of 4): Senator Peter Norbeck, Republican; Senator William John Bulow, Democrat; Hon. Fred H. Hidlebrandt, Democrat.

Tennessee (2 out of 11): Hon. Joseph W. Byrns, Democrat; Hon. Clarence W. Turner, Democrat.

Texas (9 out of 20): Senator Tom Connally, Democrat; Hon. George B. Terrell, Democrat; Hon. Wright Patman, Democrat; Hon. Morgan G. Sanders, Democrat; Hon. Sam Rayburn, Democrat; Hon. Oliver Harlan Cross, Democrat; Hon. William Doddridge McFarlane, Democrat; Hon. Milton H. West, Democrat; Hon. Robert Ewing Thomason, Democrat.

Utah (1 out of 4): Senator William H. King, Democrat.

Vermont (1 out of 3): Hon. Ernest Willard Gibson, Republican.

Virginia (2 out of 11): Senator Harry Flood Byrd, Democrat; Hon. Patrick Henry Drewry, Democrat.

Washington (2 out of 8): Senator Clarence C. Dill, Democrat; Senator Homer Truett Bone, Democrat.

West Virginia (3 out of 8): Senator Henry D. Hatfield, Republican; Senator Matthew M. Neely, Democrat; Hon. Joe L. Smith, Democrat.

Wisconsin (3 out of 12): Hon. Gardner R. Withrow, Republican; Hon. James A. Frear, Republican; Hon. Hubert Haskell Peavey, Republican.

Wyoming (none out of 3).
Democrats, 128.
Republicans, 52.
Farmer-Laborites, 4.

WAR MINERALS RELIEF CLAIMS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I call the attention of the House to the fact that the Committee on Rules has granted a rule for the consideration of the bill H.R. 7984. In a few days the Committee on Rules will submit that rule to the House for consideration. H.R. 7984 is a bill for what is known as "relief of the war mineral claims." I have made a complete analysis of the bill and ask unanimous consent to insert in the RECORD at this point a complete history of the bill, which I respectfully request all members to read, so that they will be thoroughly conversant with the legislation when it is presented to the House.

I ask unanimous consent to extend my remarks in that respect.

The SPEAKER. Is there objection?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, in explanation of this bill—H.R. 7984—I wish to show, first of all, that it is not intended to provide for the payment of "interest" on any claim or claims or on any amount of money due from the Government to these citizens.

While it is true that the Supreme Court of the United States has in the case of the Seaboard Airline Railroad and other cases coming before the Court under sections 1, 2, 3, and 4 of act of March 2, 1919 (40 Stat. 1272), ruled that "just compensation" must include interest to the date of payment by the Government, the war minerals relief claims filed under section 5 of the same act seek to recover only "losses suffered by reason of moneys expended and obligations incurred in compliance with demand of the Government to supply the urgent needs of the Nation in the prosecution of the war." It will therefore be seen that while this bill necessarily refers to the losses covered thereby as "interest", the intention of the bill in no way relates to or authorizes the payment by the Government of interest on the amount of the claim or such part thereof as has been

disallowed by the Secretary, but simply authorizes the Secretary to include in his adjustments and payments the losses sustained by reason of interest paid and due to be paid on capital borrowed, as a necessary obligation incurred within the statutory period, to enable the producer to comply with Government demand to supply the needs of the Nation in the prosecution of the war.

The intention of the Congress, as expressed in the several war minerals relief statutes, is plain and unambiguous. They repeatedly use the words "just compensation", "net losses", "justice and equity", and similar expressions which show the intention of the Congress has been to do justice and equity and deal fairly with its patriotic citizens who in time of great stress and emergency responded to the call of the Government and expended their time and their money and their properties to supply the minerals urgently needed for the manufacture of munitions, arms, and armaments absolutely necessary before the Government could take any action whatever in cooperation with its allies and do its part in the prosecution of the war.

Awards under the war minerals relief statutes have been sometimes referred to as "gratuitous." The use of such a word in connection with the payment by the Government of its just obligations to these citizens which have repeatedly been found by both the Congress and the courts to be due them is abhorrent to any fair-minded man familiar with the situation and with the urgent necessities for these minerals which confronted the Government in its time of emergency. Appeal to its citizens by many agencies of the Government, shortly after it entered the World War, resulted in prompt and patriotic response and in abundant supply of these four needed minerals for which before the war the Government was practically entirely dependent upon importations, which importations by reason of the shortage of ships had been entirely cut off. Not only did the Government receive the full benefit of these emergency operations of its citizens in time of stress and peril, but these properties which were theretofore in undeveloped or partially developed state, were opened and developed into enterprises of commercial importance; in fact, no claim can be allowed or paid to cover any losses sustained unless the "expenditures made or the obligations incurred were in good faith upon properties proved to be of commercial importance. No losses due to speculative investments are reimbursable. No losses of profits, either actual or potential, are reimbursable. In other words, the provisions of the war minerals relief statutes are clearly worded to provide for the payment only of losses suffered by reason of moneys expended and obligations incurred in compliance with the demand of the Government to supply the needs of the Nation in the prosecution of the war. On the other hand, the statutes are equally emphatic in providing that net losses so suffered shall be paid in such amount as claimants are in justice and equity entitled to receive.

After most elaborate engineering investigations and reports, the War Department had its statisticians in the Department of the Interior for more than a year tabulating and compiling the data obtained by these investigations of these new mineral-producing properties, which had been developed at their own expense by its patriotic citizens. These data have been filed away in the War Department, available for immediate use in case of another emergency. In case of necessity, these properties can again be brought into almost immediate production for the benefit of the Government. How then, in any sense of the word, can repayment by the Government of the losses sustained by these citizens, in opening and operating these properties for the benefit of the Government, be considered as gratuitous? If they are not gratuitous, then just compensation is due from the Government. If they are gratuitous, then under repeated court decisions and acts of Congress, these relief statutes must be construed liberally in favor of the claimants.

I now propose to show you that notwithstanding the intention of the Congress, as expressed in no less than five acts passed for the liquidation of these claims, and in spite of no less than five decisions of the Supreme Court of the

United States on questions of law involved, that gross injustices have been done to these claimants. They have been dragged before committees of Congress, in hearings, which in almost every case have resulted in reports from the committees censuring officials and subordinates of the Department of the Interior for their failure to interpret and administer the acts as Congress had intended, but the courts also have censured and criticized the practices of solicitors of the Department of the Interior and solicitors of the Department of Justice for their unethical efforts to defeat the claimants in court and to deny them what Congress intended that they should have.

Shortly after the United States entered the war, the Secretary of the Interior, the War Industries Board, the Shipping Board, the Emergency Fleet Corporation, and other agencies of the Government actively engaged in the prosecution of the war, being informed by the Geological Survey and the Bureau of Mines and the geological surveys of many States of the occurrence and location of mineral deposits of pyrites, manganese, chrome, and tungsten, requested and demanded owners and others interested to open and develop these properties to supply the needs of the Nation. Upon being informed in reply that such mine enterprises were hazardous and probably could not endure after normal conditions had been restored, by reason of probable resumption of importations, the Secretary of the Interior promised to sponsor legislation for the protection of these enterprises during the war and for sufficient length of time after the war by purchase of their output and in other ways sufficient to amortize these investments then being demanded by the Government. Upon these assurances, many citizens responded whole-heartedly and proceeded with their own properties or with their own funds or with funds borrowed on their own credit, in some instances from financial institutions actually found by the Secretary of the Interior to make the necessary loans. In some cases, as, for instance, in the case of the Chestatee Pyrites & Chemical Corporation, of Atlanta, Ga., not only did he request enlarged production from this extensive property but upon being informed by its owners that they could not finance an enlarged operation, he appealed to financial interests, the Ashcraft, Wilkinson Co., of Atlanta, Ga., to use their influence with the Chestatee Pyrites & Chemical Corporation to enlarge their operation; and furthermore, he requested them to finance them, and subsequently, after such financing was done, the authorized representative of the Secretary approved the loans made, stating the enterprise was financed on a fine, clean basis and also Government agents completely directed and fully approved the expenditure of the moneys borrowed.

In fact, therefore, the Government was, and is, to all intents and purposes, a party to this loan, and therefore morally, if not legally, liable for both principal and interest. In this particular case the principal of the loan expended and lost has recently, under decisions of the Supreme Court of the United States, been paid as a loss reimbursable within the meaning of the statutes, but the interest paid and accrued remaining unpaid has been allowed and paid only to the date of March 2, 1919, in wanton disregard of the facts that the loan did not mature until many years thereafter. The absurdity of such a construction or interpretation of the war minerals relief statutes must be apparent to everyone.

Complying with his promise, the then Secretary of the Interior, the late Franklin K. Lane, caused to be introduced in the Sixty-fifth Congress H.R. 11259, entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of those ores, metals, and minerals which have formerly been largely imported or of which there is or may be an adequate supply." Section 1 of this act names many minerals and metallic substances which it was then thought were necessary in the prosecution of the war. Among these were pyrites, necessary for the production of sulphuric acid for munitions; manganese, chrome, and tungsten, necessary for the hardening and toughening of steel for arms, armaments, and the like. These minerals were thereafter referred to as "necessaries."

Section 2 authorized the President—or his representative—to purchase such necessaries or to contract for the same or to take over or to direct the production or the purchase of same, to provide or improve transportation facilities, and generally to cooperate with producers to the end that production might be hastened and enlarged.

Section 3 provided that just compensation should be paid, and that if the compensation so allowed be unsatisfactory to the person, firm, or corporation entitled thereto, that they should be paid 75 percent of the amount so determined and should be entitled to sue the United States to recover such further sum as added to 75 percent would make up such amount as would be just compensation.

Section 4 provided for penalties against any who failed or refused or neglected to comply with any order or requisition, and so forth.

Section 5 appropriated the sum of \$500,000 for administration expenses.

Section 6 appropriated the sum of \$50,000,000 as a revolving fund to carry out the purposes of the act.

Section 7 particularly authorized the President or his representative to exercise every power or authority necessary for the purposes of the act.

The other sections, 8 to 12, inclusive, simply stated and strengthened the purposes of the act and need not here be further referred to.

This act passed the House of Representatives promptly, but was delayed in the Senate by reason of the press of other war emergency legislation and by reason of what is now apparent, that patriotic citizens did not wait for the passage of the act for their protection, but accepted, in good faith, the assurances given them against loss, and proceeded whole-heartedly and were actually producing the needed minerals long before this act came up for Senate consideration.

The act finally passed the Senate and was approved October 5, 1918, only about 1 month before the armistice, at which time it was beginning to be apparent that the war would shortly be ended. Under the authority conferred upon the President, he appointed the Secretary of the Interior to administer the act, whereupon the Secretary of the Interior at or about the date of the armistice, upon his own initiative and upon the advice of the Attorney General, decided that he would not administer the act, that he would not purchase minerals nor do any of the other things that the act authorized and directed him to do for the protection of the producers, as he had promised, giving as his reason that the war was over and that the Government no longer had need for these minerals and that if he should proceed to administer the act, at least the whole \$50,000,000 appropriation would be wasted and a loss to the Government.

Whereupon a convention of producers from more than 35 States was called and held in the city of Washington, at which appeared many Congressmen and Senators and representatives of the Government from the Department of the Interior, the War Industries Board, and others, and assurances were given, particularly by the Secretary of the Interior, that if producers did not proceed against the Government, as they were authorized to do under the terms of that act, that legislation would be sponsored to permit him, out of the \$50,000,000 appropriation carried by that act, to pay to the producers the net losses they had suffered by reason of their whole-hearted compliance with the requests and demands of the Government agencies during the war.

Accordingly, therefore, a bill was introduced in the Senate and was subsequently enacted into law as section 5 of the act approved March 2, 1919, entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes." The provisions of this section have already been referred to, and it is not, therefore, necessary to refer here to them again, except to reemphasize the wording therein, which emphatically and repeatedly provided that net losses should be reimbursed. This act set aside \$8,500,000 of the \$50,000,000 original appropriation for the payment of net losses, and the bal-

ance, to wit, \$41,500,000 was by subsequent deficiency bill covered back into Treasury surplus. It will thus be seen that the action of the Secretary of the Interior acquiesced in or accepted by these mineral producers resulted in an immediate saving to the Government of \$41,500,000. It is here pertinent to remark and to emphasize the fact that if the Department of the Interior had, in accordance with the provision of this section 5, proceeded promptly to adjust and liquidate and pay the claims, and had paid to claimants the amounts paid within the last 2 years under decisions of the Supreme Court of the United States, which show that these amounts should have been paid in 1919, the \$3,500,000 set aside from the original appropriation would have been sufficient to include all awards, and the administration of the war minerals relief acts would have long since been concluded without the continuing accruals of interest against those claimants who borrowed money in order to enable them to comply with the demand of the Government during the war.

In the original administration of the act the Department of the Interior ruled out many items of loss by reason of their erroneous interpretation of the law. Among these were interest paid and due to be paid on borrowed capital and moneys expended for the purchase or lease of properties.

These denials and these errors in interpretation of the law being brought to the attention of Congress, during the year 1920 in exhaustive hearings, at which appeared not only claimants but officials and subordinates of the Department of the Interior, the committee reported an amendment which finally passed both House and Senate and was approved November 23, 1921. The report accompanying this bill said, among other things—

The committee is of the opinion that the commission, appointed by the Secretary of the Interior, erred in its interpretation of the legislative intent, its interpretation and application of the provisions of the act, and the application of the provisions of the law to the facts * * *

And, further—

The language of the act is clear, and if interpreted as the courts have repeatedly held such statutes should be interpreted, the committee is of the opinion that the purpose of Congress can be fully carried out and a just and equitable settlement can be had of every legitimate claim.

Proceeding under this amendment, the Department of the Interior reopened claims and made some additional small awards, but, adhering to previous rulings on questions of law, still denied items of loss due to interest paid on borrowed capital and property purchased.

Being denied these losses, the case of the Chestatee Pyrites & Chemical Corporation was carried into court on the subject of interest on borrowed capital, and the case of Logan Rieves on the subject of purchase or lease of property. In 1924 the Supreme Court of the District of Columbia and the court of appeals decided both questions in favor of the claimants. The Government appealed to the Supreme Court of the United States, and that Court decided that the lower courts had erred in taking jurisdiction; that the decision of the Secretary of the Interior on questions of law was conclusive and final, no matter how erroneous it might be.

After the decision of the court of appeals in favor of the claimant, Congress again acted and after being informed by the Secretary of the Interior that, if interest on borrowed capital and purchase price of property was to be refunded in accordance with the decision of these courts that additional funds would be necessary. Whereupon Congress passed the amendment approved June 7, 1924, as follows:

That to enable the Secretary of the Interior to lawfully pay adjudicated claims arising under the provisions of the so-called "war minerals relief acts" * * * the limitation in said act on the aggregate amount to be disbursed thereunder in the payment of said claims is hereby repealed.

Thus restoring the original appropriation to such extent as necessary for the payment of awards as provided for by the previous acts.

The attention of Congressmen and Senators being again called to the outrageous, unjust, and inexcusable way claim-

ants had been treated in the prosecution of their claims, the tremendous expense and unnecessary trouble and anxiety they had been put to in the prosecution of their claims, the Senate of the United States, on May 28, 1923, passed Senate Resolution 263, requesting the Secretary—

To transmit to the Senate copies of all rulings, regulations, and promulgations which had been followed in the administration of said statute, together with all opinions as to the law which have been rendered by commissions or commissioners, solicitors of the Department of the Interior or their assistants, and Attorneys General of the United States or their solicitors or assistants.

This resolution being complied with by the Secretary of the Interior by letter dated November 14, 1923, all such rules and regulations and decisions were transmitted and were printed as Senate Document No. 224, Seventieth Congress, second session, being nearly 150 pages. Fortunately, therefore, all these rules and regulations, and so forth, are of permanent record before the Congress. Decisions against claimants on questions both of law and of fact are absurd and ridiculous in the extreme, and anyone sufficiently interested to read them cannot fail to see what rank injustice has been done to these patriotic citizens and what unnecessary expense and trouble and anxiety they have been put to in the prosecution of their claims.

It is here again pertinent to point out that almost every one of these adverse decisions on questions of law have, within the last 2 or 3 years, been affirmatively decided by the Supreme Court of the United States against the Secretary of the Interior in favor of claimants. It is therefore easy to understand on the subject of interest paid and accrued on borrowed capital, as covered by the pending bill, H.R. 7984, how it has grown to such amount that it is estimated and is shown in the bill that approximately \$1,250,000 will now be required to pay these additional losses suffered solely by reason of erroneous, arbitrary, technical, unreasonable decisions against the claimants in the early administration of the Relief Act.

Without going further into detail in this mass of evidence, branding those who had been intrusted to do justice and equity to these claimants with unwarranted niggardly decisions against claimants, one or two instances may be cited as illustrations. On page 57 the question of interest on borrowed capital being submitted to Assistant Solicitor, Mr. Black, after giving citations as to court decisions and acts of Congress as to interest on borrowed capital, he stated:

I believe, therefore, that as a strict legal proposition, claims for interest under the war minerals relief acts actually paid by claimants at legal rates of interest to obtain funds for operating properties are properly repayable under said acts.

The Commission declined to accept this interpretation and denied such losses. Thereafter Mr. Black, in connection with another case, again rendered this opinion, but acquiesced with the Commission that since interest had theretofore been denied as a matter of convenient administration, denials of such items should continue.

Pages 58 to 67 of this document, bearing on the Chestatee Co.'s case, are particularly illuminating as to the rank injustices that had been done this and other claimants. On these pages are spread the findings of the Secretary of the Interior on the subject of interest on borrowed capital. On page 62:

In this particular case * * * the then Secretary of the Interior personally requested one of the claimants to operate the properties on a big scale, which claimant at first declined to do unless the Government should underwrite the venture. This, of course, was impossible; and, after some delay, the Secretary, through his personal agent, requested Ashcraft and Wilkinson to use their influence to induce claimant to enlarge his operation, and further he asked them to assist in financing him. Ashcraft and Wilkinson did so use their influence, and with success; and did finance claimant, for which financing claimant is obligated for a large amount.

Again, on page 64, the Secretary states:

The amount of money required to meet the Government's demands was so great as to make the securing of it by ordinary means almost impossible. The activities of the Government to induce Ashcraft and Wilkinson to finance claimant so that war needs might be met quickly and in large measure were personal, direct, and effective. The fact that Secretary Lane, who, himself, had a part not only in the stimulation of claimant but through

suggestion in the financing, recognized that Ashcraft and Wilkinson had performed a service to the Government is evidence of that service.

Again, on page 67, it is stated:

In reviewing this claim I have been struck by the magnitude of the expenditures and the possibilities of output. The very bigness of it had tended to lead examiners unconsciously to fail to give claimant full justice. * * * The records show that the Secretary of the Interior, realizing, no doubt, that this property presented opportunities for the biggest production of pyrites in the entire country, used every means in his power to persuade the claimant to develop it. * * * It is true that he could not and did not guarantee claimant against loss, but his full influence, short of underwriting the project, was exerted. Always, too, there was a realization that claimant, in responding to Government request, will suffer great financial loss notwithstanding the generous provisions of the War Minerals Relief Act.

It is a conspicuous fact that a large part of the loss suffered by the Chestatee Corporation over and above the payments made to it and referred to here, consists of interest paid by the corporation on the large amount of capital supplied the corporation by the Ashcraft, Wilkinson Co., in compliance with the request to them from the Secretary of the Interior.

Throughout this Senate Document No. 224, above referred to, appear many other rulings and decisions equally as unjust and unfair to other claimants on other items.

Congressmen and Senators, feeling thoroughly outraged at the actions of the Department of the Interior, as revealed in this Senate document, again introduced a bill and held extensive hearings during January 26 and 27 and February 2, 5, and 8, and again on March 7 and 14, 1928, and again early in 1929. At these hearings appeared not only claimants but also the Assistant Secretary of the Interior, the Solicitor of the Department of the Interior, and the War Minerals Commissioner. All of these gentlemen stated that the Department of the Interior would approve a bill referring questions of law to the courts, particularly as to the disputed questions of interest on borrowed capital and purchase price of property. They stated that with these questions settled in two or three cases the Department could and would then proceed to a prompt settlement of all cases in accordance with the controlling decisions in these cases. These hearings and the report of the committee resulted in the passage of the act approved February 13, 1929, which act conferred jurisdiction on the same courts which had affirmatively decided these questions in favor of the claimants in 1924.

After the passage of this act the Secretary of the Interior again insisted that the Chestatee Corporation case above cited should again be carried to the courts as a test case, and furthermore demanded that the several items of law involved in this case be separated into two distinct court actions; one on the subject of losses due to interest paid on borrowed capital and the other as to five other questions of law of lesser importance. By stipulation it was agreed that these minor questions involved in the second case were to be held in the court in abeyance, pending decisions in the other cases, which decisions should be controlling. Almost 2 years later, after the other cases had been decided, this agreement was repudiated and the Chestatee Corporation was required to carry this case to the courts also at great expense and loss of time. It was subsequently won in the Supreme Court and all of the Chestatee Corporation's contentions on questions of law were affirmed by the Supreme Court of the United States.

In this case the Secretary of the Interior filed as exhibits to his answer certain previous findings as to these items which have hereinabove been quoted from Senate Document 224, Seventieth Congress, second session. In the trial court the assistant solicitor, Mr. Wallace, attempted to show that these exhibits were not part of the record, notwithstanding the fact that they had been filed as exhibits to the Government answer. They were at the moment in the hands of the court, Mr. Justice O'Donoghue. Upon insistence of Mr. Wallace that these exhibits should not be recognized, the court abruptly suggested to counsel for the Chestatee Corporation that Mr. Wallace might be cited to the District Bar Association for unethical practice. Counsel

for the Chestatee Corporation declined with thanks to the court, saying that his interest was only to see that justice and equity was done his client. Whereupon the decree of the court was amended to include specifically the exhibits under discussion.

The Court of Appeals affirmed the lower court, and, being carried by the Government to the Supreme Court, that Court affirmed the lower courts, and in the course of its opinion by Mr. Justice McReynolds, said:

Counsel for respondent correctly states the issue presented to the trial court * * * are the losses suffered for expenditure for the items involved here within the provisions of the act of October 5, 1918, amended and supplemented by the act of March 2, 1919 * * * and with the issue as stated, the only showing required is that a claim for such losses was made and that such claim was disallowed because of the belief of the petitioner that the law did not permit such allowances.

And further the Court said, criticizing the answer filed by the Government—

The exhibits show what was really done and the reasons therefor. Conflicting general statements in the answer must yield, and it seems proper to add that if these answers of the Government had been more carefully prepared with purposes to disclose to the Court all relevant facts and circumstances, unnecessary difficulties would have been avoided. * * * The exhibits were correctly treated as parts of the amended answer. * * * The petition here for certiorari does not mention the conflicting views in respect to the exhibits or deal with them as parts of the record. It failed adequately to advise us concerning the real situation. But to avoid possible misunderstanding it has seemed best to retain jurisdiction rather than to dismiss the writ because improvidently granted.

From the above affirmative decision of the Supreme Court, in favor of the Chestatee Corporation, it will be seen that not only has the Congress, through reports of committees, adversely criticized officials and subordinates of the Department of the Interior in the administration of the War Minerals Relief Acts, but the Supreme Court of the United States has also severely criticized solicitors of the Department of the Interior and of the Department of Justice for unfair, ambiguous, and irregularly drawn answers.

The Chestatee Corporation case on the subject of interest, which had been previously affirmatively decided by the Supreme Court of the District of Columbia might fairly have been, by stipulation, carried through these two courts by a simple, prompt affirmation of their previous decisions, but the solicitors of the Department of the Interior, refusing this fair course of procedure, demanded this case again be carried through all the courts, which was done; and nearly 2 years later, to wit, on December 7, 1931, the Supreme Court of the United States affirmed the lower courts and decided the question of "interest on borrowed capital" to be a loss reimbursable within the meaning of the act of March 2, 1919, as amended. In the course of this opinion, the Court, by Mr. Justice Butler, said:

The amount of interest that at the time of the passage of the Relief Act of March 2, 1919, had been paid or incurred by relator for money borrowed and lost in producing and preparing to produce pyrites upon the specified conditions is to be taken into the account in determining its net loss. * * * It constitutes a part of relator's expenditures and cost of the undertaking and so is within the terms of the section as amended. * * * It must be shown clearly that such interest was paid or the obligation incurred by relator at the instance of one of the specified governmental agencies.

Here then is an interpretation by the Supreme Court of the United States that interest paid and due to be paid on borrowed capital by reason of the obligation incurred within the statutory period is a loss reimbursable within the meaning of the act of March 2, 1919. There does not appear in this opinion nor anywhere in any of the war minerals relief acts any indication that Congress intended to limit as to time or amount obligations legitimately incurred by claimants in order to enable them to comply with the request or demand of the Government to produce these minerals.

The mandate of the Supreme Court of the United States going down to the supreme court of the district, that court issued writ of mandamus directing the Secretary of the Interior to include in his adjustment and payment of losses interest paid and obligated to be paid on borrowed capital without any indication whatever that any time limit was

intended as to maturity dates of interest obligations. Whereupon the Secretary of the Interior on or about December 31, 1931, sent out a questionnaire, one question of which required a statement by claimant as to the amount of interest which had been paid in cash on borrowed capital and the amount of interest which had accrued to the date of questionnaire at that time remaining unpaid. The Chestatee Corporation promptly furnished sworn answers to all questions and questionnaires, exhibiting the notes and renewals thereof, given from time to time, showing checks and other evidences of interest paid and accrued. Finally, on March 14, 1932, without any intimation that any cut-off date as to interest had ever been contemplated, an award of interest was tendered, computed only to the date of the passage of the relief act March 2, 1919, which was finally tendered by the Secretary "without prejudice to further recovery of interest after said date" and accepted by the Chestatee Corporation as interest payment to March 2, 1919, without prejudice to further recovery.

The Secretary of the Interior refusing to include in this payment any interest which had accrued after the date of March 2, 1919, notwithstanding the fact he had determined such amount to be in accordance with the claim as presented by the Chestatee Corporation. The Chestatee Corporation was again required to carry the question as to cut-off date through the courts. The lower courts as theretofore decided the question in favor of the Chestatee Corporation. The court of appeals saying, in the course of its opinion by Mr. Justice Van Orsdel, the following:

It further appears as a matter of fact that the principal sum claimed by the relator had been borrowed and lost and had not been paid on March 2, 1919, and was not then due. Petitioner was obligated to pay the principal sum and this loss has been conceded by the Secretary to be a loss within the act. It is contended that the corporation was equally obligated on that date to pay the interest. Principal and interest together * * * constituted in the aggregate relator's loss and what it had contracted to pay. * * * An examination of the statute fails, in our opinion, to disclose any intention on the part of Congress to limit the recovery of interest paid or incurred on obligations allowable under the provisions of the 1919 act. This court in the *Work case* (54 App., supra), construing the language of the 1919 act, held that interest paid or obligated to be paid constituted an element of the expenses incurred and allowable under the act. This holding was approved by this court in the later case of *United States v. Wübur*, supra. * * * The amount of the principal sum being established * * * the interest payable thereon can be ascertained at the same time and readily computed at the time of final payment. * * * In the present case, the principal sum was borrowed and lost and had not been paid on March 2, 1919, and was not then due. Relator, however, was under obligation to pay this principal sum, which is conceded to be a loss within the act, and he was likewise under obligation to pay the interest incurred in the creation of this obligation. In other words, relator was as much obligated on that date to pay the interest as it was to pay the principal. The aggregate of two items, at time of payment by the Government, constitute the net loss. If relator could not make claim for the interest because it was not payable at that time, then, by analogous reasoning, relator could not be compensated for the principal debt which was not due and payable at that time. The justice and equity in the one case is equal and parallel to that in the other.

This case being carried by the Government to the Supreme Court of the United States, that Court, in its opinion by Mr. Justice Brandeis, handed down May 29, 1933, construing and interpreting the act of March 2, 1919, and amendments thereto, said, among other things:

The method of determining the net losses during a particular period or a particular adventure is well settled.

It must be perfectly plain that these war minerals operations were particularly hazardous "adventures", started in compliance with demand of the Government to supply its urgent needs and terminated when these needs were over and there was no more market for the output of these adventures.

Accepted accounting methods for the determination of profits or losses of a particular adventure must include consideration of all elements in connection with the said adventure; that is to say, all assets and all liabilities, including those liabilities or obligations which may not have matured until after all operations ceased. The loss sustained or suffered in such adventure cannot be limited only to pay-

ments and accruals up to the time of the termination of the adventure but must include all "obligations incurred", including loans and interest thereon, in connection with or as a result of the adventure, to the date of payment. On the other hand, the Supreme Court in this opinion affirming the decision of the Secretary in his interpretation of the act, as to cut-off date for interest March 2, 1919, said that the language of the act of March 2, 1919, wherein the use of the words "losses suffered by reason of 'obligations incurred'", meant losses suffered by reason of "obligations accrued" only to the date of the passage of the act.

No word has ever been uttered either by Congress or the Secretary of the Interior or the Department of Justice or any of the courts against the "justice and equity" of including interest paid on borrowed capital as a loss within the meaning of the statutes, but the interpretation of the Supreme Court of these statutes as to a cut-off date necessitates a further act of Congress to more clearly state its intention when it passed the act of March 2, 1919, and the several amendments.

Let me impress this one fact upon you that the act of 1918 provided to pay claimants "just compensation", and the Supreme Court of the United States, in the opinion of Mr. Justice McReynolds, has stated the act of 1918 to be the governing statute.

The amendment of 1919 provided that "net losses" should be paid, being in effect an interpretation of the Congress as the measure of "just compensation" provided by the previous act.

Until, therefore, all "net losses", including those suffered by reason of "obligations incurred" have been paid, neither the "just compensation" provided for in the act of 1918, nor the "net losses" provided for by the amendment of 1919, have been paid or discharged by the Government.

There is no cut-off date for "net losses." Congress itself in the amendment of 1919 fixed its own cut-off date as the date of the armistice, wherein it said that only expenditures made and obligations incurred theretofore might be included in the adjustment of losses, but this did not intend to limit any reasonable date of any obligation incurred in this all-embracing phrase.

To do equity and justice to these claimants who responded patriotically to the call of the Government in that time of great emergency, it is necessary for this bill to be enacted.

NUMBER OF ARMED CRIMINALS IN COUNTRY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, the following statement was prepared at my request by the Honorable William Stanley, the assistant to the Attorney General of the United States, and is self-explanatory:

Congressman STEPHEN M. YOUNG, from Ohio, while discussing the crime bills on the floor of the House on May 5, criticized and questioned a recent statement by the Attorney General that "armed criminals in this country outnumber the Army, Navy, and the Marine Corps in a ratio of 2 to 1." The Congressman stated "any of us should repudiate the assertion that there are anything like 200,000 gangsters and thugs and gunmen rampant in this country." (CONGRESSIONAL RECORD, vol. 78, p. 8138.)

It will be noted that the Attorney General referred to armed "criminals", while the Congressman referred to armed "gansters, etc." A criminal is a person who has committed a serious crime. A gangster, in the common acceptance of that term, is a member of a gang of criminals. There are criminals who are not gangsters.

The statement actually made by the Attorney General was based upon the following facts:

Crime reports from the police departments of 1,264 cities in the United States, having a total population of approximately 50,000,000, show that during 1933 the number of murders, robberies, aggravated assaults, and burglaries totaled 266,898. While in some instances one person may have committed more than one crime, that fact is counterbalanced by the participation in many instances of two or more individuals in the joint commission of a single offense. Again, it is very likely true that some of the persons committing crimes were unarmed, but this factor is balanced by the number of armed individuals committing other offenses, such as kidnaping, larceny, etc.

The foregoing statistics cover a population of slightly less than 50,000,000. Doubling the above-mentioned number of criminals

gives a figure for the entire country of 533,796. This estimate represents a total population slightly under 100,000,000, whereas the population of the country is approximately 126,000,000. This factor more than overcomes the consideration that the crime rate for urban centers is higher than for rural areas.

The total personnel of the Army, Navy, and Marine Corps is approximately 240,000. It is obvious, therefore, that the Attorney General's statement, startling as it may seem, is not only accurate but conservative, based upon actual crime reports compiled by the Division of Investigation of the Department of Justice.

UTILITIES INVESTIGATION BY FEDERAL TRADE COMMISSION

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, I have asked for this time for the purpose of referring to some remarks which were made by the gentleman from Pennsylvania [Mr. McFADDEN], the other day, criticizing the Federal Trade Commission in its utility investigations, and in which he took occasion to criticize the President of the United States on account of a certain letter which he did not present to the House. Insofar as the investigation of utilities is concerned, the Federal Trade Commission has had this investigation in progress since 1928, and it has been under the direct charge of the Commission's chief counsel, judge Robert E. Healy. His principal assistant in the investigations is Col. W. T. Chantland, associate counsel. Judge Healy is a Republican, a former justice of the Supreme Court of Vermont, and was appointed chief counsel of the Commission in 1928 during the administration of President Coolidge. Colonel Chantland is also a Republican from the State of Iowa. He was with the Commission prior to the World War, served in that war, was later an attorney in the Department of Justice, and was reappointed to the Federal Trade Commission in 1927. With respect to Mr. McFADDEN's information that Joe Baker came to the Commission "as a trusted man of the administration", supposedly to suppress or censor news, I think the House is familiar with the facts concerning Mr. Baker's appointment to the Commission's staff. I personally know that Mr. Baker joined the Commission's staff on January 15 last, and that he was elected by unanimous vote of the Commission on the recommendation of Commissioner Ewin L. Davis, who was for 14 years an able and respected Member of the House of Representatives, and who knew Mr. Baker throughout that service, which acquaintanceship caused him to make the recommendation for Mr. Baker's appointment. The President had nothing in the world—and I have some personal knowledge of that fact—to do with it except to issue an Executive order approving the appointment as was necessary to be done because of the Economy Act.

Mr. McFADDEN conveyed the impression in his remarks that in the case of the Cities Service Co., the Commission had furnished representatives of that company with copies of the reports made of that company. The same practice was employed in the case of the Cities Service Co. as in all other utility companies under investigation; that is, they are furnished with a copy of the report of the examiner who made the investigation, in order that they may know what is to be placed in the record and may have opportunity to call attention to any errors or make any objections if they feel that the examiner's report is unjust or incorrect. This has been the practice throughout the inquiry, for the reason that this is an investigation and not a persecution or prosecution.

Mr. Speaker, I feel it is proper to make this statement in view of the remarks of the gentleman from Pennsylvania the other day, and in justice to the Federal Trade Commission. I am sure that all the Members of the House, most of them, at least, know the members of that Commission, and they know that that Commission has been doing everything that it can to bring the facts to light with reference to the utility companies throughout the United States. I wish to read a letter which I have received from the Honorable Garland F. Ferguson, Jr., Chairman of the Commission, making a statement as to just what the Commission has done and which is in a measure a reply to the remarks of the gentleman from Pennsylvania, and a copy of a letter

from President Roosevelt addressed to the Federal Trade Commission.

FEDERAL TRADE COMMISSION,
Washington, June 4, 1934.

HON. JOSEPH W. BYRNS,
Washington, D.C.

DEAR CONGRESSMAN BYRNS: In reply to your request for a statement in regard to certain charges and insinuations made by Representative LOUIS T. McFADDEN in the House on May 29 with respect to the utility investigation being conducted by the Federal Trade Commission, I wish to advise that the charge that the President or the administration or this Commission had made any effort to curtail or suppress a full investigation and disclosure with respect to Henry L. Doherty, the Cities Service group, the Associated Gas & Electric Co. group, or any other company, is not only untrue but the very opposite of the actual facts, as will be clearly seen from the following statement of facts:

The first misstatement we desire to correct is that "we find the administration interfering in the manner in which this report of the Federal Trade Commission on H. L. Doherty's companies is to be made." This is without the slightest foundation. There has not been the slightest interference on the part of the administration. It is true that some months ago the Commission elected Mr. Joe L. Baker as director of public relations and editorial service, and that Mr. Shirley D. Mayers, who had previously served in a limited manner in this regard, was made an assistant to Mr. Baker, and is now serving in that capacity. Mr. Baker was not suggested for the position by the administration or anybody else outside of the Commission; he was elected by the Commission upon its own initiative and upon the suggestion of a member of the Commission, Mr. Baker being selected solely because of his excellent qualifications. This Commission does not now and has never maintained a "department of propaganda." It is true that Mr. Baker gave out mimeographed copies of the summary of volume I of a report on the Cities Service Co. This summary was not written by Mr. Baker but by Mr. A. E. Lundvall, an expert Commission accountant, and was made a part of volume I. There was nothing new or unusual in the mimeographing of this report and furnishing of it to the public and the press. Such has been the practice for a long time past in connection with reports made a part of the record in the utilities investigation, as well as in connection with other important reports and action by the Commission. Volume I of Mr. Lundvall's report on the Cities Service Co. consists of 660 typewritten pages, and the purpose of the Commission in having a summary of this and similar reports prepared is to give the public and the press in concise form the principal facts covered by the report. Mr. McFADDEN charges an effort to suppress the disclosures with respect to the Doherty companies and at the same time complains at the publicity given to same. It is true that a representative of the Cities Service Co. issued a number of statements to the press, but that was done as the evidence was being presented at the public hearings, and is a matter entirely beyond the Commission's control.

Mr. McFADDEN states that the President and the Administration "are attempting through their edicts to cover up and protect Henry L. Doherty and his companies who are now under investigation by the Federal Trade Commission." In support of this charge he cites a memorandum signed by the Secretary of the Commission which by order of the Commission directs the chief counsel and the chief economist "to instruct their staffs that in connection with the completion of the report on utilities, as planned in accordance with the President's letter of April 26, 1934, they are not to initiate any new investigations either into utility finances or propaganda phases of the inquiry." Mr. McFADDEN states it would be interesting to read the letter of the President of April 26, 1934, "which (Mr. McFADDEN says) resulted in the order to the Commission to stop its investigation or its further inquiry . . . into the operations of Henry L. Doherty and his public-utility operations or of the Associated Gas & Electric Co. in regard to their negotiations, and all other investigations of public utilities under the Walsh resolution." It is true that the Secretary at the Commission's direction issued the instructions quoted by Mr. McFADDEN. It is also true that the President wrote the Commission a letter April 26, 1934, on the subject of this investigation. It is not true that the President or the administration is attempting to cover up or protect Henry L. Doherty or his companies, or the Associated Gas & Electric Co., or any other utility company. There is not the slightest foundation in fact for any such charge.

The pertinent facts are as follows: The utilities investigation was inaugurated in February 1928, and the Commission had committed itself to the Bureau of the Budget and the Appropriations Committee of the House to complete this investigation and present its final report with recommendations to the Senate not later than July 1, 1934. Embraced in the paragraph carrying an appropriation for the Federal Trade Commission in the Independent Offices Appropriation Act for the fiscal year ending June 30, 1934, was the language, "of which \$230,000 shall be available for the completion of the public-utilities investigation undertaken pursuant to Senate Resolution 83, Seventieth Congress." Prior to the beginning of 1934, the Commission's examiners had made and presented for the public record a comprehensive study and report of the Associated Gas & Electric Co. and a great many of its subsidiaries. This was followed in 1934 by still further reports and by the production of a report on propaganda items such as the letters from State Senator Thayer of New York. Field examinations had been completed on two additional Associated Gas & Electric Cos. viz., Associated General Electric Corpora-

tion and General Gas & Electric Co. In addition, examinations had been made of books and records of a number of other companies. On some of these, reports were in the process of writing. This was the situation as to Cities Service Co. It became apparent that many of these reports could not be completed and made a part of the public record if our final report covering the entire investigation was to be presented by July 1, 1934. Mr. Lundvall, who had made a study of the Cities Service Co., and Mr. Nodder, who made the study of the Associated companies, were taken from that work and assigned to the writing of the final report. It was apparent that an important amount of time and money which had been spent in getting the information on these companies would be wasted if the investigation was closed by July 1. Many of the Commission's staff were in some distress from overwork, and Mr. Lundvall especially was in very poor health. In this situation the Commission applied to the President for relief and asked him to extend the time for completing the work to not later than January 1, 1935. The President consented to this and wrote the letter of April 26, 1934. A copy of it is attached hereto. It is apparent that instead of ending the investigation the President was prolonging it. Without this relief which he afforded us it is doubtful if the Commission could have made a public disclosure of much of the material which is in its possession.

Upon receipt of the President's letter, members of the staff were taken off the writing of the final report and instructed to complete the reports on individual companies. This is being done. The Commission is bending every effort to closing the public record on this investigation. We hope that this can be done this summer so as to leave the Commission sufficient time to carefully prepare a comprehensive final report with adequate recommendations.

The President's cooperation has allowed us to present a comprehensive report on the Cities Service Co. Volume I of this report was made a part of the public record May 22, 1934. Mr. Lundvall has been continually under oral examination by our chief counsel ever since demonstrating the report. The hearings were resumed today pursuant to subpoenas issued several days ago. When this series of hearings is concluded Mr. Lundvall will complete volume II of his report, and in addition there will be made a part of the record a number of other reports on Cities Service Power & Light Co., Kansas City Gas Co., etc.

The Commission's order of May 14, 1934, which Mr. McFADDEN quoted for the RECORD, was designed to bring the investigation to a close pursuant to a commitment made by the Commission to the Director of the Budget and the Appropriations Committee of the House. The order applied only to the initiation of new investigations and had no reference to Cities Service Co. or the Associated Gas & Electric Co. as the study of those companies was initiated long before May 14 and was not new.

The Commission will be glad to make available to anyone copies of the reports with testimony that are a part of the public record and call attention especially to Mr. Lundvall's report on the Cities Service Co. and the testimony which he has given explaining it.

Furthermore, Mr. McFADDEN has in writing complimented officials of the Commission on the work in its investigation, and in a letter from the chief counsel to Mr. McFADDEN under date of May 7, 1934, a full explanation was given as to why Mr. Lundvall's report on Cities Service Co. had been delayed. In a letter of May 29, 1934, the chief counsel sent Mr. McFADDEN a mimeographed copy of the summary of the Lundvall report and said that if Mr. McFADDEN desired to see the report in its entirety a copy could be loaned to him. He had been previously loaned copies of other reports on Cities Service Cos. and companies in other groups.

The Commission very much regrets that by securing the President's approval of a short and very necessary extension of the investigation he should have been exposed to so unjust an accusation.

Copy of the President's letter authorizing the investigation to be continued until January 1, 1935, is attached hereto.

By direction of the Commission.

Yours sincerely,

GARLAND S. FERGUSON, Jr.,
Chairman.

THE WHITE HOUSE,
Washington, April 26, 1934.

FEDERAL TRADE COMMISSION,
Washington, D. C.

GENTLEMEN: I am informed that you have in preparation reports on various electric and gas utilities, operating or holding companies which you have not yet had an opportunity to put into the record in the investigation which you are conducting under Senate Resolution 83, Seventieth Congress, first session, and that you are conducting studies or investigations of still other companies in which reports cannot be written until the completion of such studies. I consider it important that this work which is under way be completed and made a part of the public record in your utilities investigation.

Accordingly, pursuant to the authority vested in me by section 6 (d) of an act approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", I direct you to complete this work which is under way and to make these reports a part of said public record. I think it is of the greatest importance that your final report to Congress with your recommendations be submitted not later than January 1, 1935.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. COCHRAN of Missouri. The gentleman from Pennsylvania made the statement that the Federal Trade Commission was opposing this investigation, and also inferred that the President was in sympathy with the action taken. While the gentleman from Pennsylvania was speaking I went to the telephone and talked to an official of the Commission, and I desired to answer the gentleman from Pennsylvania that day, but did not get the opportunity. The Federal Trade Commission, on its own motion, went to the President and told him if they were required to make their report on the 1st of July they could not complete a pending important field investigation, whereupon the President told them, "Complete your pending field investigation; go to the bottom of those you have already started; do not stop, but complete them and make your report on January 1, 1935." The President insisted upon a complete report. He did not try to prevent the Commission from getting necessary information.

Mr. BYRNS. The gentleman is entirely correct, and the letter from Mr. Ferguson sets forth that fact very clearly. I feel that in justice to the Chairman and every member of the Federal Trade Commission and to the President of the United States, the statement made by the gentleman from Missouri [Mr. COCHRAN] and myself should be placed in this RECORD, because it is a complete refutation of the charges and implications made by the gentleman from Pennsylvania [Mr. McFADDEN].

Mr. WOODRUM. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. WOODRUM. I want to concur in what the gentleman has said. The Federal Trade Commission has come before our subcommittee on appropriations for a number of years for money to be used in the utilities investigation. A great deal of money has been spent, but I have an idea that the average Member of Congress does not appreciate the vast volume of very useful information that has been compiled and made available in the utility investigation. Some of it, perhaps, will not be useful, but for the first time it has been a thorough and careful study and survey, and the Commission has worked conscientiously and intelligently. Judge Healy, whose name the gentleman mentioned, in my judgment, is one of the ablest men in the Federal service in the legal department.

Mr. BYRNS. I thank the gentleman for that statement. I am sure we all recognize there is no Member of the House who is more familiar with what is being done by the Federal Trade Commission with reference to this investigation than the gentleman from Virginia [Mr. WOODRUM]. [Applause.]

PROCEEDINGS OF THE HOUSE

The SPEAKER. The Chair desires to state that the ruling made by the Chair recently with reference to the release of remarks of Members on the floor is creating considerable inconvenience in the press gallery, and especially for the afternoon papers. The opinion expressed by the Chair is exactly in accord with all the precedents, and the Chair thinks it ought to stand; that every Member ought to control, absolutely, his remarks on this floor until he is ready to release them or until they appear in the CONGRESSIONAL RECORD. But in order to accommodate the press and at the same time protect the Members of the House, the Chair modifies the ruling in this particular: Hereafter the reporters of debates will be authorized to give to the press the remarks of Members, unless the Members notify the reporters that their remarks are to be held until they have an opportunity to revise them, or until they appear in the CONGRESSIONAL RECORD.

This gives the Member absolute control of his remarks, which he ought to have, of course, and relieves the situation so that the afternoon papers will not be inconvenienced, as they are now.

CALL OF THE HOUSE

Mr. TRUAX. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. There is evidently no quorum present.

Mr. BYRNS. I move a call of the House, Mr. Speaker.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 181]

| | | | |
|---------------|----------------|-----------------|---------------|
| Abernethy | Cole | Harter | Oliver, Ala. |
| Andrew, Mass. | Collins, Miss. | Healey | Parks |
| Andrews, N.Y. | Colmer | Higgins | Peavey |
| Auf der Heide | Conner | Huddleston | Perkins |
| Bacon | Cooper, Ohio | Hughes | Peterson |
| Bailey | Corning | James | Pettengill |
| Beck | Crosser, Ohio | Jeffers | Plumley |
| Beiter | Crump | Jenkins, Ohio | Rayburn |
| Berlin | De Priest | Kee | Reid, Ill. |
| Black | DeRouen | Kennedy, Md. | Rogers, N.H. |
| Boehne | Dies | Kniffin | Sadowski |
| Boland | Dingell | Kurtz | Seger |
| Boiton | Doughton | Kvale | Shoemaker |
| Brennan | Doutrich | Lea, Calif. | Simpson |
| Brooks | Duffey | Lee, Mo. | Sirovich |
| Browning | Dunn | Lehlbach | Smith, Wash. |
| Buchanan | Ellenbogen | Lesinski | Smith, W.Va. |
| Buck | Fernandez | Ludlow | Snell |
| Buckbee | Fish | McCormack | Sullivan |
| Bulwinkle | Fitzgibbons | McDuffie | Sweeney |
| Burke, Calif. | Foss | McGugin | Taylor, Colo. |
| Cady | Frey | Maloney, La. | Thurston |
| Cannon, Wis. | Gambrell | Marland | Vinson, Ga. |
| Carley, N.Y. | Gasque | Merritt | Wadsworth |
| Cary | Gifford | Miller | Waldron |
| Celler | Goss | Milligan | West, Ohio |
| Chapman | Granfield | Monaghan, Mont. | White |
| Chase | Green | Muldowney | Wigglesworth |
| Church | Greenway | Norton | Withrow |
| Cochran, Pa. | Griffin | O'Brien | Wood, Ga. |
| Coffin | Guyer | O'Connell | Wood, Mo. |

The SPEAKER. Three hundred and six Members have answered to their names. A quorum is present.

On motion by Mr. CULLEN, further proceedings under the call were dispensed with.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to make a brief announcement.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, the following conferees on the communications bill are now in conference and unable to be present: The gentleman from Texas, Mr. RAYBURN; the gentleman from Alabama, Mr. HUDDLESTON; the gentleman from California, Mr. LEA; the gentleman from Michigan, Mr. MAPES; and the gentleman from New Jersey, Mr. WOLVERTON.

In addition to that, the following committee, as has been stated several times, is now investigating the War Department; and I have been requested to state that they are now in session with a number of witnesses before them: The gentleman from New Hampshire, Mr. ROGERS; the gentleman from Vermont, Mr. PLUMLEY; the gentleman from Ohio, Mr. HARTER; the gentleman from Michigan, Mr. JAMES; and the gentleman from Connecticut, Mr. GOSS.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, 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 June 4, 1934:

H.R. 9061. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes.

On June 5, 1934:

H.R. 1158. An act for the relief of Annie I. Hissey;
 H.R. 1933. An act for the relief of Philip F. Hamsch;
 H.R. 1943. An act for the relief of A. H. Powell;
 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. 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. 5477. An act to fix the rates of postage on certain periodicals exceeding 8 ounces in weight;
 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; and

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.

On June 6, 1934:

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. 2438. An act for the relief of Ruby F. Voiles;
 H.R. 4690. An act for the relief of Eula K. Lee;
 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. 7353. An act granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime, and for other purposes;

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. 9323. An act to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes; and

H.R. 9370. An act to authorize an appropriation of money to facilitate the apprehension of certain persons charged with crime.

On June 7, 1934:

H.R. 5884. An act 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; and

H.J.Res. 352. Joint resolution to provide funds to enable the Secretary of Agriculture to cooperate with States in control of chinch bugs.

MINNESOTA FIRE CLAIMS

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

Mr. McFADDEN. Reserving the right to object, and I do not intend to object, but I want to ask unanimous consent that I may be permitted to address the House for 5 minutes immediately following the gentleman from Georgia.

The SPEAKER. The Chair can put only one request at a time. Is there objection to the request of the gentleman from Georgia [Mr. Cox]?

There was no objection.

The SPEAKER. The gentleman from Pennsylvania [Mr. McFADDEN] asks unanimous consent to address the House for 5 minutes following the address of the gentleman from Georgia. Is there objection?

There was no objection.

Mr. COX. Mr. Speaker, I want to give the Membership of this House a warning and put them upon their guard. I am satisfied there is operating here in the city of Washington at this time a crooked lobby in the interest of the adoption of the Minnesota fire claims. [Applause.] It is the boldest attempt, Mr. Speaker, to overreach the Membership of a great legislative body that I can conceive of being made, and if this bill is adopted it will develop into a political scandal.

Mr. BLANTON. Will the gentleman yield?

Mr. COX. No.

UTILITIES INVESTIGATION—FEDERAL TRADE COMMISSION

Mr. McFADDEN. Mr. Speaker, I was absent at the opening of the session this morning, but I have been informed that the gentleman from Tennessee, the majority leader; the gentleman from Missouri [Mr. COCHRAN], the assistant leader; and the gentleman from Virginia [Mr. WOODRUM], chairman of one of the subcommittees of the Committee on Appropriations, took the floor and made references to statements that I had made on the floor of the House previously.

Not being present, I do not know in detail what was said, but I am informed that an attempt was made to show that what I had said in regard to the investigation under Senate Resolution 83 by the Federal Trade Commission was not so.

I call the attention of the House to the statement which was sent to the majority leader by the Federal Trade Commission, and I quote their language. It is dated June 4, 1934. It refers to a statement which I had previously made on the floor when I had occasion to have printed in the RECORD a statement by the secretary of the Federal Trade Commission which had the effect of delaying the report on the investigation of Henry L. Doherty and his companies.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. No; I cannot yield. [Continuing reading:]

The first misstatement that we desire to correct is that we find the administration interfering in the manner in which this report of the Federal Trade Commission of the Henry L. Doherty companies is to be made. This is without foundation.

I now call the attention of the House to a letter to which I referred in my last remarks and, when I have finished, let you decide whether I told the truth or not. The letter is dated April 26, 1934, signed by Franklin D. Roosevelt, to the Federal Trade Commission, the effect of which was to delay the report on the investigation of Henry L. Doherty from July 1 of this year until January 1, 1935.

Mr. BYRNS. Mr. Speaker, will the gentleman read that letter?

Mr. McFADDEN. I shall be very glad to read it. I may say that this letter was written after certain members of the Federal Trade Commission had put this matter up to the President, and may I say in addition to that, that when I made my remarks on the floor of this House on February 16 last in regard to Henry L. Doherty and what he was doing in the way of defrauding the American investing public, I told the truth, and I was quoting from this investigation of Mr. Lunvall, part I of which has been completed; and may I add before I read this letter that the Lunvall report or investigation of the H. L. Doherty Cities Service outfit was completed last December and ask why the summary of this particular report was thus delayed?

As long ago as the 1st of February the Cities Service Co., Mr. Doherty's company, was furnished by the Federal Trade Commission with a copy of Mr. Lunvall's report. I am not referring only to section 1 of the report which is now being given out by a questionnaire or question-and-answer arrangement before the Federal Trade Commission. Part II of this report I am referring to also. These two parts of the report disclose so much of what Henry L. Doherty and the Cities Service Co. have done in the way of defrauding the American public that Henry L. Doherty's attorneys have brought to bear all the pressure they could ever since my speech of February 16. Of course, they do not want this damaging evidence disclosed to their investors, the New York Curb Exchange, and the public in general. In fact, those attorneys were here; they came arunning; the next day they were here in Washington; they were down at the Federal Trade Commission; they were at the Treasury; they were at various places to see to it that this matter was not given out. There game was to hush it up. Mr. Speaker, part II of this report should be given out at once. It should be given out before Congress adjourns; but it is such a damaging statement in regard to what Henry L. Doherty already has been doing that, of course, they do not want it out. I can well understand how the President would abhor such publicity in regard to Mr. Doherty just when Mr. Doherty was presenting the President with a million dollars for his pet project. And so I say that the net result of this letter from the President is to delay for a period of 6 months the filing of part II of the Lunvall report, or until January 1, 1935. When, as a matter of fact, all that remains to be done is for Mr. Lunvall to dictate the summary, which is used for the convenience of the members

of the Commission. However, Mr. Lunvall was taken off the work of completing this report and was assigned to other work. It would take him only 10 days or 2 weeks to summarize the report.

I would especially call to your attention the significant fact that the Lunvall report discloses the fact that Mr. Doherty's people refused to give very material facts to Mr. Lunvall for the Federal Trade Commission; and since my disclosures on the floor of this House from time to time, beginning last February 16, some of this information has been furnished to the Commission and plenty of attempts made by Doherty's experts and lawyers to explain away plenty of other very damaging evidence; and now they are to have 6 months more before part II of this report is made available, and the public will have 6 months more to forget. Time is a valuable thing for the Doherty interests just now. Whether or not this letter of the President and this order of the Secretary of the Federal Trade Commission were issued for the purpose of aiding the Doherty interests, they did have this effect.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

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

There was no objection.

Mr. McFADDEN. Now, of course, I do not know what pressure Mr. Doherty's clever lobbyists, of whom Arthur F. Mullen, of Nebraska and Washington, is one—Mr. Mullen sat in with Doherty's other attorneys with investigators the first of the year when Doherty's affairs were being discussed—or his other attorneys, who are the cleverest, brought to bear or what they were able to do while they were here, but they made an investigation through the various departments of the Federal Trade Commission to ascertain how I came into possession of this information. They used every bit of pressure they could, even going so far as to recommend the dismissal of some of the men engaged on this report—a favorite practice of interests like the Doherty, who use political influence upon the Government's men, who are attempting to render honest service to their Government whom they are sworn to serve.

The letter from the President is as follows:

THE WHITE HOUSE,
Washington, April 26, 1934.

GENTLEMEN: I am informed that you have in preparation reports on various electric and gas utilities operating or holding companies which you have not yet had an opportunity to put into the record in the investigation which you are conducting under Senate Resolution 83, Seventieth Congress, first session, and that you are conducting studies or investigations of still other companies in which reports cannot be written until the completion of such studies. I consider it important that this work which is under way be completed and made a part of the public record in your utilities' investigation.

Of course it should be done; there is no question about that. The point of this thing is the fact that this letter has caused the delay of a report that should be made before this Congress adjourns. I know whereof I speak, for I have looked the matter up. I know that this report could be made, but something has delayed it for 6 months.

Accordingly, pursuant to the authority vested in me by section 6 (d) of an act approved September 28, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", I direct you to complete this work which is under way and to make these reports a part of said public record. I think it is of the greatest importance that your final report to Congress with your recommendations be submitted not later than January 1, 1935.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

FEDERAL TRADE COMMISSION,
Washington, D.C.

The effect of that letter was to delay the report on Henry L. Doherty's companies until after the fall elections. An order issued by the Commission as a result of this letter stopped the investigation into political campaign contributions. It stopped other investigations in regard to all the public utilities until this report was made. Why should

this have been done in view of the 6 months' extension of time granted?—I ask you. There is no denying this act. This order was as follows:

The Commission today directed that the chief counsel and the chief economist instruct their staff that in connection with the completion of the report on utilities as planned in accordance with the President's letter of April 26, 1934, they are not to initiate any new investigations either into utility finances or propaganda phases of the inquiry.

I want to say to the responsible leadership of this House that I undertook the investigation of this matter and a report to the House on the basis of doing my duty as a Member of Congress. I asked this House, I asked the leadership to investigate Henry L. Doherty's affairs. The Rules Committee have had that resolution before them. Have they acted? No. Why have they not acted? Do they not dare to act; or is political pressure being brought to bear to stop it? These matters should be gone into, for through them not only has the Government been defrauded but also people in every one of your congressional districts have been defrauded. You cannot afford to protect this man in what he has been doing. You have chased all over the country and all over the world to get Samuel Insull. Let me say to you here that part II of the Federal Trade Commission's investigation of what Henry L. Doherty has done will cause the disclosures with regard to Insull to pale into insignificance. Under all the circumstances based upon the disclosures of the Lunvall report to the Federal Trade Commission the President should act.

Now, as regards these publicity men to whom the gentleman referred, may I say that this gentleman, Joe L. Baker, who was put in there, was put in charge on the recommendation of Mr. James J. Farley. The letter of the Federal Trade Commission admits that this change was made and they put in a publicity man to serve the Commission very much in the same manner as Mr. Herbert L. Pettey was put in the Federal Radio Commission as a liaison officer by Mr. Farley. He now has offices in the new Post Office Building right beside the Postmaster General, thus to keep him well informed on all radio activity. Just in the same manner Mr. Farley will be kept advised by Mr. Baker of all activities of the Federal Trade Commission and will see to it that no information goes out to the public that might be detrimental to any of their friends.

It is a political arrangement.

I call your attention now to what part I of the report shows with reference to what I stated about Mr. Doherty. The following appears on page 69 of the Report on Examination of Accounts and Records of Cities Service Co., volume I, by A. E. Lunvall.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein this statement, showing the write-up of the Doherty companies which indicates \$210,950,000 worth of fictitious write-ups.

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

There was no objection.

Mr. McFADDEN. The following appears on page 69 of the Report on Examination of Accounts and Records of Cities Service Co., volume I, by A. E. Lunvall:

The specific instances in which the plant and investment accounts of subsidiary companies were written up in value because of mergers and consolidations or intercompany transfers are subsequently explained but are summarized here for the purpose of identification:

| | |
|--|---------------|
| Cities Service Power & Light Co. and subsidiaries..... | \$104,597,756 |
| Gas Service Co. and subsidiaries..... | 12,279,335 |
| Arkansas Natural Gas Corporation..... | 8,167,691 |
| Empire Gas & Fuel Co. (Delaware)..... | 78,895,162 |
| Cities Service Oil Co. (Ohio)..... | 598,808 |
| Cities Service Tank Line Co..... | 2,736,641 |
| Crew-Levick Co..... | 1,075,137 |
| Cities Fuel & Power Co..... | 1,581,475 |
| Southern Ontario Gas Co..... | 1,026,022 |

Total..... 210,958,027

Note: As previously explained, a substantial portion of this write-up was eliminated by Cities Service Co. from its published financial reports at Dec. 31, 1930.

The above note has recently been added to this report—evidently a part of Cities Service attorneys' attempt to camouflage my previous statement on the floor of this House wherein I informed you of the write-up in value of the H. L. Doherty companies, which write-up values are still carried upon the books of the companies.

It has not been my purpose to criticize unduly the Federal Trade Commission or its very able and efficient general counsel, Mr. Robert E. Healy. I can appreciate the pressure that these men are under in reporting to the Congress the details of mismanagement and corruption which they have uncovered in their investigations of the public-utility set-ups. Nor have I had any intention to reflect in any manner whatsoever upon A. E. Lunvall, the very capable investigator, assigned by the Federal Trade Commission to the H. L. Doherty affiliated companies set-ups investigation. Mr. Lunvall has made a most unusual report setting forth in detail the most unusual and crooked manipulation of the affairs of H. L. Doherty, H. L. Doherty & Co., Inc., the Cities Service Co., and of all their subsidiaries and affiliates, and his activities on this report should in no manner be interfered with. What I am objecting to and am pointing out to you is the attempt on the part of H. L. Doherty and his attorneys and his contact men and his lobbyists of the type of Arthur F. Mullen (late campaign floor-manager at the Democratic National Convention at Chicago, which nominated Franklin D. Roosevelt) and men of this type for whom Doherty or his companies have done favors or are paying them for their services in the money or securities or inside information or by campaign contributions, or birthday-party projects, to influence in any manner possible this Federal Trade Commission report, and then finding the activities of these men resulting in a postponement of the filing of part II of the report of the investigation of the Cities Service Co. and its subsidiaries and affiliates, including the manipulations of Henry L. Doherty and Henry L. Doherty & Co., Inc., which would have disclosed in detail these improper practices that I have been referring to on the floor of this House in my previous statements and in this my fourth speech on this subject.

In my attempt to correct this situation, I introduced a resolution for an investigation of this matter, but this resolution has been pigeonholed by the Rules Committee. I have begged the Speaker, the majority floor leader, and the Chairman of the Rules Committee to give me a hearing on this resolution and it has been refused. It is apparent, I submit, from the very action of the majority leader, who today has spoken and condemned my activities in this respect, that this administration is united in its efforts to protect Henry L. Doherty.

Proof of every statement that I have made is in the A. E. Lunvall report of his investigation under Senate Resolution 83 and embodied in his reports to the Federal Trade Commission. And when anybody, whether it be the leader of the majority of this House, the President of the United States, or the members of the Federal Trade Commission, attempts to dispute or discredit what I have said and am now saying, he is attempting to discredit the facts which are set forth in the Lunvall report to the Federal Trade Commission. This complete report should now be in the hands of the Attorney General of the United States for immediate action.

UTILITIES INVESTIGATION BY FEDERAL TRADE COMMISSION

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

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

There was no objection.

Mr. BYRNS. Mr. Speaker, it is rather difficult for me to understand the cause of complaint of the gentleman from Pennsylvania [Mr. McFADDEN]. He has indulged in a number of insinuations and has made certain implications based upon no fact which he gave either the other day or at the present time.

Mr. McFADDEN. Will the gentleman yield?

Mr. BYRNS. No; I only have 3 minutes.

Mr. McFADDEN. The gentleman is stating that I presented no facts. I have presented facts.

Mr. BYRNS. The whole truth is that the President had absolutely nothing to do with holding up the report of the Federal Trade Commission. The Federal Trade Commission with their counsel, whose names I gave a few minutes ago, asked the President in the interest of a complete report to permit them to delay that report for 6 months. This was for the reasons set forth in the letter of Mr. Ferguson.

I have the time only to repeat that it was impossible for them to consider the entire and voluminous evidence that had been presented and prepare a comprehensive report by July 1. They asked the President to issue an Executive order providing for this extension, and the President, of course, acting upon the unanimous request of the Federal Trade Commission, which is a bipartisan body of able, conscientious men, with its own chief counsel and associate counsel, whose names I mentioned a while ago, gave his consent to the report being delayed for 6 months. Why? Because if he had not done that, the Commission told him it would be impossible for them to make a comprehensive report, which the gentleman from Pennsylvania [Mr. McFADDEN], without the knowledge that they have and without the information that they have, says he could easily do within 10 days.

Mr. McFADDEN. Will the gentleman yield?

Mr. BYRNS. I cannot yield.

There is nothing more that I wish to say. I ask every Member of this House to read the letter of Chairman Ferguson, which will appear in the RECORD tomorrow morning, and which is a complete statement and a refutation, I repeat, of the insinuations, the implications, and the charges made by the gentleman from Pennsylvania, and we in this Congress and the preceding Congress know the gentleman's habit along that line. [Applause.]

[Here the gavel fell.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The Chair laid before the House the following message from the President of the United States, which was read and referred to the Committee of the Whole House on the state of the Union:

To the Congress of the United States:

You are completing a work begun in March 1933, which will be regarded for a long time as a splendid justification of the vitality of representative government. I greet you and express once more my appreciation of the cooperation which has proved so effective.

Only a small number of the items of our program remain to be enacted and I am confident that you will pass on them before adjournment. Many other pending measures are sound in conception, but must, for lack of time or of adequate information, be deferred to the session of the next Congress. In the meantime, we can well seek to adjust many of these measures into certain larger plans of governmental policy for the future of the Nation.

You and I, as the responsible directors of these policies and actions, may, with good reason, look to the future with confidence, just as we may look to the past 15 months with reasonable satisfaction.

On the side of relief we have extended material aid to millions of our fellow citizens.

On the side of recovery we have helped to lift agriculture and industry from a condition of utter prostration.

But, in addition to these immediate tasks of relief and recovery, we have properly, necessarily, and with overwhelming approval determined to safeguard these tasks by rebuilding many of the structures of our economic life and of reorganizing it in order to prevent a recurrence of collapse.

It is childish to speak of recovery first and reconstruction afterward. In the very nature of the processes of recovery we must avoid the destructive influences of the past. We have shown the world that democracy has within it the elements necessary to its own salvation.

Less hopeful countries, where the ways of democracy are very new, may revert to the autocracy of yesterday. The

American people can be trusted to decide wisely upon the measures taken by the Government to eliminate the abuses of the past and to proceed in the direction of the greater good for the greater number.

Our task of reconstruction does not require the creation of new and strange values. It is rather the finding of the way once more to known, but to some degree forgotten, ideals and values. If the means and details are in some instances new, the objectives are as permanent as human nature.

Among our objectives I place the security of the men, women, and children of the Nation first.

This security for the individual and for the family concerns itself primarily with three factors. People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours.

In a simple and primitive civilization homes were to be had for the building. The bounties of nature in a new land provided crude but adequate food and shelter. When land failed our ancestors moved on to better land. It was always possible to push back the frontier, but the frontier has now disappeared. Our task involves the making of a better living out of the lands that we have.

So also security was attained in the earlier days through the interdependence of members of families upon each other and of the families within a small community upon each other. The complexities of great communities and of organized industry make less real these simple means of security. Therefore we are compelled to employ the active interest of the Nation as a whole through government in order to encourage a greater security for each individual who composes it.

With the full cooperation of the Congress we have already made a serious attack upon the problem of housing in our great cities. Millions of dollars have been appropriated for housing projects by Federal and local authorities, often with the generous assistance of private owners. The task thus begun must be pursued for many years to come. There is ample private money for sound housing projects; and the Congress, in a measure now before you, can stimulate the lending of money for the modernization of existing homes and the building of new homes. In pursuing this policy we are working toward the ultimate objective of making it possible for American families to live as Americans should.

In regard to the second factor, economic circumstances and the forces of nature themselves dictate the need of constant thought as to the means by which a wise Government may help the necessary readjustment of the population. We cannot fail to act when hundreds of thousands of families live where there is no reasonable prospect of a living in the years to come. This is especially a national problem. Unlike most of the leading nations of the world, we have so far failed to create a national policy for the development of our land and water resources and for their better use by those people who cannot make a living in their present positions. Only thus can we permanently eliminate many millions of people from the relief rolls on which their names are now found.

The extent of the usefulness of our great natural inheritance of land and water depends on our mastery of it. We are now so organized that science and invention have given us the means of more extensive and effective attacks upon the problems of nature than ever before. We have learned to utilize water power, to reclaim deserts, to recreate forests, and to redirect the flow of population. Until recently we have proceeded almost at random, making many mistakes.

There are many illustrations of the necessity for such planning. Some sections of the Northwest and Southwest which formerly existed as grazing land, were spread over with a fair crop of grass. On this land the water table lay a dozen or 20 feet below the surface, and newly arrived settlers put this land under the plow. Wheat was grown by dry-farming methods. But in many of these places today the water table under the land has dropped to 50 or 60 feet

below the surface and the topsoil in dry seasons is blown away like driven snow. Falling rain, in the absence of grass roots, filters through the soil, runs off the surface, or is quickly reabsorbed into the atmosphere. Many million acres of such land must be restored to grass or trees if we are to prevent a new and man-made Sahara.

At the other extreme, there are regions originally arid, which have been generously irrigated by human engineering. But in some of these places the hungry soil has not only absorbed the water necessary to produce magnificent crops, but so much more water that the water table has now risen to the point of saturation, thereby threatening the future crops upon which many families depend.

Human knowledge is great enough today to give us assurance of success in carrying through the abandonment of many millions of acres for agricultural use and the replacing of these acres with others on which at least a living can be earned.

The rate of speed that we can usefully employ in this attack on impossible social and economic conditions must be determined by businesslike procedure. It would be absurd to undertake too many projects at once or to do a patch of work here and another there without finishing the whole of an individual project. Obviously, the Government cannot undertake national projects in every one of the 435 congressional districts, nor even in every one of the 48 States. The magnificent conception of national realism and national needs that this Congress has built up has not only set an example of large vision for all time but has almost consigned to oblivion our ancient habit of pork-barrel legislation; to that we cannot and must not revert. When the next Congress convenes I hope to be able to present to it a carefully considered national plan, covering the development and the human use of our natural resources of land and water over a long period of years.

In considering the cost of such a program it must be clear to all of us that for many years to come we shall be engaged in the task of rehabilitating many hundreds of thousands of our American families. In so doing we shall be decreasing future costs for the direct relief of destitution. I hope that it will be possible for the Government to adopt as a clear policy, to be carried out over a long period, the appropriation of a large, definite, annual sum so that work may proceed year after year not under the urge of temporary expediency, but in pursuance of the well-considered rounded objective.

The third factor relates to security against the hazards and vicissitudes of life. Fear and worry based on unknown danger contribute to social unrest and economic demoralization. (If, as our Constitution tells us, our Federal Government was established among other things "to promote the general welfare", it is our plain duty to provide for that security upon which welfare depends.)

Next winter we may well undertake the great task of furthering the security of the citizen and his family through social insurance.

This is not an untried experiment. Lessons of experience are available from States, from industries, and from many nations of the civilized world. The various types of social insurance are interrelated, and I think it is difficult to attempt to solve them piecemeal. Hence, I am looking for a sound means which I can recommend to provide at once security against several of the great disturbing factors in life—especially those which relate to unemployment and old age. I believe there should be a maximum of cooperation between States and the Federal Government. I believe that the funds necessary to provide this insurance should be raised by contribution rather than by an increase in general taxation. Above all, I am convinced that social insurance should be national in scope, although the several States should meet at least a large portion of the cost of management, leaving to the Federal Government the responsibility of investing, maintaining, and safeguarding the funds constituting the necessary insurance reserves.

I have commenced to make, with the greatest of care, the necessary actuarial and other studies necessary for the

formulation of plans for the consideration of the Seventy-fourth Congress.

These three great objectives—the security of the home, the security of livelihood, and the security of social insurance—are, it seems to me, a minimum of the promise that we can offer to the American people. They constitute a right which belongs to every individual and every family willing to work. They are the essential fulfillment of measures already taken toward relief, recovery, and reconstruction.

This seeking for a greater measure of welfare and happiness does not indicate a change in values. It is rather a return to values lost in the course of our economic development and expansion.

Ample scope is left for the exercise of private initiative. In fact, in the process of recovery, I am greatly hoping that repeated promises that private investment and private initiative to relieve the Government in the immediate future of much of the burden it has assumed will be fulfilled. We have not imposed undue restrictions upon business. We have not opposed the incentive of reasonable and legitimate private profit. We have sought rather to enable certain aspects of business to regain the confidence of the public. We have sought to put forward the rule of fair play in finance and industry.

It is true that there are a few among us who would still go back. These few offer no substitute for the gains already made, nor any hope for making future gains for human happiness. They loudly assert that individual liberty is being restricted by Government, but when they are asked what individual liberties they have lost, they are put to it to answer.

We must dedicate ourselves anew to a recovery of the old and sacred possessive rights for which mankind has constantly struggled—homes, livelihood, and individual security. The road to these values is the way of progress. Neither you nor I will rest content until we have done our utmost to move farther on that road.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, June 8, 1934.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that there be printed in the RECORD immediately following the message a brief statement by the distinguished Speaker of the House commenting on the message.

Mr. BRITTEN. Commenting on this statement?

Mr. BYRNS. Yes.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is that customary?

Mr. BYRNS. I do not know whether it is customary or not, but I think it is entirely proper to be done.

Mr. BLANTON. This is a new deal.

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

There was no objection.

The statement is as follows:

THE PRESIDENT'S SOCIAL-INSURANCE MESSAGE OF JUNE 8, 1934

(Comments by Hon. HENRY T. RAINEY, Speaker of the House of Representatives)

The President's message embodies a magnificent conception. The vitality of a representative government depends upon its efficiency in taking care of its own nationals. They must be assured the essentials of life—food, clothing, shelter. Other nations have attempted with considerable success to provide for their nationals in these particulars. Some of our great corporations have apparently solved these propositions. This is an absolutely new era upon which we are entering, and the success of the Government and its perpetuity depends upon taking away from its nationals the element of fear. They must be assured that they will be safe during periods of sickness and unemployment, and they must be assured that they will be taken care of when old age comes. The President's message embodies a nationwide study of all these propositions. It fits in with the recovery program. It will tend to quiet unrest.

We are mechanized as no other nation in the world has ever been mechanized. It is claimed that one-fourth of our workers can produce for all of our people the essentials of life and living. In France and Germany it is said that 50 percent of their workers can be employed in producing the essentials of life. In Italy, not so highly mechanized, 65 percent of their workers can be employed in providing for all people food, clothing, and shelter. Machines work for us to a greater extent than in any other

country in the world, and we must meet this situation without destroying machines. The study the President proposes this summer is important, indeed.

We hope to put through the President's housing program; and this, of course, is at the very base of all recovery. People of a country must first of all be properly housed, and upon a proper housing must be built a structure which removes fear, so prevalent now. There must be a way of taking care of men and women and children when they are sick and unable to provide for themselves, and it must be done in a way which does not mean charity. They are entitled to more than charity, and they must be taken care of in old age and during periods of unemployment. We owe these things to our nationals. The study which the President proposes to make this summer is most important, and it must lead to legislation in the next Congress which will meet these conditions.

THE IMPORTANCE OF THE SUBSISTENCE-HOMESTEAD PROGRAM

Mr. RANDOLPH. Mr. Speaker, this splendid and timely message from the President of the United States impresses itself more deeply on me this afternoon because of the visit that I made yesterday to my own State, where I talked with the men and women on two Federal homestead projects. They have been down for the count of 9, but are now being given a chance under this program to rehabilitate and build themselves anew. I do not desire to take up the time of the House, but I feel so keenly on this subject that I ask unanimous consent to extend my remarks in the RECORD on the subject of the subsistence-homestead development in the United States.

The SPEAKER pro tempore (Mr. BYRNS). Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, in years to come when the results of the Roosevelt administration are weighed, the historian will divide its manifold recovery efforts into two classifications. One of these will be steps of a short-term nature. This classification will include the many numerous efforts aimed to meet quickly situations which constituted emergencies and which lay on the threshold of the Roosevelt administration when it assumed office in those black days of March 1933. The bank holiday, the farm-price emergency, unemployment, and many another situations within too recent memory to necessitate remention and elaboration, required action, and action was forthcoming immediately from the champion of the new deal.

BUILDING FOR THE FUTURE

But more than an emergency of a temporary nature needed to be met. Direction was needed not only for a day or a month but in building for the future. Again President Roosevelt stood ready. He did not come forth with a dogmatic arrangement, with the cry of "It must be done this way or not at all", but he proposed that the Nation should proceed with an open mind toward a permanent solution of many of our ills. In the case of agriculture and industry many forward steps have been taken. Through tests and demonstrations we are working our way toward adjustments which will be of permanent benefit.

Today I want to speak of one of these efforts which in 20 years will be looked upon as one of the most significant contributions of this administration to permanent long-term recovery. I speak of subsistence homesteads. This program comes in for its share of misunderstanding, for partisan abuse, but it should not. Examined closely and particularly in light of the history of our Nation and of the complex social and economic problems of today, this program stands out as a beacon of hope, as the ray of promise, for the solution of many of our most serious problems.

PROGRESS HAS BEEN MADE

Subsistence homesteads are not new. Part-time farming came before commercial farming. It has been the way of life of millions. But subsistence homesteads in their modern application recognize the progress made in recent generations and propose adaption of a way of life to modern social and economic circumstances.

Let us go back to the days when there were Thirteen Colonies. The life of the colonists was primarily rural. They lived on the products of their own fields and orchards and pastures. Let us then reduce the picture of the Colonies

to a smaller segment, that of certain regions in New England. With the expansion in cotton and woolen milling, industry looked about for factory sites. They found them often in rural districts where rushing streams and waterfalls provided the necessary power. Labor was needed and small farmers, attracted by cash wages, came to work in the mills from the surrounding community.

But back in those days we had no national policies tending toward shorter working hours. Instead the worker spent 12 and often 14 or more hours at the spindles and the looms. Naturally, during the working season he was able to do little more than work at the mill. For a time many of the mills operated in the wintertime and in the summer closed down while the workers went back to their farms, which continued to provide food, fuel, shelter, and even some clothing for the family.

SECURITY WAS LOST

But distances were greater then, for transportation had not advanced. Roads were few in number and far from the excellence of modern highways. Consequently the mills worked longer seasons and, finally, the year round, and with the long hours of work and the poor transportation facilities the worker found it necessary to live nearer his place of employment.

Abandonment of the small farms began. Slums grew about the mills. Gone was the security and independence he had previously enjoyed. All in all, it is doubtful whether a great many of the workers achieved any advance at all in the standard of living from their full-time employment. Certainly a great deal was lost.

Today we are faced by a great problem of unemployment. The diligence of the administration in seeking a solution of this problem has been rewarded in part. But great and fundamental changes may be necessary in order to reduce that unemployment to a point where it can be said that it is no longer the greatest individual problem of the Nation.

The technological advances from the World War on to 1929 were tremendous, and, although little realized, have continued right up to the present day. It has been said that the full utilization of technological advances in industry will prevent some millions of people from ever again finding full-time employment in our mills, our factories, our warehouses, our mines. An unemployed man is a poor consumer and this unemployment problem in terms of reduced consumptive capacity alone is a menace to the fabric of our national economy.

NEED TO BECOME SELF-SUPPORTING

When we consider the permanent threat which this problem makes to our future, it assumes even greater and more dangerous proportions. The cost alone of supporting several millions of people on relief rolls is measured in figures that stagger the imagination. The demoralization consequent upon the public support of a large part of the population presents grave social dangers.

There is only way in which we can hope to escape the experience which so many countries of Europe have suffered, namely, the growth of a large class of unemployed permanently upon the Government, and that is to adopt whatever means seems best to help these people become self-supporting, and to prevent others from being forced upon public relief when seasonal fluctuations in industry occur. This is what the subsistence homestead program, if properly expanded, can accomplish.

To meet the present unemployment emergency in this manner it will be necessary to carry forward the plans for helping unemployed persons to acquire plots of land where they may cultivate food for their own use. This work is now going on, but an equally important long-term program must also be undertaken.

There is no more tragic picture than that of the hosts of unemployed city workers walking the streets, utterly without any means of self-support when the pay envelop ceases to be handed out. Pavements of stone offer no opportunity even to the man who has the greatest desire to produce food for himself and his hungry family.

DECENTRALIZATION IS DESIRED

Fluctuations in industrial activity are bound to occur, and we must make certain that in the future we will not be faced with a situation such as that which, in 1929 and the following years, contributed so much to the distress of the working population. In place of a people crowded into unhealthy tenements in the cities, their children growing up amongst conditions which breed crime, disease, and a loss of self-reliance, we should like to see our working people living on small homesteads near their places of employment on the edge of the city, rather than in the midst of its crowded streets. The creation of such decentralized communities is the ultimate purpose stated in the act which this Congress passed, making possible the subsistence homestead program.

This development will not only make for healthier and more sanitary living conditions but will also enable working-class families to regain an independence and security which have long been lost. We may always expect changes in industrial activity and a fluctuating figure of employment; but through the establishment of subsistence homesteads, where workers may be able to produce much of their own food and maintain shelter for themselves and their families, the desperate story which the experience of our unemployed population has recently told need not be repeated.

When, at the request of the President, this Congress a year ago showed the wisdom of setting aside \$25,000,000 for aiding in the establishment of subsistence homesteads, it was setting aside a small sum compared with the expenditures approved for many other purposes, but it was giving recognition to the belief of many that better utilization of the soil held promise of being one of the really important answers to the problem of unemployment.

"Back to the land" has been the cry of a great many. The possibilities of a back-to-the-land movement have been overstated by enthusiasts, even as enthusiasts have overstated the possibilities of a specialized industry in which every wage earner would find his proper place.

NO ADVANTAGES ARE DENIED

It was realized by the persons entrusted with carrying out this work that no movement could be successful if it depended upon the American people's voluntary return to a less satisfactory way of living. No one today wants or needs to give up the benefits which modern civilization and the progress of a hundred years have brought us. Consequently, the subsistence homestead plan was worked out not to bring back the primitive conditions of self-sufficient life as our ancestors knew it but rather to recover the security and independence which they knew without giving up the advantages which industry, science, and social development have made possible.

The subsistence homesteads, therefore, are planned not to give their occupants a full living but merely to afford the opportunity of growing a food supply at home. This food supply, raised on 1 to 5 acres of land, will not only make workers less dependent upon the pay envelope but will also enable them to take care of their families when industrial activity slackens. Furthermore, these subsistence homesteads are not, for the most part, being located in remote country districts, but as close as possible to towns and cities, where employment on a part-time or seasonal basis will be available and where homesteaders may enjoy the social life and business opportunities of such communities.

But even within this framework there were many ideas as to how the plan could best be carried out. The fact that there were a great many conflicting views was promptly recognized by one of the most careful students of this problem, Mr. M. L. Wilson, who was selected by President Roosevelt as Director of the Division of Subsistence Homesteads. Knowing full well that \$25,000,000 could not possibly finance a wholesale movement of persons to subsistence homesteads, he has planned each subsistence-homestead project—and there are some 36 planned to date—to make certain that, in addition to serving as the means of helping persons to obtain low-cost homes on small tracts of rich land, this network of projects should be of the greatest possible value as tests and demonstrations.

A TRAGIC PROBLEM

The number of permanently unemployed persons in the bituminous coal mining districts is difficult to estimate, but the most conservative estimates that upward of 200,000 miners will never again be employed in mines. They present a tragic problem of stranded workers. Numerous efforts have been made to meet that problem but the first that has really offered substantial hope is the subsistence homesteads program. In my own district in West Virginia the subsistence homestead movement has struck up new hope that this problem can be met. Had a way of life such as the subsistence homestead provides been developed earlier there is no doubt but that much of the present distress would have been entirely avoided.

In addition to its significance from a long-range recovery viewpoint, the subsistence homestead program is also a substantial contributor to short-term recovery. By this I mean that it succeeds in providing employment on a considerable scale in proportion to the sums actually expended.

There are many who believe that housing offers today the outstanding possibility of stimulating recovery. Most of the expenditures involved in housing create employment. There is the employment of masons, carpenters, plumbers, and others in connection with the actual erection of houses. These in turn handle materials, the cost of which is represented in large part by labor outlays. From one viewpoint the establishment of subsistence homesteads is a housing program, for by far the largest percentage of the expenditures made are for the houses erected on the homesteads.

CANNOT SELL SERVICES

Sixty million Americans or more are said to be living in tenements and shanties unfit for human habitation under modern standards. The average income of all Americans was \$276 per person last year. Against this, I am reliably informed, there stood a fixed charge of \$77 for interest on long-term debts, leaving an income available for spending of \$199. The 60,000,000 of our people with the lowest income had an average income available for spending of less than \$150 per person. The reason for these average low incomes goes back to the fact that people are unable to find an opportunity to sell their services. They have idle time on their hands. They are not consumers to a large degree for the reason that they do not have the funds with which to buy. Their supply of food is very limited.

Now, take the other side of the picture. We have acres of good lands which are not fully utilized. Put the land in combination with a man who has the time and the willingness to work and he can provide himself with a considerable portion of his own income. Intensive use of small acreages of good land has many possibilities in the way of improving the amount and the variety of food available for idle people.

But subsistence homesteading is concerned with more than the housing of people, important as that may be; it is also more than the supplying of food which people cannot afford to buy, important as that is. Beyond these factors, the subsistence homestead program is concerned with the social readjustments of peoples left economically stranded or forced to live on small incomes because of the many factors over which man so far has been unable to achieve control.

Consider, for example, the isolated, submarginal farmer, living on poor land far from church, school, and other community facilities. Give him an opportunity to get onto better and richer land so located that his children will have the opportunity of going to school, that he and his wife will have the opportunity for normal interrelationships with other peoples. With that opportunity the way is opened for social advancement—a social advancement the significance of which can best be understood by a first-hand study of the homes and lives of thousands of Americans today living in areas blighted by the exhaustion of natural resources or by economic circumstances beyond their control. It is a human problem after all, and it is in terms of human problems that this Nation and its administrators and its political parties must come more and more to think.

SUFFICIENT TIME IS GIVEN

The part of the Government in the establishment of these homesteaders is to finance the purchase of land and construction of buildings, as well as to provide adequate assistance to the occupants in the most efficient utilization of their homesteads. Families will pay from two to three thousand dollars for their homes, making small monthly payments, at a low rate of interest, extending over approximately 20 years.

Projects for city workers are already being established at Rochester, N.Y.; Wilmington, Del.; Youngstown, Ohio; Austin, Minn.; Houston, Tex.; Los Angeles, Calif.; Longview, Wash.; and at many other points. The subsistence homestead program extends from coast to coast and from the Great Lakes to the Gulf of Mexico.

In order to effect an adequate redistribution of population from overcrowded cities, it is also necessary to take some steps to enable the people now living in poor rural districts to attain a happier and more rewarding life, because distress in rural regions is an important factor in the concentration of these helpless persons on city relief rolls.

The subsistence homestead program, therefore, includes a few projects which will demonstrate how farmers living in worn-out and eroded lands of the old Cotton Belt or the cut-over regions of the Great Lakes States may be helped to relocate on better soil and support themselves both by diversified subsistence agriculture and some industrial work.

State programs for the rural regions have been undertaken in Georgia and Wisconsin, and the Penderlea project in North Carolina embodies a similar purpose.

This demonstration program is, after all, rather small when contrasted with the tremendous demand for subsistence homesteads which is evident throughout the country. The Division of Subsistence Homesteads has received applications for project loans totaling more than four and one-half billion dollars, and, in addition, countless individual requests.

LOW-INCOME WORKERS TO BE AIDED

Many thousands of American families have on their own resources established themselves on small garden homesteads near many of our larger cities. Too often, however, such movements have been confined to persons of higher incomes. There is a need and demand for added thousands of low-income workers to be aided in leaving the congested city tenements.

Perhaps this evident enthusiasm for subsistence homesteads is due to the fact that they foster the idea of an independent, home-owning and self-supporting life which is so strongly imbedded in our American tradition.

I am firmly convinced that this program should be enlarged and extended, that it is making an outstanding contribution to recovery, both from the long- and short-term viewpoints, that its significance in decades to come will be more fully realized and appreciated than today. It addresses itself to the human problem representing the wreckage left over from more thoughtless days of the past. It recognizes in a practical way the possibilities of people doing more for themselves.

Proposals for more than four and one-half billion dollars in subsistence homestead projects have been submitted which I believe demonstrates the enthusiasm for this great work. But the subsistence homestead program has not been designed with the idea of promoting Government sponsorship primarily. The demonstrations so far planned and in the early stages of execution have been developed in every case with the idea of demonstrating their repeatability through private financing. They are aimed, first, to suggest possibilities of this way of life, with its greater opportunity for self-reliance and self-sufficiency to the individual.

Secondly, they are aimed to demonstrate the possibilities of this type of development by private capital; by the industrialist, who is contemplating setting up a new industry or decentralizing an established industry, who reckons the welfare of his workers as part of his responsibility and interest.

Next, these demonstrations are intended to show the possibilities to local and State housing authorities which are steadily being established.

PLANNING FOR THE FUTURE

Let us not overlook the significance of this practical demonstration of the administration, that it is looking beyond its nose and recognizing its responsibility to the future decades to come as well as the immediate months and years. Expansion of this type of work has great potentialities for contributing to recovery, and I believe that it deserves the earnest attention of every Member.

Mr. ELLENBOGEN. Mr. Speaker, I want the RECORD to show that when there was a call of the House this morning I was engaged in a conference with Mr. Fahey, chairman of the Home Owners' Loan Corporation, and therefore could not answer present.

The SPEAKER pro tempore. Without objection, the statement will be printed in the RECORD.

THE CONSENT CALENDAR

The SPEAKER pro tempore. The Clerk will call the Consent Calendar, beginning with the bills passed over yesterday without prejudice, Calendar No. 325.

Mr. WOLCOTT. Mr. Speaker, just before we recessed last night I propounded a parliamentary inquiry, which I notice is not in the RECORD. The inquiry was as follows:

If we recess tonight will we start on the Consent Calendar tomorrow where we left off today?

The Chair answered in the affirmative. It is my understanding, in accordance with that answer, that we start, I believe, with Calendar No. 382.

The SPEAKER pro tempore. The Chair will call the attention of the gentleman to the request submitted by the gentleman from Ohio [Mr. JENKINS], as follows:

Mr. Speaker, I ask unanimous consent that these Indian bills beginning at Calendar Nos. 325 to 345, be passed over and taken up tomorrow on the call of the Consent Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Ohio that the Indian bills, beginning at 325 to 345, be passed over until tomorrow?

There was no objection.

Mr. WOLCOTT. That was my understanding, but it was also my understanding, in view of the fact that the Consent Calendar was continued over until today, we would finish the Consent Calendar and then return to these bills and one or two others that were also passed over. However, it is immaterial.

The SPEAKER pro tempore. I think it is immaterial which bills are called first.

Mr. O'MALLEY. Mr. Speaker, may I say to the gentleman from Michigan that I understood that the unanimous-consent agreement which we obtained yesterday was that we would go back to the Indian bills on the Consent Calendar.

Mr. WOLCOTT. As the Chair says, it is immaterial and we have no objection.

The SPEAKER pro tempore. The Clerk will call the first of the bills, Calendar No. 325.

WHITE SWAN SCHOOL DISTRICT, YAKIMA COUNTY, WASH.

The Clerk called the bill (H.R. 7361) to provide funds for cooperation with White Swan School District No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, and I may say I shall object to the consideration not only of this bill but all the other Indian school bills on the calendar, and I base my objection on the fact that the Director of the Budget states that these bills are not within the financial program of the President. That is to be found in the report, and I called the Director of the Budget's office this morning and was so advised. For this reason I am constrained to object to the consideration of Calendar No. 325.

Mr. HOWARD. Will the gentleman be kind enough to hold his objection until I ask an informed member of my

Committee on Indian Affairs to explain this situation to the House?

I should like to have the gentleman from Montana [Mr. AYERS] explain to our colleagues here the situation with reference to these 12 or 13 bills, and I hope the gentleman will give him an opportunity to explain them.

Mr. ELTSE of California. Before yielding, I wish to add to my objections the fact that several of these bills, when they were first drawn, were drawn, as shown by the amendments, to have the moneys paid out of P.W.A. funds, and I think this was the particular thing that was called to the attention of the Budget Director, and the reason of his resistance or opposition to the bill and his statement that they are not within the financial program of the President. Moreover, I think such bills as these are against the principle of the National Recovery Act, and if we begin this sort of work of providing funds for public schools or for the extension of school buildings for particular districts, there is no reason why the same principle could not be invoked by every school district in the United States which, at the present time, has outstanding warrants for the payment of teachers' salaries and is in default on its bonds.

Mr. HOWARD. Will not the gentleman be kind enough to permit a member of our committee who is conversant with this matter to present it to the House? I would like to have the gentleman from Montana [Mr. AYERS] speak for our committee.

Mr. AYERS of Montana. Mr. Speaker, after the argument yesterday on these Indian school bills, and after they were passed over until today, I have taken the matter of each one of them up with the Commissioner of Indian Affairs, and at my request his Bureau has furnished me with figures showing that if these bills are passed it will save the Indian Bureau budget by at least \$620,000 per year. I am authorized by the Commissioner to use these figures in argument in support of these bills.

Now, if the gentleman from California [Mr. ELTSE] will bear with me, and if I may proceed for a few moments without interruption, I feel sure that upon the information furnished by the Bureau of Indian Affairs, I can convince the gentleman and the House not only in the justice of the bills but that they will actually relieve the budget condition rather than draw upon it.

In the 21 schools involved in these 13 bills, approximately 8,000 children—to be exact, 7,928—are involved. Of this number, 40 percent are Indian. This means over 3,100 Indian children.

If these children are not schooled in the public schools of the State, as they are now being schooled and as proposed by these bills, then, by reason of the condition of the overcrowded condition of the buildings, these Indian children must be schooled in some other manner. The only other way it can be done is by reestablishing Indian boarding schools at a much greater expense.

As I told you yesterday, it has been the policy of the Indian Department for some time past to abandon the Indian boarding schools and to send Indian children to the State public schools, which are supported by taxes upon lands bearing only an average of 30 percent of the area within the respective school districts. In other words, and to make it perfectly plain, an average of 40 percent of the school attendance is Indian and the Indian lands which are nontaxable within the school districts average 70 percent. You see the Indian lands bear no part of the burden for the support of these schools, 40 percent of which schools are used for Indian children.

The Indians are wards of the Government. The white man has taken generously of their lands and they are now confined to reservations and allotments. Surely, the least we can do for them as a government is to educate their children. We must do that. It should not be the burden of the local school district—indeed, they cannot bear such a burden, because the districts with the increasing attendance in these schools must have additional room and equipment, and in most instances the district is now bonded to the constitutional limit. These districts have been cooperating with

the Indian Department and made no complaint until absolutely forced to do so for lack of room.

Now, one of two things must be done, either present school buildings must be extended or the Government must go back to the boarding-school system. Bear in mind, as I go along, that the Government does not now have any capital investment in any of these State schools. It has so far enjoyed the benefit without such investment.

The figures furnished me by the Indian Department disclose that in the schools involved a saving of \$620,000 per year will be made by pursuing the present plan and sending Indian children to the State school. This saving is occasioned by reason of the fact that it costs the Government \$300 per year to send an Indian child to a boarding school, and under the plan of these bills it will cost the Government only \$100, making a saving of \$200 on each child. This, multiplied by the 3,100 Indian children involved, makes an annual saving of \$620,000. Taking these departmental figures as a basis, you will find that the Government will have back its \$701,000, proposed by these bills, in about 14 months. In other words, the saving will pay for the investment in 14 months and the Government will have a permanent and continuous interest in all of these schools.

If the opposition to these bills prevails, and boarding schools have to be reestablished for these 3,100 Indian children, the Department estimates that a capital investment in building and equipment will amount to \$1,200 per capita, or a total of \$3,720,000. The proposed capital investment, according to these bills, is \$701,000, as against the \$3,720,000 if the old program is reestablished. And you will understand that this vast capital investment, under the old program, does not include the \$300 per year per capita for maintaining Indian children in the boarding schools. This maintenance item alone under the boarding-school program amounts to \$992,000 annually. Therefore there is an actual saving under this proposed program for per capita maintenance only of \$291,000 annually. And, bear in mind, that pyramids annually, and also bear in mind that there will be the upkeep and building maintenance of the boarding schools.

In considering the thought of returning to the old program, if anyone is present who is so unprogressive, let him realize the seriousness of the proposition from a financial standpoint. In most instances, under the present educational program, the boarding schools, which have been abandoned, were carried on in old and dilapidated buildings, many of which, because of their unsanitary or fire-hazard condition, have been condemned, and most of them have gone to salvage. Therefore the capital investment of \$3,720,000 which I have just mentioned will be necessary for building and equipment. In addition to that, the Government will be forced to pay the \$300 per capita pupil maintenance each year, whereas under the proposed plan this pupil maintenance will be only \$100 per capita per year.

Can anyone dispute these figures or dispute the wisdom of passing this legislation?

The Department of the Interior, over the signature of Secretary Ickes, has approved of this program and of each of these bills; the Indian Department has approved of them and urges their passage; the only stumbling block is the Bureau of the Budget. I contend that the Interior Department and the Indian Bureau know more about this matter than the Bureau of the Budget; and I contend that the Indian Affairs Committee, which has given these bills some 2 months' consideration, and the special committee, which has held hearings upon them and gave them careful consideration, are all more competent to pass upon this subject than is the Bureau of the Budget.

These bills are authorization bills and gives the Indian Department a foundation upon which they may work to further their meritorious program.

This program is sound in theory, it is beneficial to the Indian, and it is in absolute harmony with good business judgment, for it is a vast saving to the Government. Ten of these bills have already passed the Senate. It is the purpose

of our committee and sponsors and supporters of this legislation to give the Interior Department and the Bureau of Indian Affairs the benefit of this legislation in order that they may work out their meritorious educational plan. [Applause.]

Mr. TABER. Will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. TABER. It has seemed to me that these bills were bad, and for this reason: We are now paying, as I understand, for the tuition of the Indian children a very large sum every year—\$600,000, I understand.

Mr. ELTSE of California. Something like that.

Mr. TABER. If these people desire local school buildings, they can get the money from the P.W.A. and from the bill we passed the other day, which carries a tremendous sum of money. They do not require any legislation; the local authorities can do it. Why we should go ahead and have the Government contribute money for that purpose I cannot understand. The statement made yesterday I cannot understand—that there were schools where the Interior Department was taking care of these children and the buildings were abandoned. If that is true, why cannot they use these buildings instead of building new ones?

Mr. HOWARD. I will answer the gentleman: Some of these school buildings have already been distributed; have been deeded to the States to be used for other institutional purposes. We cannot get them back now.

Mr. TABER. If they have deeded away their school buildings, are we going to build some more in the same place? It looks like they were playing horse with Congress.

Mr. HOWARD. They are not to be built in the same place.

The SPEAKER. Is there objection?

Mr. TABER, Mr. ELTSE of California, Mr. MILLARD, and Mr. SWICK objected.

SCHOOL BUILDING AT BROCKTON, MONT.

The Clerk called the next bill on the Consent Calendar, H.R. 7146, to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place, to be available to Indian children of the Fort Peck Indian Reservation.

The SPEAKER. Is there objection?

Mr. MILLARD, Mr. TABER, Mr. ELTSE of California, and Mr. SWICK objected.

EXTENSION OF PUBLIC-SCHOOL BUILDING AT MARYSVILLE, WASH.

The Clerk called the next bill on the Consent Calendar, H.R. 7412, to provide funds for cooperation with Marysville School District No. 325, Snohomish County, Wash., for extension of public-school buildings, to be available for Indian children.

The SPEAKER. Is there objection?

Mr. TABER, Mr. MILLARD, Mr. ELTSE of California, and Mr. SWICK objected.

IMPROVEMENT OF PUBLIC BUILDING, FORT PECK INDIAN RESERVATION, MONT.

The Clerk called the next bill on the Consent Calendar, H.R. 6469, for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public building, to be available to Indian children of the Fort Peck Indian Reservation, Mont.

The SPEAKER. Is there objection?

Mr. TABER, Mr. MILLARD, Mr. ELTSE of California and Mr. SWICK objected.

SCHOOL DISTRICT NO. 27, BIG HORN COUNTY, MONT.

The Clerk called the next bill, H.R. 8342, to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings, to be available to Indian children.

The SPEAKER pro tempore. Is there objection?

Mr. SWICK, Mr. ELTSE of California, Mr. MILLARD, and Mr. TABER objected.

PUBLIC-SCHOOL BOARD, POPLAR, MONT.

The Clerk called the next bill (H.R. 5946) for expenditure of funds for cooperation with the public-school board at

Poplar, Mont., in the construction or improvement of public building, to be available to Indian children of the Fort Peck Indian Reservation, Mont.

The SPEAKER pro tempore. Is there objection?

Mr. MILLARD, Mr. TABER, Mr. SWICK, and Mr. ELTSE of California objected.

SCHOOL BOARD AT QUEETS, WASH.

The Clerk called the next bill, H.R. 4864, to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash.

The SPEAKER pro tempore. Is there objection?

Mr. MILLARD, Mr. TABER, Mr. ELTSE of California, and Mr. SWICK objected.

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent to proceed out of order for 2 minutes.

The SPEAKER pro tempore. Is there objection?

Mr. ELTSE of California. Mr. Speaker, I object.

HIGH SCHOOL AT FRAZER, MONT.

The Clerk called the bill (H.R. 5747) to authorize appropriations for the completion of a public high school at Frazer, Mont.

The SPEAKER pro tempore. Is there objection?

Mr. MILLARD, Mr. ELTSE of California, Mr. SWICK, and Mr. TABER objected.

Mr. ROGERS of Oklahoma. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ROGERS of Oklahoma. I would like to know if the four gentlemen who continue to object are the Four Horsemen, since they persist in this horseplay?

The SPEAKER pro tempore. That is not a parliamentary inquiry.

SCHOOL DISTRICT NO. 17-H, BIG HORN COUNTY, MONT.

The Clerk called the next bill, H.R. 8346, to provide funds for cooperation with school district no. 17-H, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children.

The SPEAKER pro tempore. Is there objection?

Mr. MILLARD, Mr. SWICK, Mr. TABER, and Mr. ELTSE of California objected.

PUBLIC-SCHOOL BOARD AT COVELO, CALIF.

The Clerk called the next bill, H.R. 8906, to provide funds for cooperation with the public-school board at Covelo, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif.

The SPEAKER pro tempore. Is there objection?

Mr. SWICK, Mr. ELTSE of California, Mr. TABER, and Mr. MILLARD objected.

SCHOOL BUILDING, FORT BERTHOLD INDIAN RESERVATION

The Clerk called the next bill, H.R. 85, to extend Federal aid to certain school districts in the State of North Dakota upon condition that the public-school buildings benefited shall be available to Indian children of Fort Berthold Indian Reservation.

The SPEAKER pro tempore. Is there objection?

Mr. MILLARD, Mr. SWICK, Mr. ELTSE of California, and Mr. TABER objected.

WINNEBAGO INDIANS, THURSTON COUNTY, NEBR.

The Clerk called the next bill, H.R. 7255, for the relief of the Winnebago Indians residing in School District No. 17, Thurston County, State of Nebraska.

The SPEAKER pro tempore. Is there objection?

Mr. SWICK, Mr. MILLARD, Mr. TABER, and Mr. ELTSE of California objected.

OMAHA INDIANS, THURSTON COUNTY, NEBR.

The Clerk called the bill (H.R. 7256) for the relief of the Omaha Indians residing in School District No. 16, Thurston County, State of Nebraska.

The SPEAKER pro tempore. Is there objection?

Mr. SWICK, Mr. TABER, Mr. MILLARD, and Mr. ELTSE of California objected.

Mr. O'MALLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it. Mr. O'MALLEY. Who is recognized for these objections—the official objectors or the Four Horsemen?

The SPEAKER pro tempore. Any Member has a right to object.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to proceed out of order for a minute and a half.

The SPEAKER pro tempore. Is there objection?

Mr. MILLARD. Mr. Speaker, I object.

PIONEER NATIONAL MONUMENT, KY.

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent to return to S. 3443, to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes.

The SPEAKER pro tempore. The gentleman from Kentucky asks unanimous consent to return to Calendar No. 380.

Mr. CHAPMAN. Mr. Speaker, this is the Bicentennial of the Anniversary of the Birth of Daniel Boone.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read as follows:

Whereas no provision has been made to preserve some of the great shrines of pioneer history that played their part in the drama of the American Revolution, both in resistance to the efforts of the British and their Indian allies to wipe out the American colonists west of the Alleghenies and thus close in on the colonists along the Atlantic seaboard and in waging a counteroffensive that resulted in the conquest and acquisition of the old Northwest; and

Whereas four of these shrines in Kentucky represent in continuity a counterpart of the American Revolution east of the Alleghenies, to wit: (1) Boonesborough, where the first fort "in the West" was erected, the first highway to "the West, the Wilderness Road", terminated, the first colonization was effected, and the first legislature met; (2) Boones Station, whence Daniel Boone, as lieutenant colonel of the Fayette County Militia, rushed troops to the assistance of various other besieged stations as well as joined in the retaliatory campaigns under Gen. George Rogers Clark into the old Northwest, and where he buried his son and nephew, who fell at the Battle of Blue Licks; (3) Bryans Station, where the women of the fort sallied forth under the rifles of some 600 Indians to procure water for the besieged pioneers on August 18, 1782, contributing in large measure to the successful defense of the fort; and (4) Blue Licks Battlefield, scene of the accredited "Last battle of the revolution", August 19, 1782, which aroused all of the western colonists to unitedly launch a devastating campaign into the Ohio country, under the leadership of Gen. George Rogers Clark, that effectually stopped further invasion of Kentucky by the British and Indians and was the forerunner of the final conquest of the entire Northwest Territory for the United States: Therefore

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized and directed to accept donated lands, without cost to the United States, of an area appropriate for the proper commemoration of the valor and sacrifices of the pioneers at the sites of Fort Boonesborough, Boones Station, Bryans Station, and Blue Licks Battlefield in the State of Kentucky, comprising noncontiguous tracts to be united by a memorial highway, all in its entirety to be dedicated to the pioneers of the "the West", and established and set apart as the Pioneer National Monument for the preservation of the historical structures and remains thereon and for the benefit and enjoyment of the people.

SEC. 2. That the President of the United States is hereby authorized to designate a Commission, that shall serve without salary, to recommend the areas to be preserved for inclusion in the Pioneer National Monument.

SEC. 3. That the said Commission shall be authorized to use the franking privilege of the United States mails for the purpose of carrying on correspondence relating to, and in furtherance of, said work.

Mr. CHAPMAN. I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. CHAPMAN: Page 2, line 3, strike out all after the enacting clause and insert in lieu thereof the following:

"That when title to the sites of Fort Boonesborough, Boones Station, Bryans Station, and Blue Licks Battlefield, in the State of Kentucky, comprising noncontiguous tracts to be united by a memorial highway, together with such historical structures and remains thereon as may be designated by the Secretary of the Interior as necessary or desirable for national-monument purposes, and for the proper commemoration of the valor and sacrifices of the pioneers of 'the West', shall have been vested in the United States, said areas and improvements shall be designated and set apart by proclamation of the President for preservation of a national monument for the benefit and inspiration of the people, and shall be called the 'Pioneer National Monument.'

"SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized to accept donations of land, interests in land, and/or buildings, structures, and other property within the boundaries

of said national monument as determined and fixed hereunder, and donations of funds for the purchase and/or maintenance thereof, the title and evidence of title to lands acquired to be satisfactory to the Secretary of the Interior: *Provided*, That he may acquire, on behalf of the United States, out of any donated funds, by purchase at prices deemed by him reasonable or by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said national monument as may be necessary for the completion thereof.

"SEC. 3. 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 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.

The preamble was stricken from the bill.

BRIDGE ACROSS AGATE PASS, KITSAP COUNTY, WASH.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to return to Calendar No. 372, H.R. 9723, to revive and reenact the act entitled "An act authorizing the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington", and to substitute therefor S. 3604.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. MARTIN of Massachusetts. Mr. Speaker, I must object to returning to any bills that have been acted upon. I think we ought to get along with this calendar. I object.

Mr. ZIONCHECK. Will the gentleman reserve his objection?

Mr. MARTIN of Massachusetts. Well, it will only be losing time.

Mr. ZIONCHECK. We just returned to a bill.

Mr. MARTIN of Massachusetts. I was temporarily out of the Chamber, or I would have objected to returning to that bill. I object to the gentleman's request, Mr. Speaker.

AGRICULTURAL EMERGENCY RELIEF ACT

The Clerk called the next bill, S. 2674, to amend an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933.

Mr. TRUAX. Reserving the right to object, is the sponsor of this bill on the floor?

Mr. ELTSE of California. It is a Senate bill.

Mr. TRUAX. I understand that, but I should like to know something about the bill. I have not had an opportunity to read the bill.

Mr. WOLCOTT. Will the gentleman yield? I was interested in this bill because of the situation which arose in Michigan, and I am sure must have arisen in other States. This bill, as I understand it, simply provides that a miller or processor does not have to pay the processing tax on flour and other commodities which are subject to a processing tax which he delivers to municipalities for welfare purposes. Heretofore he has been compelled to pay the tax and then make application for relief. This gives him the privilege of making a report by filing a receipt, or something of that nature, so that he will get credit for the tax, instead of having to pay it and then file a claim for the return of it.

Mr. TRUAX. Has this bill been considered by the Committee on Agriculture?

Mr. WOLCOTT. Yes. It was reported out by the gentleman from Maine [Mr. UTTERBACH], and I assume it was considered by that committee.

Mr. FULMER. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. FULMER. A similar bill introduced in the House has been considered by the Committee on Agriculture and re-

ported. The committee believes it to be a very fair bill, because when these parties have to pay the processing tax they have to wait a certain time to get the money returned; whereas under this bill they will not have to wait for the return of the processing tax.

Mr. WOLCOTT. Is my understanding correct?

Mr. FULMER. It is absolutely correct.

Mr. WOLCOTT. I merely reserved the right to object to bring that point out.

Mr. TRUAX. Mr. Speaker, I wonder if the gentleman would be willing to accept an amendment providing that on September 1 the processing tax on hogs be discontinued.

Mr. WOLCOTT. I have no objection; however, I think the committee should speak for it on that.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (c) of section 15 of the act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933, is amended to read as follows:

"Any person, including any State or Federal organization or institution, delivering any product to any organization for charitable distribution, or use, including any State or Federal welfare organization, for its own use, whether the product is delivered as merchandise, or as a container for merchandise, or otherwise, shall, if such product or the commodity from which processed is under this title subject to tax, be entitled to a refund of the amount of any tax due and paid under this title with respect to such product so delivered, or to a credit against any tax due and payable under this title of the amount of tax which would be refundable under this section with respect to such product so delivered: *Provided, however,* That no tax shall be refunded or credited under this section, unless the person claiming the refund or credit establishes, in accordance with regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury (1) that he has not included the tax in the price of the product so delivered or collected the amount of the tax from the said organization, or (2) that he has repaid, or has agreed in writing to repay, the amount of the tax to the said organization. No refund shall be allowed under this section unless claim therefor is filed within 6 months after delivery of the products to the organization for charitable distribution, or use. The word 'State' as used in this section shall include a State and any political subdivision thereof."

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 ROOSEVELT

The Clerk called the next resolution, House Joint Resolution 349, designating or naming a certain mountain in the State of Tennessee "Mount Roosevelt", and for other purposes.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, has the gentleman any objection to renaming Boulder Dam with its original name, "Hoover Dam", the name having been changed during the administration to Boulder Dam?

Mr. MITCHELL. Mr. Speaker, that has nothing to do with the present bill.

Mr. BLANTON. Does the gentleman from California think he could find a second to his motion if he were to look all over the United States?

Mr. ELTSE of California. Yes.

Mr. BLANTON. I doubt it.

Mr. ELTSE of California. I certainly could—20,000,000 of them.

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

Mr. ELTSE of California. I yield.

Mr. WOLCOTT. I may say to the gentleman from Tennessee that I thought the action in changing the name "Hoover Dam" to "Boulder Dam" was so small that it was beneath the dignity of any Member of this House to notice; so nothing has been said about it.

I want the RECORD to show, however, that those same gentlemen who would have objected to that action on the part of the Secretary of the Interior are not objecting to this bill. The reason we are not objecting is because we do not want to so belittle ourselves as to put ourselves in

the same category with the Secretary of the Interior who belittled the office he holds in taking off the name of a former President of the United States from that great project for purely political purposes.

Mr. TAYLOR of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. TAYLOR of Tennessee. Mr. Speaker, this mountain is in my congressional district. As I understand it this name is not confined to the present President but includes the elder Roosevelt as well.

Mr. MITCHELL. Well, this mountain is to be known as Mount Roosevelt.

Mr. TAYLOR of Tennessee. As a matter of fact the object of this measure is to do honor to the Roosevelt name.

Mr. MITCHELL. It is to be known as Mount Roosevelt, in honor of Franklin D. Roosevelt. I might say, Mr. Speaker, that this mountain is within the Tennessee Valley development and is a short distance from the Norris Dam. It is desired by the people and by civic bodies of public-spirited citizens in that section where the T.V.A. development is taking place that the name Roosevelt should be given to this mountain, a part of Waldens Ridge and within the Tennessee Valley development.

Mr. Speaker, no appropriation or expense to the Government is contemplated. This is simply an effort on the part of the citizens of Tennessee to do honor to the name of Roosevelt, the name of our great President.

Mr. TAYLOR of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL. I yield.

Mr. TAYLOR of Tennessee. While I think the gentleman might have found a mountain over in his own congressional district to be dignified in this way, still I am proud of the fact that a mountain in my district is to receive this distinction.

Mr. MITCHELL. Mr. Speaker, it is a consummation devoutly to be wished that as a result of the designation of this mountain as "Mount Roosevelt" that the great President may have no opposition in the great State of Tennessee in the future, and especially in my colleague's congressional district, the Second of Tennessee, where so much is being done for all the people by this Democratic President and great leader.

There being no objection, the Clerk read the joint resolution, as follows:

Whereas Hon. Franklin D. Roosevelt, President of the United States, has instituted a mighty national recovery program, included in which are many useful and needed projects in Tennessee; and

Whereas he visioned the tremendous possibilities of Muscle Shoals, the Tennessee Valley, and instituted or set up the Tennessee Valley Authority; and

Whereas through his able guidance and sterling leadership this Nation has been relieved of a most tense financial situation, changing the course of this Government from one of distress and destruction to one of peace and prosperity; and

Whereas the people of Tennessee are anxious to perpetuate the name "Roosevelt" as a symbol of thanks and appreciation for his efforts and accomplishments: Therefore be it

Resolved, etc., That from and after the passage of this resolution a certain mountain lying and being in Roane County, Tenn., on the east line or range of the Cumberland Mountains and on Waldens Ridge 3 miles southwest of Rockwood, Roane County, Tenn., and about 1.7 miles northeast of the Roane-Cumberland County line, and being the northeast terminus of United States Highway No. 70 at the Roane-Cumberland County line and being shown on the "Kingston, Tenn." sheet of reconnaissance map of Tennessee prepared by the Geological Survey as having an elevation of more than 2,000 feet, and being without a name, be, and the same is hereby, designated as "Mount Roosevelt."

SEC. 2. That all records, surveys, maps, and public documents of the United States in which such mountain is mentioned or referred to shall refer to same under the name of "Mount Roosevelt."

The SPEAKER pro tempore. Without objection, the preamble will be stricken from the joint resolution.

There was no objection.

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

THE POLICY OF ISSUING TAX-FREE BONDS IS NOT ONLY UNETHICAL AND UNSOUND BUT IT IS BREEDING EVER-INCREASING DISCONTENT, BECAUSE IT UNEQUALLY DISTRIBUTES THE BURDENS AND BENEFITS OF GOVERNMENT

Mr. LOZIER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LOZIER. Mr. Speaker, I have frequently discussed the question of tax-exempt securities, contending that the policy was unsound, unethical, and productive of grave social injustice. I have insisted that by issuing tax-exempt securities we were unequally and unfairly distributing the burden of taxation, because men possessing great fortunes which they have invested in tax-free bonds do not bear their just proportion of the tax burden of the Nation, State, and city.

On the other hand those who contribute so largely to the social, civic, industrial, commercial, and economic life of a community, State, and Nation, and who assume the risks incident to industrial life and commercial ventures, not only pay their just proportion of the expenses of government, but the part of such expense that should have been contributed by a few citizens who escape taxation by changing their investments into tax-exempt securities.

The multiplication of fabulous fortunes in the hands of the idle classes seriously impairs legitimate business enterprise and threatens our economic life and national well-being. This is especially true if those colossal fortunes escape taxation and are not required to contribute their just proportion of the cost of maintaining our institutions. These great fortunes are protected by State and Nation, and there is no sound reason by their share of the cost of government should be saddled on the shoulders of those whose capital is not invested in tax-free bonds.

Following the World War, when our revenue laws were in process of revision, many beneficiaries of war-time profiteering argued that if the excess-profits tax were eliminated and surtaxes radically reduced, swollen fortunes and incomes would not seek refuge in tax-exempt securities. When Congress repealed the excess-profits tax and radically reduced surtaxes there was no visible reduction in the demand for tax-exempt bonds. In fact, the funds released by the repeal of the excess-profits tax and by the reduction of the high-bracket surtaxes were promptly invested in tax-exempt securities, and each year a much larger proportion of our surplus capital has found refuge from taxation in securities of this character.

It is questionable if the repeal of the excess-profits tax and the reduction of surtaxes have diverted much capital into industrial and commercial investment channels. On the contrary, this particular species of tax reduction has made available an ever-increasing supply of capital for investment in tax-free bonds. As a rule, tax-exempt securities are owned by those who have accumulated colossal fortunes, not in the ordinary industrial enterprises and commercial ventures which are helpful to mankind, but by war-time profiteering, monopolistic manipulation of markets, or other methods of unethical character. Will it be contended that our Government is powerless to reach, for the purpose of taxation, vast fortunes that are snugly hidden away in tax-free securities?

The rapid increase in the cost of government, local, State and national, is a matter of grave concern to all thoughtful students of present-day problems, in view of which it would be extremely unwise to limit either Federal or State sources of revenue. No class of property should be beyond a fair and reasonable exercise of the taxing power. In peace times, as well as in times of national peril, the right and power to tax every class of property, tangible or intangible, must be indisputable in order that taxation may be equalized, equitably readjusted, and ultimately reduced.

The power to reach every class of property, tangible and intangible, and subject it to the taxing power, is an essential element of sovereignty, and the just and moderate exercise of power is imperative if our national ideals are to be maintained. In order to establish a just and scientific tax system no securities or other properties should be placed out-

side of the zone of taxation, and by granting immunity from taxation to any form of investment we disregard the traditions and violate the principles that permeate, underlie, and vitalize our free institutions.

It is contended that to discontinue the issue of tax-exempt bonds will increase the interest rates on securities hereafter issued by States, counties, and other political subdivisions. This specious argument appeals to those who have not the time, inclination, or ability to analyze the proposition and discover its fallacy. In the last analysis the discontinuance of the issue of tax-exempt securities will not materially affect the interest rate on bonds issued by the Federal Government or States and their local subdivisions. On reflection everyone familiar with financial affairs knows that there is always a large amount of funds belonging to schools, colleges, universities, insurance companies, trust estates, and other institutions available for investment in the bonds of the United States, States, counties, and their subdivisions, even at a rate considerably below the interest on prime industrial or other high-class securities.

Repudiation of public debt is practically unheard of in America. Tax-secured bonds are safe and of the highest class. The interest and sinking funds for their ultimate payment are provided by taxation on tangible and intangible property, the assessed value of which is several times the bonded indebtedness. There is practically no element of risk, and bonds of this character, even if not free from taxation, will always be in demand, although the interest rate is considerably below the interest on prime commercial paper or securities. The procedure for the creation of indebtedness of this character is so simple and well established that the legality of bonds issued by the national, State, and local government is seldom questioned. It is the established policy of our courts to hold these issues valid unless the plain provisions of the Constitution and statutes have been recklessly ignored. Bond issues by States, counties, and their political subdivisions are rarely held invalid by our courts. The amount of these bond issues and the purposes for which they may be issued are matters of general knowledge and definitely established by our constitutions and statutes. These reasons have more to do with the price at which these bonds are sold than the tax-exempt feature, and there is always an ample supply of capital seeking this, the highest and most desirable type of security, to absorb bond issues by the United States, States, counties, municipalities, road districts, drainage districts, and other political subdivisions. Bear in mind that these securities would be absorbed at an interest rate considerably below the rate earned on choice industrial, transportation, and commercial issues.

There will always be a large class of investors who prefer public securities, even at a lower rate, to industrial securities bearing higher rates, but subject to fluctuation on account of varying economic conditions. This exemption privilege is not adequately reflected in the price at which these bonds are marketed or in the effective interest rates, because so many bonds of this character have been issued and are now outstanding that the market is saturated, and a very considerable proportion of these securities must be sold to persons whose incomes are comparatively small and to whom the exemption is of but little or no value.

This justifies the conclusion that the exemption privilege does not materially reduce the interest rate, and State and local governments are not in fact saving much, if any, interest by reason of the tax-exemption privilege, while, on the other hand, men of great wealth whose fortunes are invested in these securities are wholly or partially immune from normal and surtaxes on their income from these investments.

Treasury officials agree that the United States Government could have issued and sold several issues of bonds at practically the same rate if they had not included the tax-exemption feature. Prior to the adoption of the progressive income-tax system the slight advantage enjoyed by bonds of States and municipalities was largely because they were the obligations of responsible Commonwealths or their

political subdivisions, because they were bottomed on the taxing power and payable out of public revenues, because their legality was undoubted and their flotation had been sanctioned by well-understood, constitutional, and statutory provisions, and, finally, because the faith and credit of responsible governmental agencies were behind such securities.

In answer to the argument that tax-exempt bonds promote public improvements and enable local communities to secure lower rates of interest on their obligations, I assert that what States or their local subdivisions save in interest they lose in taxes. The conclusion is inescapable that if we exempt one class of property or one form of investment from taxation we automatically and inevitably increase the taxes on all the other classes of property and forms of investment. It is idle to contend that we are getting something for nothing when we issue tax-free bonds. The apparent benefit in the form of a lower interest rate is lost in the higher scale of taxes that must be laid on other property to compensate for the revenue losses resulting from the issue of a great mass of tax-free securities.

If it be conceded that the tax-exempt feature does enable States and their local subdivisions to borrow money at a lower interest rate, it necessarily follows that the burden withheld from securities of this character must be placed elsewhere. If one community or class is given partial immunity from taxation, it means that the taxes remitted to that class or community must be laid on and collected from other communities or classes. Moreover, the policy of issuing tax-exempt securities automatically raises the rate of interest on all other forms of investment and takes the burden off those best able to bear it and who, in equity and good conscience, should carry it, and places it on the wage earner, the farmer, and the ordinary business man. It relieves of taxation the capitalist who buys these bonds, but a burden he would otherwise bear is transferred to the mass of common people.

If a great city borrows money for a public purpose, the people of that city get practically all the benefit, if any, from the transaction. The people outside that community and removed therefrom derive no special or peculiar advantage from the transaction, and yet by exempting the securities which represent the transaction from taxation the proportion of taxes borne by the general public is largely augmented.

Moreover, this policy of issuing tax-free bonds is not only breeding ever-increasing discontent, but to recoup the losses incident to their issue we not only increase the tax rate on other property but we are constantly under the necessity of devising new forms of taxation, many of which are obviously unscientific and extremely vexatious, and some are opposed to the spirit, if not the letter, of our organic law. A continuation of this unethical policy will perpetuate and fasten on our people a discriminatory, uneconomic, unscientific, illogical, and in many respects un-American tax system.

If only a few States or municipalities issued tax-free bonds, these securities, because of their exemption from taxation, would doubtless command a much lower rate of interest than taxable securities; but the practice of issuing tax-exempt securities is being so extensively followed by States and their local subdivisions that the former advantage in interest rates no longer exists, except to a very negligible degree.

May I say in closing that the prohibition of the future issuance of tax-exempt securities is not an attack on the sovereignty of the States, would not deprive them of any of their constitutional privileges. I am advocating policies which, if adopted, will remove an unjust and originally unintended privilege and result in a more equal and proper distribution of the tax burden. The American people will never be satisfied with any tax system which is not based upon the principle of equality. What the people want is, in the language of Professor Seligman:

Equality between States and Nation.
Equality between local and Federal bonds.
Equality between economic classes.
Equality between earned and unearned income.

Equality between rich and poor—that is the equality which we desire to achieve.

The problem of tax exemption is a problem of fiscal equality; it is a problem of social justice.

CALIFORNIA STATE PARK SYSTEM

The Clerk called the next bill, H.R. 8684, to provide for the selection of certain lands in the State of California for the use of the California State park system.

Mr. O'MALLEY. Mr. Speaker, I object.

Mr. BURNHAM. Mr. Speaker, will the gentleman withhold his objection?

Mr. O'MALLEY. Mr. Speaker, I reserve my objection, but permit me to say that it seems to me that when we started out today there was a concerted effort—probably on the part of the Republican strategy—on the part of the Republicans from California and certain sections of the East to knock off every bill on the calendar that affected Northern or Central Western States, without their giving a chance for an explanation, but by merely hopping up like robots to object to each one of these bills.

Mr. TABER. Mr. Speaker, I ask that the gentleman's words be taken down.

Mr. O'MALLEY. I am perfectly willing that they be taken down.

The SPEAKER pro tempore. The gentleman will indicate the words he wants taken down.

Mr. TABER. That the gentlemen were jumping up like robots.

Mr. O'MALLEY. Mr. Speaker, I withdraw my remarks as to robots.

Mr. TRUAX. Mr. Speaker, I reserve the right to object to this bill. May I call the attention of the gentleman from California [Mr. BURNHAM] to one particular paragraph of the splendid message of the President of the United States which we have just heard, and I hope he will indulge me a minute.

The extent of the usefulness of our great natural inheritance of land and water depends on our mastery of it. We are now so organized that science and invention have given us the means of more extensive and effective attacks upon the problems of nature than ever before. We have learned to utilize water power, to reclaim deserts, to recreate forests, and to redirect the flow of population. Until recently we have proceeded almost at random, making many mistakes.

I fear that the bill, which the gentleman offers, converting certain lands to the State of California for use of the California State park system might be one of these mistakes made at random. I sincerely believe that all such projects ought to go over until the next Congress meets; then have a comprehensive, unified program for all of these lands.

Mr. O'MALLEY. Mr. Speaker, in my reservation of objection I have the floor.

We had a number of bills up here today that vitally affected the schools of States in our section of the country. It appears to me that a concerted effort was made to strike bills from the Consent Calendar that vitally affected Northern and Western States, which are normally Republican, and which perhaps the strategists of the Republican Party hope to win back by such tactics. Now, we come to bills to transfer land to the State of California and other sections, and there is no objection to the bills from the Republican official objectors. Yesterday when we had a bill up transferring some land to a section in the Central West there were plenty of objections and the bill was taken off the calendar. I want to reach some agreement here where the bills affecting the Central West will get some consideration until they can at least be explained by their proponents.

Mr. ELTSE of California. Mr. Speaker, so far as this gentleman is concerned, there is going to be no agreement.

The regular order was demanded.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. O'MALLEY. Mr. Speaker, I object.

The Clerk called the next bill, H.R. 8683, to provide for the selection of certain lands in the State of California for the use of the California State park system.

Mr. TRUAX, Mr. YOUNG, and Mr. O'MALLEY objected.

PATENTS TO SCHOOL SECTIONS

The Clerk called the next bill, S. 1825, authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1023), and by any other act of Congress.

Mr. CARTER of California and Mr. TRUAX objected.

DESCHUTES NATIONAL FOREST, STATE OF OREGON

The Clerk called the next bill, S. 2924, to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof.

Mr. CARTER of California. Mr. Speaker, I object.

CONVEYING CERTAIN LANDS TO STATE OF IOWA

The Clerk called the next bill, H.R. 7334, to provide for conveying to the State of Iowa certain lands within the non-navigable meandered lake beds within that State for use as public parks, recreation grounds, and game refuges.

Mr. CARTER of California and Mr. AYERS of Montana objected.

Mr. WEARIN. Mr. Speaker, will the gentlemen withhold their objections?

Mr. CARTER of California. I will withhold my objection.

Mr. AYERS of Montana. Mr. Speaker, I refuse to withhold mine.

Mr. ZIONCHECK. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CARTER of California and Mr. AYERS of Montana objected.

FALSE RETURNS BY POSTMASTERS

The Clerk called the next bill, H.R. 7310, to enable the Postmaster General to withhold commissions on false returns made by postmasters.

Mr. CARTER of California. Mr. Speaker, I object.

Mr. ELTSE of California. Mr. Speaker, will the gentleman withhold his objection?

Mr. CARTER of California. I reserve my objection.

Mr. ELTSE of California. Mr. Speaker, may I make a statement with reference to the attack made by the gentleman from Wisconsin, in which he accused the Members on this side awhile ago of entering into a conspiracy, and particularly those Members from California. I was the only gentleman from California that made the objection to the gentleman's bill, and I objected on the merits of the bill.

The regular order was demanded.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CARTER of California. Mr. Speaker, I object.

CONVEYING CERTAIN LANDS TO STATE OF IOWA

Mr. GILCHRIST. Mr. Speaker, I ask unanimous consent to return to Calendar 338, the bill (H.R. 7834) to provide for conveying to the State of Iowa certain lands within the non-navigable meandered lake beds within that State for use as public parks, recreation grounds, and game refuges.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. AYERS of Montana. I object.

Mr. GILCHRIST. Mr. Speaker—

Mr. WEARIN. Mr. Speaker, I make the point of order the gentleman from Montana was not on his feet when he objected.

Mr. ZIONCHECK. Mr. Speaker, I object to returning to any bill that has been objected to. I am not objecting because of the merits or demerits of the bill but I am objecting to returning to any bill that has been objected to.

Mr. BLANCHARD. Mr. Speaker, I make the point of order that we have already returned to the bill by unanimous consent.

The SPEAKER pro tempore. The Chair will state to the gentleman that we have already returned to the bill by unanimous consent.

Mr. ZIONCHECK. There was objection by the gentleman from Montana.

Mr. GRISWOLD. Mr. Speaker, I understand there is now no objection.

The SPEAKER pro tempore. Was the gentleman from Montana on his feet seeking to object to returning to the bill?

Mr. WEARIN. No.

Mr. GILCHRIST. Mr. Speaker, in Iowa we have a peculiar condition of law respecting some nonnavigable, meandered lake beds and shallow ponds. It is proposed by this bill to transfer whatever title the United States may have in these lakes to the State of Iowa. Iowa claims them and the United States agrees by its Secretary of the Interior and land office that it does not own them. If you will read the report you will see that the Secretary thinks this bill is eminently satisfactory. The bill provides that these shall be transferred to the State so that the State can hold them in perpetuity, for ever and ever, world without end, for recreation grounds, parks, and game preserves. They are not to be drained. In this season of drought we want the State, through its conservation board, to have power to attend to these lakes.

The bill provides that the transfer shall be subject to legal and valid rights of everybody. It provides that the United States shall reserve its coal and oil and mineral rights. It also provides, in so many words, that Iowa shall be bound to use them in perpetuity for parks and recreation grounds and it goes further to say that if we do not do this, then the title shall revert to the Government.

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

Mr. GILCHRIST. I yield.

Mr. BLANCHARD. In other words, you are seeking to restore the level of the lakes and not to drain them?

Mr. GILCHRIST. Yes; the purpose is to put them under our board of conservation so they cannot be despoiled. This is exactly what the bill does.

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

Mr. GILCHRIST. Yes.

Mr. WEARIN. I should like to make a brief statement with reference to the bill.

I happened to be a member of the State Legislature of Iowa when we started a comprehensive program of conservation that is in harmony with the present national administration, and this bill likewise is in harmony with the program, both of the State of Iowa and the National Government, from the standpoint of conservation, and I can assure the Congress that the State of Iowa is now launching upon this long-term plan of developing its natural resources for purposes of general benefit to the public and I can also assure all of you that this is a very meritorious measure and I trust it shall go through without objection.

Mr. GILCHRIST. And if we do not do what we say we will do, the title reverts to the United States under the terms of the bill itself. I cannot conceive of a more wholesome proposition. There should not be the slightest objection to the bill.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, it seems to me the gentleman's program is just an incidental matter so far as the President's whole program is concerned as set forth in his message today.

Mr. GILCHRIST. I think it is a part of it.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CARTER of California. Mr. Speaker, I object.

The SPEAKER pro tempore. The Clerk will call the next bill.

Mr. LAMNECK. Mr. Speaker, it is apparent we are not going to get anywhere today and I therefore move that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Ohio that the House do now adjourn.

The motion was rejected.

PUBLICATIONS OF LIMITED CIRCULATION

The Clerk called the next bill, H.R. 8245, to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation.

Mr. TRUAX. Mr. Speaker, I reserve the right to object.

Mr. STUDLEY. Mr. Speaker, this is a post office bill, and it is recommended by the Post Office Committee and also by the Department.

Mr. TRUAX. What does the bill propose to do?

Mr. STUDLEY. It proposes to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation.

Mr. TRUAX. Whom does it benefit?

Mr. STUDLEY. It benefits a lot of small bulletins and magazines like those of the Veterans of Foreign Wars and the Spanish-American War veterans and a lot of lodges and organizations, as well as various religious papers, that have a limited circulation. It is recommended by the Department and has been unanimously reported by the Committee on the Post Office.

Mr. TRUAX. With the gentleman's assurance that it does benefit all of the veterans' organizations and the fraternal orders, I withdraw by reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CARTER of California. Mr. Speaker, I object.

ADJUSTMENT OF CLAIMS OF POSTMASTERS

The Clerk called the next bill, H.R. 9120, to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended.

Mr. DOCKWEILER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DOCKWEILER. What happened to no. 389 on the calendar?

The SPEAKER pro tempore. It was objected to.

Mr. WOLCOTT. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER pro tempore. Evidently, there is not a quorum present.

Mr. COOPER of Tennessee. 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. 182]

| | | | |
|------------------|---------------|--------------|----------------|
| Abernethy | Dingell | Kurtz | Rogers, N.H. |
| Adair | Doutrich | Kvale | Ruffin |
| Allgood | Driver | Lanham | Sadowski |
| Andrew, Mass. | Faddis | Lee, Mo. | Sanders, Tex. |
| Andrews, N.Y. | Farley | Lehbach | Schaefer |
| Auf der Heide | Fernandez | Lesinski | Seeger |
| Bacon | Fish | Ludlow | Shoemaker |
| Beck | Fitzgibbons | McCormack | Simpson |
| Berlin | Foss | McDuffie | Sirovich |
| Black | Frear | McFarlane | Smith, Va. |
| Boehne | Frey | McLean | Snell |
| Bolton | Gambrill | McLeod | Stalker |
| Brennan | Gifford | McMilhan | Steagall |
| Britten | Goldsborough | McSwain | Stokes |
| Brooks | Goss | Maloney, La. | Strong, Tex. |
| Browning | Granfield | Mansfield | Sullivan |
| Buckbee | Green | Marland | Sumners, Tex. |
| Burke, Calif. | Greenway | Marshall | Sweeney |
| Cannon, Wis. | Griffin | Mead | Taylor, Colo. |
| Carley, N.Y. | Guyer | Montet | Taylor, Tenn. |
| Carpenter, Nebr. | Hamilton | Muldowney | Terrell, Tex. |
| Celler | Harter | Nesbit | Thompson, Tex. |
| Chase | Healey | Norton | Thurston |
| Chavez | Hoeppel | O'Brien | Wadsworth |
| Church | Holdale | Oliver, Ala. | Waldron |
| Coffin | Huddleston | Parks | West, Ohio |
| Collins, Miss. | James | Peavey | West, Tex. |
| Cooper, Ohio | Jeffers | Perkins | Withrow |
| Corning | Jenkins, Ohio | Peterson | Wood, Ga. |
| Cross, Tex. | Kee | Rayburn | Woodrum |
| DeRouen | Kennedy, Md. | Reid, Ill. | |
| Dickinson | Kleberg | Rich | |
| Dies | Kramer | Robinson | |

The SPEAKER. Two hundred and ninety-nine Members have answered to their names. A quorum is present.

Mr. COOPER of Tennessee. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

RATE CONTROL OF RAILROADS WITHOUT SIMILAR RATE CONTROL OF COMPETING FORMS OF TRANSPORTATION IS RANK DISCRIMINATION

Mr. MCGUGIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MCGUGIN. Mr. Speaker, this Congress should not adjourn until after it has enacted legislation which places all competing forms of commercial transportation under the same regulation which applies to the railroads. Such legislation has been before the Interstate and Foreign Commerce Committee during the greater part of this session of Congress. Long before now it should have been brought out of that committee and passed by Congress.

More than 4 years ago, the House of Representatives passed a bill which placed commercial busses and trucks under governmental regulation and control. That bill was pigeonholed in the Senate. After that experience no similar legislation has been passed by the House. The House of Representatives should pass the bill which is now in the Committee on Interstate and Foreign Commerce and then insist upon Congress staying in session until it is voted upon in the Senate. The entire railroad industry, capital and labor, is deserving of such legislation being enacted.

The railroads are the largest taxpayers in the country. The railroads are our principal form of transportation. The railroads are hamstrung by Government rate regulation. Every citizen in the country is vitally interested in the railroads in one way or another. Every citizen vitally depends upon the railroads for the transportation of many of the things which he buys and sells. Every citizen is interested in the railroads because the railroads bear such a great percentage of the tax burden of the country. If the railroads are impoverished then the tax burden which they are now carrying must be carried by the remainder of the people. Insurance companies have a large part of their assets invested in railroad securities. If these securities become worthless, the life-insurance policies of millions of our people become impaired. There are so many people employed in the railroad industry that practically every community is either directly or indirectly interested in the welfare of the railroads.

Yet, in the face of these facts, we have carried on the unwise policy of taxing the railroads to build parallel highways which are used by passenger busses and freight trucks in competition with the railroads. These commercial busses and trucks use these highways virtually free of charge. These public highways are to these commercial busses and trucks what the rights-of-way are to the railroads. The railroads have their money invested in their rights-of-way and their tracks. The upkeep on these tracks is a tremendous charge upon the railroads and it furnishes labor for thousands of our citizens. The amount which the commercial busses and trucks pay for the use of the highways is little or nothing as compared with the expenses of the railroads in the owning and maintaining of their rights-of-way.

This discrimination is only a small part of the governmental discrimination which is being practiced against the railroads. The railroads are held to rigid rates prescribed by law while these commercial busses and trucks practice a sort of a piracy by the undercutting of railroad rates for the transportation of passengers and freight. This constitutes the most vicious and unfair form of competition. We have set up the N.R.A., professing that our purpose is to eliminate unfair trade practices in industry. Yet, in the case of transportation, the Government is responsible for the worst kind of an unfair trade practice when it prescribes rigid rates for the railroads and then permits commercial busses and trucks to use the public highways virtually free and to undercut these established rates of the railroads.

These commercial busses and trucks are most assuredly common carriers and should be treated as such by the Government. Their rates should be prescribed by law. Their rates should be legally prescribed so that the public will be protected, and there will be fair and reasonable competition as between these commercial busses and trucks on the one hand and the railroads on the other. This is the legislation which should be enacted. This is the legislation which has been smoldering in the committee throughout this entire session of Congress. This is the legislation which should be enacted before we adjourn.

With hundreds of thousands of railroad laboring men unemployed, the obligation is upon the Congress to enact legislation which would insure fair competitive conditions between the railroads and competing forms of transportation. Such legislation would make it possible for a goodly part of these railroad men to get back to work.

In the special session of Congress at the request of the President, Congress enacted the Railway Transportation Act. This act provided for the Coordinator of the railroads. Congress, railroad capital, and railroad labor were all alike informed that the Coordinator under the Transportation Act would set about to adjust the intolerable and inequitable condition in which we find the railroad industry. The truth is, a year has gone by and nothing has been done to adjust the railroad situation. It is true that Congress cannot meet all the ills which beset the railroad industry. Congress can enact legislation which will provide for fair, just, competitive conditions as between the railroads and competing forms of transportation. Until this is done, the railroads stand as the forgotten industry. The unemployed railroad man stands out as the forgotten man. He is as much the forgotten man today, nearly 2 years after the election, as he was before the election in 1932. In fact, he is more forgotten today than he was 2 years ago. In the meantime, Secretary Ickes, the Public Works Administrator, has used public works money which Congress appropriated to take care of the unemployed for projects which when completed will make more unemployment on the railroads. I refer to Secretary Ickes' use of more than a hundred million dollars for the purpose of building hydroelectric projects. When these hydroelectric projects are completed, they will replace existing steam-generating electric plants. These steam-generating plants are operated by coal.

The coal for these steam plants is being hauled from the coal mines to the electric-light plants by the railroads. When these hydroelectric projects are completed and the steam-generating plants are out of business, there will be no demand for this coal.

For the years there have been about 10 or 15 cars of coal daily hauled out of southeast Kansas on the railroads into Nebraska to be used by steam-generating electric plants. Secretary Ickes has allotted Public Works money for the Loup River hydroelectric project in Nebraska. When that project is completed, the market for this Kansas coal will be lost. Then Kansas coal miners will have lost the employment of producing coal, and the Kansas railroad men will have lost the employment incident to the hauling of this coal. This is only one of many similar instances where railroad labor and coal miners are to be thrown out of work as a result of hydroelectric plants which are now being built from Public Works money.

At best the railroads have enough trouble without the Government in more ways than one going out of its way to make new trouble for the railroad industry.

SELECTION OF LAND IN CALIFORNIA FOR STATE PARK SYSTEM

Mr. CARTER of California. Mr. Speaker, I ask unanimous consent to return to Calendar No. 384.

The SPEAKER. The gentleman from California asks unanimous consent to return to Calendar No. 384.

Mr. TRUAX. Reserving the right to object, what bill is that?

Mr. CARTER of California. It is H.R. 8684, to provide for the selection of certain lands in the State of California for the use of the California State park system.

Mr. TRUAX. I object.

Mr. CARTER of California. Will the gentleman reserve the objection and give the author of the bill a chance to make an explanation?

Mr. TRUAX. I reserve the objection and yield to the author of the bill.

Mr. BURNHAM. Mr. Speaker, this bill provides that the State of California may have the privilege of selecting certain desert lands owned by the Federal Government for the purpose of a State park system. The lands are of no value whatever. I have photographs here of the lands, showing that they are characteristic desert lands. The State would like to preserve these lands for the benefit of tourists from all parts of the country. They can now develop these arid acres and furnish employment for the unemployed.

Mr. TRUAX. I will say, as I did a little while ago, that the President of the United States has disclosed in his message which was read today, that he is now making a comprehensive thorough survey of all of our marginal lands and worthless lands.

Mr. BURNHAM. This is in harmony with it.

Mr. TRUAX. I think the gentleman should be willing to let the bill go over until the next Congress as the President suggests.

Mr. BURNHAM. I want to say that the Secretary of the Interior favors this. It does not cost the Federal Government a cent, and as a matter of fact the State of California pays the cost of the filing fee which amounts to several thousand dollars, and neither the gentleman nor I would give 10 cents for all of the land.

Mr. TRUAX. Does the gentleman want me to again refer to the President's message? I am sorry, but I am constrained to object.

AMENDING ACT AUTHORIZING POSTMASTER GENERAL TO ADJUST CERTAIN CLAIMS

The Clerk called the next bill on the Consent Calendar, H.R. 9120, to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty," approved March 17, 1882, as amended.

The SPEAKER. Is there objection?

Mr. CARTER of California. I object.

GOVERNMENT QUARTERS AT EL PASO, TEX.

The Clerk called the next bill on the Consent Calendar, H.R. 1731, to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes.

The SPEAKER. Is there objection?

Mr. CARTER of California. I object.

Mr. THOMASON. Will the gentleman withhold the objection?

Mr. CARTER of California. I will reserve the objection.

Mr. THOMASON. It seems that some of us are unjustly suffering from this controversy. We are innocent bystanders.

Down at El Paso, Tex., there must be certain Government facilities at the Rio Grande in order to take care of customs, immigration, and public health, not only for Americans going into Mexico but for Mexicans coming into the United States. For many years the employees of our Government have had quarters in an old and out-of-date leased building. Five years ago Congress appropriated \$535,000 for a modern Government building. A site was selected and contracted for. When the abstract of title was delivered to the Attorney General for examination he refused to approve same because the land is in what is known as the Chamizal Zone, which is a strip of land claimed by Mexico on account of changes in the channel of the Rio Grande.

It is absolutely necessary that our Government have proper facilities at the American end of the International Bridge. Since it is impossible at this time to acquire land there with good title, the only thing left in the world to do is for private individuals who claim the land to erect decent quarters there and lease them to the Government. As it is now, there are a great many customs, immigration, and Public Health employees working there day and night in a place that is not adequate or sanitary. When the river rises the water accumulates on the floor 3 or 4 inches deep. There are many

aliens there every day who have to be examined. Customs business must go on. So I say to my good friend from California [Mr. CARTER] that an emergency situation exists and every interested department of the Government, the State Department, the Treasury Department, the Public Health Department, heartily approve this, because it is the only thing left to be done to provide adequate quarters not only for the representatives of the American Government but for the hundreds of people who pass through that port every day and who have important business to transact.

It is impossible to carry on the business much longer in the present location. It is also impossible for the Government to erect its own building there any time soon. We have private parties who are willing to build a modern building and lease it to the Government upon terms and conditions that will be approved by proper departments and where the interest of the Government will be served as well as safeguarded.

The session is nearing a close and I fear this bill will not pass if it fails today. I beg my friend from California not to object. I should not be penalized because he is peeved at the gentleman from Ohio for objecting to his bill.

Mr. CARTER of California. Mr. Speaker, I object.

SENECA INDIAN SCHOOL, WYANDOTTE, OKLA.

The Clerk called the next bill, S. 555, to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located.

Mr. STUDLEY. Mr. Speaker, I ask unanimous consent to return to no. 390 on the calendar, H.R. 8245, to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation.

The SPEAKER. Is there objection to the bill which the Clerk reported?

Mr. ELTSE of California. Mr. Speaker, I reserve the right to object.

Mr. STUDLEY. Mr. Speaker, the gentleman from California objected, but I think if he would withhold his objection I could explain the matter.

Mr. ELTSE of California. Mr. Speaker, I reserve the right to object and yield to the gentleman from New York. First, what bill is before the House?

The SPEAKER. Calendar No. 393, S. 555.

Mr. STUDLEY. Mr. Speaker, I refer to Calendar No. 390.

Mr. ELTSE of California. Mr. Speaker, are we considering Calendar No. 393?

The SPEAKER. We are.

Mr. ELTSE of California. Mr. Speaker, I reserve my right to object to that and I yield to the gentleman from New York [Mr. STUDLEY].

Mr. COCHRAN of Missouri. But that is not the bill the gentleman from New York has in mind.

Mr. MILLARD. Mr. Speaker, I ask unanimous consent to return to Calendar No. 390.

The SPEAKER. But we have not yet finished with Calendar No. 393.

Mr. CARTER of California. Mr. Speaker, I object.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. STUDLEY] to return to Calendar No. 390?

Mr. ZIONCHECK. Mr. Speaker, I reserve the right to object. A policy has been adopted on the other side that we should not go back to any of the bills that have been once considered until we get through.

Mr. CULLEN. Mr. Speaker, there is a disposition on the part of certain Members to object to all bills on the Consent Calendar. I hope we are going to get somewhere in order that we may do business on this calendar. We are getting close to adjournment, and this calendar may not be called up again. If we can complete the calendar, we may get consent from all sides to go back and take it up again, and I think that would be the solution of the matter at this time.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. STUDLEY] to return to Calendar No. 390?

Mr. ZIONCHECK. Mr. Speaker, I object.

ARRESTS BY CERTAIN MEMBERS OF DIVISION OF INVESTIGATION

The Clerk called the next bill, H.R. 9476, to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object.

Mr. DISNEY. Mr. Speaker, Calendar No. 393 was called, and several gentlemen got to their feet, and as I understand it, no objection was made to Calendar No. 390.

The SPEAKER. The gentleman from California objected.

Mr. DISNEY. Will the gentleman from California reserve his objection until I can make a statement about the bill?

The SPEAKER. We are now considering Calendar No. 394.

Mr. DISNEY. I was on my feet trying to get recognition to ascertain the status of 393.

The SPEAKER. That is the status of it. It has been objected to.

Mr. DISNEY. I ask the gentleman from California to withhold his objection until I can make a statement.

The SPEAKER. Does the gentleman from California withhold his objection?

Mr. CARTER of California. Mr. Speaker, I reserve my objection if the gentleman desires to make a statement.

Mr. DISNEY. Mr. Speaker, all that is involved in this little bill is \$10,000 to pay the Wyandotte Indian Tribe for a piece of land that the Government has used for over 50 years for school purposes without paying the Indians a dime for it.

With this payment the Indian tribe can wind up its reservation affairs and close its business at once. It is the last piece of land which this tribe has. The school is used by the Government as a school for other Indians. There are five or six Wyandotte Indians who use this school. The Wyandottes who are left ought to be paid for this land. We are not asking for interest on the money or anything like that. The land is appraised at \$60 an acre. I have seen the land and it is really worth more than that. You are not punishing anybody on this side or that side in objecting to this bill. You are simply holding up the clearing-up of the business of the Indian tribe. It will relieve the Indian department of a great deal of its work, and save a lot of expense. I hope the gentleman will not object. The bill has passed the Senate.

Mr. CARTER of California. Mr. Speaker, I regret that I must insist upon my objection. I object.

Mr. FULMER. Mr. Speaker, the gentleman from California informs me that he expects to object to every bill on the calendar. It is simply a matter of wasting time when we have other work to do, and I move that the House recess.

Mr. HARLAN. Will the gentleman withhold that?

Mr. FULMER. I will withhold it.

Mr. BYRNS. I hope the gentleman will not insist upon that motion.

Mr. FULMER. Mr. Speaker, I withdraw the motion.

EMPOWERING MEMBERS OF DIVISION OF INVESTIGATION OF DEPARTMENT OF JUSTICE TO MAKE ARRESTS

The Clerk called the next bill, H.R. 9476, to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes.

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

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, what I have to say is to try to get some place—to see if we can do some business here. To throw a little light on this subject, I wish to say that when we were considering the Indian bills, Calendar Nos. 325 to 345, early in the session today I made the statement that I had given very careful consideration to those bills and that I had talked with the Bureau of the Budget, and I said that I felt I had valid reasons for objecting to those bills on the Consent Calendar, and I objected to them. The gentleman from New York [Mr. TABER], the gentleman from New York [Mr. MILLARD], and the gentleman from Pennsylvania [Mr.

Swick], and myself interposed objections. We interposed those objections in all good faith.

Mr. ZIONCHECK. Mr. Speaker, regular order.

Mr. BYRNS. Mr. Speaker, I rise to make a parliamentary inquiry, which I will transfer from the speaker to the gentleman from California [Mr. CARTER].

The SPEAKER. The gentleman will state the parliamentary inquiry.

Mr. BYRNS. I should like to know if it is the purpose of the gentleman from California to continue to offer objections to all bills as they are called upon the Consent Calendar?

Mr. CARTER of California. While it is not a parliamentary inquiry, I think in fairness to the House and my colleagues I should make some statement on this matter. I want to say that objections were made to two bills, Calendar Nos. 384 and 385. The gentleman making the objection said he was not conscientiously opposed to the bills, but he was objecting to those bills because certain other bills had been objected to.

Mr. TRUAX. Will the gentleman yield?

Mr. CARTER of California. In just a moment.

A call of the House intervened, and I asked unanimous consent to return to Calendar No. 384, and the gentleman from Ohio interposed an objection to returning to the bill.

Mr. FULLER. Will the gentleman yield?

Mr. TRUAX. Will the gentleman yield?

Mr. CARTER of California. In just a moment. I want to say that I regret very much to be compelled to pursue a course of this kind, but when gentlemen rise on the floor of the House and say that they file objection, as one gentleman did, because some other bills were objected to, and that he was not conscientiously opposed to the passage of the two bills to which I referred and to which he objected, I find this is the only means of protecting myself in this matter.

Mr. BYRNS. Will the gentleman yield?

Mr. CARTER of California. I yield.

Mr. BYRNS. The gentleman knows that I do not subscribe to or endorse any action on either side of the Chamber in objecting to bills because some previous bill had been objected to. I think these bills ought to be considered on their merits. I do not think that one Member ought to penalize the entire House because some previous bill had been objected to, by objecting to all bills. But I suggest to the gentleman from California that two wrongs do not make a right.

If we could proceed with the balance of the calendar and consider the bills on their merits, well and good; but if we cannot, then I suggest to the Speaker that we take up the Private Calendar and see what we can accomplish with it.

Mr. Speaker, permit me to say to the Members of the House that all reason for taking a recess having now disappeared because of the fact that we can conclude this Consent Calendar today, it will be my purpose tonight to move that the House adjourn until tomorrow, and there will be no other chance before a week from Monday, if we are in session that long, to consider the Consent Calendar.

Mr. TRUAX. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TRUAX. Mr. Speaker, who has the floor?

The SPEAKER. The gentleman from Tennessee has the floor, but the Chair will recognize the gentleman from Ohio.

Mr. TRUAX. Mr. Speaker, the gentleman from California objected to Calendar No. 384, to which bill I objected. The gentleman said I did not conscientiously object to the bill. I deny that statement.

Mr. CARTER of California. Mr. Speaker, if the gentleman will permit, I did not say that in reference to the gentleman's objection, but with reference to the first objection which was lodged against the bill.

Mr. TRUAX. I thank the gentleman. Mr. Speaker, the purpose of this bill is to give to the State of California the right of acquiring certain land. The President in his message this morning stated definitely and repeatedly that he is undertaking a Nation-wide program of land conservation;

and I am following the President of the United States rather than the gentleman from California.

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

Mr. TRUAX. I yield.

Mr. HOEPEL. This is merely desert land, and we are trying to preserve it in its natural state for posterity.

Mr. TRUAX. This is the first time I have heard that there is any desert land in California. [Laughter.]

Mr. CARTER of California. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. CARTER of California. Mr. Speaker, in reply to the statement of the gentleman from Ohio in reference to following the recommendation of the President of the United States, the gentleman will find a report from the Secretary of the Interior, a representative of the President of the United States, recommending the enactment of this bill. It in no way conflicts with the President's policy. As a matter of fact, it is in direct line with the policy set out in the message of the President which was read here today.

Mr. TRUAX. The Secretary of the Interior is a Republican representative of the President of the United States.

Mr. CARTER of California. That may be the basis of the gentleman's objection.

Mr. TRUAX. If the gentleman will get the President's recommendation, I will withdraw my objection.

Mr. BYRNS. Mr. Speaker, I understand it is the purpose of the gentleman from California to pursue the course he has indicated.

Mr. CARTER of California. Yes.

Mr. BYRNS. Mr. Speaker, I suggest that for the present we abandon the calling of the Consent Calendar, inasmuch as we are not going to do any business under it, and that the Private Calendar be called under the order made yesterday.

Mr. SUMNERS of Texas. Mr. Speaker, I do not think the situation is as hopeless as that; I think there is a possibility of completing the Consent Calendar.

Mr. FULLER. Mr. Speaker, there is no use asking consent to return to the gentleman's bill for the purpose of getting the gentleman's bill passed. We will not consent to it.

Mr. GLOVER. Mr. Speaker, I demand the regular order.

Mr. CARTER of California. Mr. Speaker, in view of certain representations that have been made to me within the last few minutes, I shall abandon temporarily my procedure of objecting to each and every bill. [Applause.]

Mr. Speaker, in fairness to those Members to whose bills I objected, I ask unanimous consent to return to those bills. I think they ought to be called sometime this afternoon. I objected to the bills in order to try to preserve a right I have here, and without any regard to the merits of the bills, but, as I say, in fairness to these Members I think their bills should be considered this afternoon.

The SPEAKER. The Chair will recognize the gentleman from California at any time to ask unanimous consent to return to the bills referred to.

DEPARTMENT OF JUSTICE

The Clerk called the next bill, H.R. 9476, to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Director, Assistant Directors, agents, and inspectors of the Division of Investigation of the Department of Justice are empowered to serve warrants and subpoenas issued under the authority of the United States; to make seizures for violation of the laws of the United States; to make arrests without warrant for felonies cognizable under the laws of the United States, in cases where the person making the arrest has reasonable grounds to believe that the person so arrested is guilty of such felony. Such members of the Division of Investigation of the Department of Justice are authorized and empowered to carry firearms.

With the following committee amendments:

Page 1, line 6, after the word "seizures", insert the words "under warrant."

Page 2, line 2, after the word "felony", insert the following: "and where there is a likelihood of the person escaping before a

warrant can be obtained for his arrest, but the person arrested shall be immediately taken before a committing officer."

The committee amendments were agreed to.

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

SUPREME COURT OF THE UNITED STATES

The Clerk called the next bill, S. 3040, to give the Supreme Court of the United States authority to make and publish rules in actions at law.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, will not the effect of this bill be to require attorneys in every one of the 48 jurisdictions of the United States to learn a lot of new rules of court procedure?

Mr. SUMNERS of Texas. May I say to the gentleman from California that if the Supreme Court promulgates these rules it will be necessary to learn them, of course. It is anticipated that the rules will be simple and that it will not be difficult for practicing attorneys to familiarize themselves with these rules. The Supreme Court, as the gentleman knows, has promulgated rules covering the practice in equity.

Mr. ELTSE of California. What is to be gained by this? At the present time the Federal courts follow the rules which prevail in the State courts?

Mr. SUMNERS of Texas. Yes.

Mr. ELTSE of California. What is to be gained by setting up a new set of rules?

Mr. SUMNERS of Texas. To make for a uniform procedure; that is all.

Mr. ELTSE of California. Will this be of material assistance to attorneys before the bar?

Mr. SUMNERS of Texas. It is anticipated it will be, and to the courts, too.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. ELTSE of California. I yield to the gentleman from Missouri.

Mr. COCHRAN of Missouri. May I ask the gentleman from Texas if it is not a fact that practically every bar association in the United States, including the American Bar Association, has advocated this legislation?

Mr. SUMNERS of Texas. I understand that is true.

Mr. ELTSE of California. Will not this set up a special class of lawyers who will practice in the Federal courts and compel the small-town lawyers, because of the intricacies of these rules which they will not understand from actual practice, to take in on these Federal cases lawyers who have specialized in practicing before the Federal courts?

Mr. SUMNERS of Texas. May I say to the gentleman that I have never heard that objection made, and I will be frank with him. I have heard the suggestion that it would make possible the development of interstate lawyers who would not have to employ local counsel in the event they wanted to go to a State other than the one in which they are accustomed to practice. It was thought by the Committee on the Judiciary that if we establish uniform rules of procedure the average lawyer in the little town could more easily familiarize himself with the whole practice from the time he went into the district court until he reached the Supreme Court, and in the long run have a better chance at Federal practice.

Mr. ELTSE of California. The gentleman knows that in actual practice the average small city lawyer goes into the Federal court possibly once a year or once every 2 years. At the present time he is just as much at home in the district court of the United States as he is in his own circuit or superior court, because the rules of practice are the same.

Mr. SUMNERS of Texas. I believe if we had these uniform rules promulgated by the Supreme Court, so far as the lawyer in the small city is concerned, he would be better prepared to take his case and pursue it to the Supreme Court of the United States than he would be without uniform rules. Some people have thought that if we had these uniform rules and the lawyer from New York, for instance, went to another State he might not have to employ local counsel. That is the only objection I have heard from the standpoint of the lawyers at the bar. That objection, what-

ever may be its merit or lack of merit, does not seem to me to be well founded. Outside lawyers do not trust themselves alone before juries in foreign jurisdictions. The Supreme Court wants this and all of the bar associations have endorsed this, so far as I know.

Mr. ELTSE of California. Mr. Speaker, I withdraw my objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Supreme Court of the United States shall have the power to prescribe by general rules, for the district courts of the United States and for the courts of the District of Columbia, the forms of process, writs, pleadings, and motions, and the practice and procedure in civil actions at law. Said rules shall neither abridge, enlarge, nor modify the substantive rights of any litigant. They shall take effect 6 months after their promulgation, and thereafter all laws in conflict therewith shall be of no further force or effect.

SEC. 2. The court may at any time unite the general rules prescribed by it for cases in equity with those in actions at law so as to secure one form of civil action and procedure for both: *Provided, however,* That in such union of rules the right of trial by jury as at common law and declared by the seventh amendment to the Constitution shall be preserved to the parties inviolate. Such united rules shall not take effect until they shall have been reported to Congress by the Attorney General at the beginning of a regular session thereof and until after the close of such session.

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.

NAVY AND MARINE MEMORIAL MONUMENT

The Clerk called the next resolution, House Joint Resolution 342, authorizing an appropriation to defray the expense of erecting the completed Navy and Marine Memorial Monument.

Mr. TABER. Mr. Speaker, reserving the right to object, I cannot understand why it should cost any money to erect a completed building. That is what the title of this joint resolution says: "A joint resolution to defray the expense of erecting the completed Navy and Marine Memorial Monument." If it is completed, I cannot see any reason for spending the money to erect it.

Mr. BLOOM. Mr. Speaker, this monument is entirely completed and is now in Cleveland, Ohio. The committee that has had this matter in charge for the last 10 years has spent about \$380,000. In the last couple of years they have stopped functioning on account of the depression. The base and everything is right here on the Memorial Highway, and the firm in Cleveland, which has the monument completed, claims it will cost about \$13,000 to bring it here and erect it complete. It will also cost about \$5,000 for sodding and fixing up the approaches. Everyone that has passed on the Memorial Highway has been wondering what that thing was that is all boarded up. They spent \$380,000, and if this bill is not passed it will cost a considerable amount of money to remove this granite base that has been lying there for several years. The monument is complete, and it will cost this much money to bring it from Cleveland and erect it here.

Mr. TABER. Was the other part of the expense paid by the Government?

Mr. BLOOM. No; nothing was paid by the Government.

Mr. TABER. This was a private enterprise which the Government is now being asked to defray?

Mr. BLOOM. I believe every Member of this House who has passed on the Memorial Highway has been wondering why this was boarded up. The thing is completed and it requires these few dollars to erect it. This Commission has practically gone out of business on account of the depression. I may say that some 2,000,000 school children have contributed to this thing.

Mr. TABER. Who contributed?

Mr. BLOOM. There is a long list in this book.

Mr. TABER. They thought they had money enough to complete it and now find they have not?

Mr. BLOOM. They cannot collect the amount of money that has been subscribed. For \$13,000 we can complete and erect this monument. The money will be spent through the Secretary of the Navy.

Mr. TABER. Would the gentleman accept an amendment reducing this to \$13,000?

Mr. BLOOM. Complete?

Mr. TABER. The gentleman said it would cost \$13,000 and in the resolution it is stated \$18,000.

Mr. BLOOM. Thirteen thousand dollars for the monument and \$5,000 for the sodding. If it does not cost that much money, well and good. The Secretary of the Navy has charge of the expenditure.

Mr. TABER. Does the gentleman mean that the people out in Cleveland want \$13,000?

Mr. BLOOM. Yes. It will cost that much to bring it here and erect it. It is all completed.

Mr. TABER. Why is it necessary to have \$5,000 more?

Mr. BLOOM. Five thousand is what they estimate it will cost to sod the ground and fix up the approaches.

Mr. TABER. It is to be on Government ground and to become a part of the park, is it not?

Mr. BLOOM. Yes. The gentleman can reduce it to \$13,000 if he desires, but they were of the opinion that \$18,000 would be necessary to cover everything necessary.

Mr. TABER. Mr. Speaker, I withdraw the reservation of objection, the gentleman from New York having agreed to an amendment reducing the amount from \$18,000 to \$13,000.

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not object, I want to ask the gentleman from New York a question. When the gentleman says he is going "to erect a completed building," is he going to do it by the Aladdin-lamp process or is he going to do it gradually?

Mr. BLOOM. I will say to the gentleman from Texas that this is not a building, it is a completed memorial.

Mr. BLANTON. It is stated here it is for the expense "of erecting a completed building."

Mr. BLOOM. A completed monument, ready for erection.

Mr. BLANTON. Is it going to be completed when it is erected?

I withdraw my objection, Mr. Speaker.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the proviso in the joint resolution entitled "Joint resolution authorizing the erection on public grounds in the city of Washington, D.C., of a memorial to the Navy and Marine services, to be known as 'Navy and Marine Memorial Dedicated to Americans Lost at Sea'", approved February 16, 1924, is amended to read as follows: "Provided, That the site chosen and the design of the memorial shall be approved by the Commission of Fine Arts."

Sec. 2. There is authorized to be appropriated the sum of \$18,000, or so much thereof as may be necessary, to be expended under the direction of the Secretary of the Navy, (1) for the transportation of the Navy and Marine Memorial Monument to the site on Columbia Island, D.C., chosen for such memorial in accordance with the provisions of such joint resolution of February 16, 1924; (2) for the erection of such memorial on the granite pedestal base already constructed on such site; and (3) for the landscaping and approach work of land adjacent to such base as the Secretary may deem necessary and appropriate.

Mr. TABER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 2, line 2, strike out "\$18,000" and insert in lieu thereof "\$13,000."

The amendment was agreed to.

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

SENECA INDIAN SCHOOL, WYANDOTTE, OKLA.

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to return to Calendar No. 393, the bill (S. 555) to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I am not opposed to the gentleman's bill, but I think it would be unwise to return to any of the previous bills at this time. We have just established harmony and I think it would be better to go along with the calendar and then return to those bills later.

Mr. DISNEY. We cannot establish any harmony by breaking down the calling of the calendar by objecting to the bills of certain Members, when the objection is not based

upon the merits of the bill, and then object to returning to them.

Mr. MARTIN of Massachusetts. All these bills will be returned to later; but if we try to pick them out one at a time and return to them, I think it will cause trouble.

Mr. DISNEY. And I have spent 2 hours waiting here to have this bill called.

Mr. MARTIN of Massachusetts. I am sorry, but I presume everybody else who is concerned in the matter has had the same experience.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

EXPERIMENT STATION AND EXTENSION WORK IN PUERTO RICO

The Clerk called the next joint resolution, House Joint Resolution 270, to make available to Puerto Rico certain appropriations for the fiscal year ending June 30, 1934, for experiment station and extension work, which have not been paid because of unfulfilled conditions.

Mr. TRUAX. Mr. Speaker, I object.

PROTECTION OF TRADE AND COMMERCE

The Clerk called the next bill, S. 2248, to protect trade and commerce against interference by violence, threats, coercion, or intimidation.

Mr. SCHULTE. Mr. Speaker, I object.

Mr. OLIVER of New York. Mr. Speaker, will the gentleman withhold his objection?

Mr. SCHULTE. I reserve the right to object, Mr. Speaker.

Mr. OLIVER of New York. This is the noted racketeering bill recommended here and agreed upon by organized labor and by the Department of Justice. It has been agreed upon by every factor involved in this kind of controversy. We have Mr. Green on record—

Mr. SCHULTE. Has the gentleman a letter from Mr. Green which states he is on record in favor of this bill?

Mr. OLIVER of New York. Yes.

Mr. SCHULTE. If so, I shall withdraw my objection, if the gentleman will show me the letter.

Mr. OLIVER of New York. I cannot show the gentleman the letter, but Mr. Green specifically agreed to it and it is stated in the report that there is a letter from the Attorney General embodying the agreement—

Mr. SCHULTE. I do not care anything about the Attorney General.

Mr. OLIVER of New York. And Mr. Green appeared before our committee and stated before our committee that he intended to go into a further conference—

Mr. SCHULTE. Will the gentleman give me his assurance that he has a letter from Mr. Green stating he has agreed to this bill?

Mr. OLIVER of New York. I will not say I have a letter—

Mr. SCHULTE. Has the gentleman seen such a letter from Mr. Green?

Mr. OLIVER of New York. No; but I have seen an agreement in which the Attorney General said that Mr. Green had agreed to it.

Mr. SCHULTE. I object, but I will agree to having it passed over without prejudice.

Mr. SUMNERS of Texas. Mr. Speaker, if the gentleman will bear with me a moment—I do not know whether I can satisfy the gentleman or not. The members of the committee are very much concerned to have this matter straightened out if it can be done. Conferences have been had by the Attorney General with Mr. Green and with Mr. Easby-Smith, attorney for organized labor, and all the gentlemen of the committee believe the matter is entirely straightened and this bill is satisfactory to all those concerned.

Mr. SCHULTE. I am going to object at this time until you get in contact with Mr. Green.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Howe, its enrolling clerk, announced that the Senate requests the House to return to the Senate the bill (H.R. 7340) entitled "An act to authorize the Post Office Department to hold contractors or carriers transporting the mails by air or water on routes extending beyond the borders of the United States responsible in damages for the loss, rifling, damage, wrong delivery, depredations upon, or other mistreatment of mail matter due to fault or negligence of the contractor or carrier, or an agent or employee thereof."

LEAVE TO FILE CONFERENCE REPORTS

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a conference report on the bill S. 3025; and also until midnight to file a report on the housing bill.

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

Mr. MARTIN of Massachusetts. Reserving the right to object, and I shall not object, when does the gentleman intend to call up the conference report?

Mr. STEAGALL. Not before Monday.

The SPEAKER. Is there objection to the two requests of the gentleman from Alabama?

There was no objection.

PRINTING OF UNITED STATES CODE

The Clerk called the next bill on the Consent Calendar, H.R. 6486, to repeal certain provisions of the act of March 4, 1933, and to reenact sections 4 and 5 of the act of March 2, 1929.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. HARLAN. Will the gentleman reserve that motion?

Mr. ZIONCHECK. I will.

Mr. HARLAN. The deficiency appropriations bill that passed the Senate in the last hour of the Seventy-second Congress had an amendment, added to an appropriation bill, that came back with the conference report, and a lot of matters were injected into this amendment changing the rights of different committees—the Committee on Printing and the Committee on the Revision of the Laws. The present bill simply restores those rights and leaves the law as it was before. Senator FLETCHER, of the Joint Committee on Printing, did not object, and the representatives of the Joint Printing Committee in the House had no objection to it. It is simply a restoration of the rights of the two committees. The Committee on Revision of the Laws cannot proceed unless this bill is passed.

Mr. ZIONCHECK. Why not?

Mr. HARLAN. Because the legislative reference service of the law department in the Congressional Library cannot function. We are getting out a code, and they are cooperating with us, and the man who is doing it is without any present authority.

Mr. ZIONCHECK. Cannot you bring the bill in and compensate him later?

Mr. HARLAN. This legislation was all a mistake. It took away the prima facie character of the general code, and it was impractical all around. It was all done in the eleventh hour of the closing of the Seventy-second Congress.

Mr. ZIONCHECK. As far as that is concerned, this should have been brought in before the eleventh hour of the closing of the Seventy-third Congress.

Mr. HARLAN. It was a Senate amendment on an appropriation bill.

Mr. ZIONCHECK. But this is a House bill.

Mr. HARLAN. Yes; this is a House bill that has been passed by the Senate. The bill was filed in the early part of the session.

Mr. ZIONCHECK. And it was put on the Consent Calendar when? On the 30th day of May of this year?

Mr. HARLAN. The subcommittee passed on it; and the gentleman from Tennessee [Mr. BROWNING] had sickness in his family, and it was delayed.

Mr. ZIONCHECK. It is not an emergency measure.

Mr. HARLAN. I want to say to the gentleman that if this bill does not pass I do not know how we are going to get out the code.

Mr. TRUAX. Will that be any great calamity?

Mr. ZIONCHECK. If the gentleman says that it is necessary in order to get the code out, I withdraw my objection.

Mr. TRUAX. I want to ask the gentleman a question. Does this provide for the employment of more people?

Mr. HARLAN. It does not. It does not do anything except restore to the committee rights they had before.

Mr. TRUAX. Then the gentleman cannot use the argument of reemployment of men, as we do on most bills?

Mr. HARLAN. No; there is no new deal; no relief, no employment.

Mr. TRUAX. The gentleman thinks it is an emergency matter, and unless the laws are revised this year there will be hell popping in this country?

Mr. HARLAN. It has been 8 years since the Federal Code was gotten out, and we are supposed to codify it every 5 years.

Mr. TRUAX. Mr. Speaker, I know that my colleague devotes a lot of time and energy and attention to the revision of the laws, and I am going to withdraw my objection upon his assurance that it is an emergency.

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

There was no objection.

The SPEAKER. Without objection, the Senate bill, S. 3237, will be substituted.

There was no objection.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That such provisions in section 1 of the act of March 4, 1933 (47 Stat. 1603), as purport to amend "sections 4 and 5 of the joint resolution approved March 2, 1929 (U.S.C., supp. VI, title 1, secs. 54 (a) and (b))", and hereby repealed.

SEC. 2. Sections 4 and 5 of such joint resolution of March 2, 1929 (U.S.C., supp. VI, title 1, secs. 54 (a) and 54 (b)), shall hereafter be in full force and effect as originally enacted.

SEC. 3. That, subject to the provisions of the second section, the Joint Committee on Printing is hereby empowered to authorize the printing of any bill or resolution, with index and ancillaries, in such style and form as the Joint Committee on Printing shall deem to be most suitable in the interest of economy and efficiency, and to so continue until final enactment thereof in both Houses of Congress; and such committee may also curtail the number of copies of such bills or resolutions, including the slip form of such public act or public resolution.

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

A similar House bill (H.R. 6486) was laid on the table.

NATIONAL PLANNING MEANS CONTROL OF ALL BUSINESS

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein an address delivered over the radio last evening by the gentleman from Kansas [Mr. MCGUGIN].

The SPEAKER. Is there objection?

There was no objection.

Mr. WOODRUFF. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by Hon. HAROLD MCGUGIN, of Kansas, over the National Broadcasting Co.'s circuit on Thursday, June 7, 1934:

"NATIONAL PLANNING" MEANS CONTROL OF ALL BUSINESS

The country is being committed to the program of "national planning." This is a program which all of us are learning more about and know more about than we did a year ago when it was presented to the country by the Roosevelt administration as a mere temporary emergency program. "National planning" means that in the end the control of every activity of the citizen has passed from the individual citizen over to the Government. It means that we are taking on a new form of government which is directly opposed to our plan of government under the Constitution.

The Democratic Party has committed itself to this program. It did not do so deliberately. Two years ago the Democratic Party went before the people with Franklin D. Roosevelt as its candidate and with a platform which was committed to the traditional precepts and principles of the Democratic Party, and which was in perfect keeping with constitutional government. The people accepted the Democratic Party upon its platform and the pre-election statements of the Democratic candidate Mr. Roosevelt.

What happened is, President Roosevelt upon entering office chose not traditional Democrats to carry out the major responsibilities of his administration. He turned to another class of people, who are commonly known as the "brain trust." These "brain trusters" are committed to the philosophy in government known as "national planning." With President Roosevelt having taken this course, it is now no mere accident that his administration has cast aside the principles of the party of Jefferson, Jackson, Cleveland, and Wilson.

When the Roosevelt administration turned to those of the "brain trust" and accepted the program of "national planning", it was utterly impossible for this administration to keep faith with the traditional principles of the Democratic Party, to keep the pledges of the Democratic platform, to keep the pre-election promises of President Roosevelt and to respect the liberties of the American citizens under the Constitution. It is as impossible to accept the program of "national planning" and at the same time preserve the constitutional rights of the citizen and the principles of the Democratic Party as it is for a man to travel east and west at the same time.

I am going to call a witness to substantiate my statements. In doing so, I must call a witness who is universally accepted as the foremost authority on "national planning." I must call a witness whose views cannot be depreciated by the suggestion that he is a political foe of this administration. I shall call Prof. Rexford G. Tugwell, who is the dominant personality in this administration and the foremost engineer of the administration program of "national planning." I shall use the testimony of Professor Tugwell as set forth in his speech before the American Economic Association in December 1931. At that time he held no public office and was under no obligation to color his statements in order to pacify any public sentiment. In this speech, he was discussing the subject of "national planning." In setting forth the requirements for "national planning", he said: "We have a century and more of development to undo." In this speech he set forth the three necessary changes which we must endure in order to have "national planning." They are, first, changing our constitutions and statutes once and for all; second, destroying business as we have known it; and, third, destroying the sovereignty of the States. After setting forth these requirements, he said: "All three of these wholesale changes are required by even a limited acceptance of the planning idea."

Before the American people move on to such a new and untried scheme of things they must have the right in an open election, with "planning" as the sole and paramount issue, to make their decision as to whether or not they choose to make this change once and for all. There is only one way that such a campaign could be placed before the American people. That is for the Republican Party to meet the issue squarely and declare its unqualified opposition to such a wholesale destruction of our constitutional Government and our civilization as we have known it. This is the obligation and the duty of the Republican Party to the country. In fact, it has no other choice, except to pass into nonexistence. Willingly or unwillingly the Democratic Party has been committed to this "planning" program by the Roosevelt administration. The Democratic Party has no alternative other than to give its unqualified support and endorsement to "national planning." Such a campaign will mean the breaking of political ties such as we have not seen since the election of 1860. The Republican who wants "planning" must give up his party ties and embrace the Democratic Party. The Democrat who believes that we should run this country within the Constitution and preserve our traditional rights and liberties under the Constitution must give up his Democratic ties and embrace the Republican Party.

In such a campaign the Republican Party must place the issue so squarely before the people that all will know that with "planning" no private business in which they are interested is a matter of their own concern but rather that such business is subject to the control and domination of Government. Upon that score Professor Tugwell said:

"There is no private business, if by that we mean one of no consequence to anyone but its proprietors; and so none exempt from compulsion to serve a planned public interest."

The issues must be placed before the people so clearly that they will understand that there is no way to have a "planned economy" except to make modifications in both our business and governmental structures so serious as to mean destruction and the rebeginning of both. Upon that subject Professor Tugwell said:

"It is, in other words, a logical impossibility to have a planned economy and to have business operating its industries, just as it is also impossible to have one within our present constitutional and statutory structure. Modifications in both, so serious as to mean destruction and rebeginning, are required."

The issues must be placed before the people so clearly that they will understand that there is no middle ground on this subject. Many of our citizens labor under the belief that we can have a "planned economy" by the Government acting as a mere advisory council with the citizen still operating and controlling his own activities. This is not true. On this subject Professor Tugwell said:

"The necessary conditions of planning are not established by any 'purely advisory national economic council.' An advisory council might guess, but it cannot plan."

In this speech before the American Economic Association, Professor Tugwell rendered a distinct service to the American people in that he made clear the price which we must pay for "national

planning." The difference between Professor Tugwell and me is that he is eager to pay this price and to embrace "national planning", while I am not. In this speech he expressed his undying love for "planning." These are his words on that subject:

"The prospect of a planned economy is so congenial to every hope and belief that I have."

The issues in such a campaign must be made so clear that all will understand that the present program of control of government passing from Congress to the Executive, with Cabinet officers and commissions issuing rules and regulations, for the violation of which citizens are sent to the penitentiary, are all integral and inherent parts of "national planning." In other words, the people must understand that with "planning" it is inescapable that legislative government must give way to the system of government by Executive order. In this country we call these Executive orders "rules and regulations." In other countries they are honestly labeled "edicts."

The issues must be made so clear that the people will understand that this program of "national planning" is inescapably similar to the destruction of the rights and liberties of the citizens in Russia under the Soviet, in Germany under Hitler, and in Italy under Mussolini. What these three countries have is "national planning", with the government dominating and controlling all business and activities of the citizens. In order to have such a program it is inescapable that freedom of speech, freedom of the press, the right of labor to organize and bargain, and the citizen's right of contract must all be denied. These privileges of the citizens can only exist in a society where the people do their own planning and run their own business. There is no room for such privileges in a society where the government does the planning.

In such a campaign the Republican Party must also present an affirmative program. This affirmative program must include the correction of the evil which unbridled greed has brought upon our country. Our pledge must be reform, but reform within the Constitution. Our reform must be in keeping with the reforms of Lincoln and Theodore Roosevelt. They had courageous programs of reform, but they kept them within the Constitution.

If we are to obtain public confidence in our pledge, we must first assure the people that the Republican Party is free from those selfish interests of concentrated wealth which have heretofore abused their American privileges and imposed too selfish a grip upon the Republican Party. The Republican Party must make its position so clear that no one can understand its pledge to operate under the Constitution to mean a privilege or a grant to any citizen or any class of citizens to enjoy any special privilege over the rest of the people. The affirmative program of the Republican Party must insure the rights and the liberties of the American people under the Constitution. At the same time, its position must be so clear that all will understand that protecting the rights of the individuals does not include the special privilege of small aggregations of individuals to band together in order to monopolize the economic opportunities which rightfully belong to the individual citizens of America.

The Republican Party must take a bold and affirmative position that agriculture is the basic industry of this country, and as such it must to a great extent depend upon world trade. Our program must include an interest in the world markets for agriculture as well as protecting the American markets for American industry.

In brief, the Republican Party must be so courageous, and so clear and explicit in its position and action that both seekers and foes of special privilege will know that the Republican Party of today is in spirit and in fact the rejuvenated party of Abraham Lincoln and Theodore Roosevelt.

From the beginning, we must realize that such a program will bring to us powerful opposition. Large monopolistic institutions are now enjoying rights and privileges under the N.R.A. and its codes, privileges which were denied to those institutions by the antimonopoly laws that were given to this country by the Republican Party. These selfish beneficiaries of the present program are not going to give up their new privileges without a struggle. None the less, we must make bold our position that we stand for effective laws prohibiting monopolies and conspiracies in restraint of trade, together with an impartial enforcement of such laws, and that we are unalterably opposed to the suppression of the antimonopoly laws by codes, written and administered by monopoly, under the protection of the N.R.A.

In considering the fruits of the N.R.A. to date it is well to remember that the true benefits which it has accomplished are the shortening of the hours of labor and the reducing of child labor in industry. The N.R.A. and its codes were not at all necessary in order to obtain these benefits. The interstate-commerce clause of the Constitution grants the same power to Congress to accomplish these two benefits by legislation that is granted to authorize the codes under the N.R.A. If the codes which shorten the hours of labor and prohibit child labor are constitutional, likewise direct legislation on the same subjects would be constitutional.

We must realize from the beginning that the power of concentrated wealth, coupled with the power of the present administration, which is pouring out billions of dollars of public funds, will make a most formidable foe for us. If the Republican Party is to keep faith with its traditions and meet its responsibility to the country, it will rededicate itself to the fundamental principles of the party, and do so unmindful of the power and the force of its opposition. It will make its appeal to the great mass of people and take its chances on the people yet having as their para-

mount interest the preservation of the liberties passed on to them by their fathers.

If the love of liberty and justice and the spirit of our fathers yet linger in the hearts of the American people, we cannot lose; we will not lose. Whatever may be our chances of victory, there is no choice left to us other than to make this fight. It is in such a struggle that the greatest reward for the Republican Party is to be found. This is true whether the end be temporary defeat or victory. It is better for us to go down to defeat defending the true traditions of our country than it is to ride through to victory by joining a crusade to destroy constitutional government.

THE CONSENT CALENDAR

FEES ON APPEAL AND BONDS IN ADMIRALTY

The Clerk called the next bill, H.R. 9091, to amend the laws relating to proctors' and marshals' fees and bonds and stipulations in suits in admiralty.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object in order to permit the author of the bill to make a brief explanation of it. There are so many maritime terms in it that I do not know what it is all about.

Mr. OLIVER of New York. Mr. Speaker, I think the gentleman from New Jersey [Mr. KENNEY] should be given the privilege of explaining the bill.

Mr. KENNEY. Mr. Speaker, this is a bill to amend the admiralty laws. The first amendment proposed is to add a section which would allow a small docket fee on appeal, besides the cost of brief. At the present time there is no provision for that. However, the courts on appeal have often held that an appeal is a new trial and have allowed a docket fee not provided by statute. This provision would make the fee uniform, so that there would be this small graduated docket fee on appeal in every jurisdiction, and besides that the cost of the brief, which is usual in all of our State courts. This amendment has the approval of the American Bar Association, the Maritime Bar Association, and the admiralty committee of the Bar Association of the City of New York.

Mr. TRUAX. Does it provide for increased fees?

Mr. KENNEY. In substance it does not.

Mr. TRUAX. Does it in fact?

Mr. KENNEY. It makes them uniform. In one jurisdiction it might increase the fees, but in another jurisdiction it would not, and in any case the fee is very small, a graduated one. And the bill further provides that no commission shall be paid the marshal where he does not sell any property, and no money passes through his hands; then the bill furnishes the means of reducing the amount of the bond required to release property libeled.

Mr. TRUAX. What is the fee?

Mr. KENNEY. It is stated in the bill. It is based on the amount involved in the litigation. If the gentleman will refer to the bill he will see that the fee provided for is quite small.

Mr. TRUAX. Does it not increase the fee from \$50 to \$100?

Mr. KENNEY. No; it fixes uniform fees where none existed before by statute, although the courts have allowed varying fees on appeal in different jurisdictions. A \$100 fee will only be allowed where the amount involved exceeds \$5,000. The minimum fee is only \$20, and that fee has been allowed in many jurisdictions, although no provision is made expressly by statute.

Mr. TRUAX. The present fee is \$50 on amounts of \$5,000 and over?

Mr. KENNEY. There is no fee fixed now on appeal, but the courts on appeal have held in some jurisdictions that it is a new trial, and they allow the fees provided by statute for trials in the court below.

Mr. TRUAX. What justification is there for doubling the fees at this time?

Mr. KENNEY. There is not a doubling of the fee.

Mr. TRUAX. It says so in the bill.

Mr. KENNEY. I do not see that in the bill.

Mr. TRUAX. I call the gentleman's attention to line 9 on page 1 where there is a fee of \$50 provided and the amount involved is over \$5,000, and a proctors' docket fee of \$100.

Mr. KENNEY. No; provision is made for a \$20 fee where the amount involved is not over \$1,000; a fee of \$50 where the amount involved is from \$1,000 to \$5,000; and the \$100 fee where the amount is over \$5,000. The American Bar Association met and at first thought that a \$100 fee would be proper in all cases, but later it was felt that the graduated fees would be more equitable.

Mr. TRUAX. But \$50 has been the fee heretofore, has it not?

Mr. KENNEY. There has been no fee fixed by statute heretofore for cases on appeal. I am telling the gentleman that in different jurisdictions the courts have fixed varying fees, made different allowances. This bill would tend to unify the docket fees and procedure in all jurisdictions, and the \$100 provided for is only in cases above \$5,000. The litigation might involve a million dollars, and yet the court would under this bill allow only this small fee of \$100.

Mr. TRUAX. I have always been of opinion that lawyers' fees are plenty high enough as they stand today.

Mr. KENNEY. The docket fee would come from the unsuccessful party, to be paid to the successful party.

Mr. TRUAX. Then the loser would pay the winner.

Mr. KENNEY. Would pay a small docket fee, as is usual in litigation.

Mr. TRUAX. One hundred dollars?

Mr. KENNEY. Oh, no; only a single docket fee; the amount would depend on the amount involved but in no case more than \$100.

Mr. TRUAX. What does he pay him as the law now is?

Mr. KENNEY. It differs in different jurisdictions. It all depends on the court.

Mr. TRUAX. As I understand it, the fellow who loses will be soaked with \$100 fee?

Mr. KENNEY. We are not going to soak him. We are going to limit him so that he cannot be charged with a docket fee of more than \$100.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

JAMES WILSON AND SEAMAN A. KNAPP

The Clerk called the next business, Senate Joint Resolution 100, authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp.

There being no objection, the Clerk read as follows:

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

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

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

The Senate joint resolution 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.

PAYMENT OF FARM-LOAN MORTGAGES WITH BONDS ISSUED BY JOINT-STOCK LAND BANKS

The Clerk called the next bill, H.R. 7663, to authorize payment of farm-loan mortgages with bonds issued by joint-stock land banks, and for other purposes.

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

Mr. ELTSE of California. Reserving the right to object, I would like to ask the author of the bill if it would not be possible for redemption to be made at any time, even though it be more than 15 or 20 years of age, after foreclosure? It will disturb titles. A mortgagor can redeem under this bill

even though his mortgage had been foreclosed for 5 or 10 or 15 years.

Mr. FULMER. It puts the farmer whose lands have been closed out on the same basis he is now in dealing with the land bank, and he can only redeem his land if it is still in the possession of the joint-stock land bank. He could not go back and interfere with any private, innocent purchaser.

Mr. ELTSE of California. But under the proviso at the end of the bill there is no limitation put on at all. If there has been a foreclosure within a year after the organization of the joint-stock land banks and the land bank is still in possession, the mortgagor can still come back and redeem.

Mr. FULMER. Absolutely.

Mr. ELTSE of California. Suppose it gets into the hands of a third party?

Mr. FULMER. Oh, he could not redeem. If the joint-stock land bank has sold that land, it would be the same as it is now. He would not have any right to repurchase unless the owner would agree to sell to the farmer, and in that case he could not use these bonds.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. CHRISTIANSON. I think the gentleman will find that the period within which redemption can be had from a real-estate mortgage is entirely within the jurisdiction of the State, under the control of State statutes, and that this bill could not have the effect extending the period of limitation longer than the period fixed by law in the State in which the mortgage is foreclosed.

Mr. BLANTON. Will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. BLANTON. The joint-stock land banks have gotten into the habit of buying the mortgages of the Federal land banks, with the notes payable at the home office, and I have known of them bringing suit 500 miles away from the farmer's home, where there were homestead features connected with certain parts of the land involved, and forcing the poor farmer to go 500 miles from home to fight them in their courts, far away, in order to protect his homestead rights. I think this bill is worthy, and I hope it will pass.

Mr. ELTSE of California. I want to ask the gentleman whether he does not believe there might be some injustice resulting to the joint-stock land banks—

Mr. BLANTON. Oh, I have seen so much injustice done by them that I do not have any sympathy for them.

Mr. ELTSE of California. I do not yield to the gentleman from Texas. I was asking the gentleman from South Carolina [Mr. FULMER] a question. Suppose the joint-stock land bank has made an improvement to the extent of \$5,000 or more on the property, under this bill the mortgagor can redeem and not have to pay the joint-stock land bank anything for the improvements put on?

Mr. FULMER. I will be glad to accept an amendment to care for that.

Mr. ELTSE of California. But under the bill you say he has a right to purchase it for the same amount for which it was foreclosed.

Mr. FULMER. Yes.

Mr. ELTSE of California. Suppose the land bank has erected a barn or a house at an expense of \$4,000 or \$5,000, the mortgagor can come in and redeem that property by paying the amount of the judgment, after which judgment the expenditures were made by the land bank.

Mr. FULMER. You would not find that to be the case. If the gentleman will just give me a minute to explain this—

Mr. ELTSE of California. Certainly.

Mr. FULMER. There was a provision in the emergency land bank act whereby joint-stock land banks could borrow money for the purpose of extending time to farmers. They have borrowed that money. They have borrowed from the Reconstruction Finance Corporation. They have come along ruthlessly and sold out farmers and bought in their own bonds at 20 and 25 cents on the dollar, canceling same

100 percent on the dollar, and have made a profit out of it, and left the farmer without his land.

Mr. ELTSE of California. I appreciate all of that.

Mr. FULMER. May I say further, as a matter of fact, the gentleman understands that private owners of mortgages are scaling down in various instances, but these banks refuse to make proper cuts and refuse to sell to the farmer who has lost his land, at any price. However, they sell it at a ridiculously low price to a man on the outside and then buy in and cancel their own bonds, making a profit in some instances as stated.

Mr. ELTSE of California. Will not the gentleman concede that there might be cases where it would be very inequitable for the mortgagor to redeem the mortgage without proper compensation for money expended by the land bank on improving the property?

Mr. FULMER. I do not, for the reason that if the joint-stock land bank can get the original indebtedness on the loan repaid they will be doing well. The gentleman need not lose any sleep over anything that may be lost through improvements made by the land banks, for there are not many; but if the gentleman wants to amend the bill to take care of it I would have no objection.

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

Mr. ELTSE of California. I yield.

Mr. PIERCE. The land banks have not played fair with the people. A year ago it was provided by law that they could loan a further \$100,000,000. They have not done so largely because of the fact that there was coupled with the permission to loan a reduction of interest to the farmer of 1 percent.

The land banks do not improve the lands on which they loan money. They simply get what little income they can from the borrower and sell the property as quickly as they can when the borrower fails to meet his payments.

This is a righteous law and ought to pass. The farmers ought to have the advantage of going into the market and buying this land cheap if they can, instead of the land banks being the only ones who can buy these bonds in as low as 40 cents on the dollar.

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

Mr. ELTSE of California. I yield.

Mr. McFADDEN. This is not a new thing. This bill has been before Congress for a number of years. When I was Chairman of the Committee on Banking we held extensive hearings on this bill, not as the Fulmer bill, but as the Hare bill. We held extensive hearings, but the committee did not see fit to act favorably upon it. It is a bad bill. There is much more to it than appears on the surface. I am quite in sympathy with some of the things that have been said in favor of the bill, but if you want to disrupt your whole Federal farm-loan situation pass this bill.

Mr. TRUAX. It has disrupted the farmer.

Mr. McFADDEN. If the Farm Loan Administration is not administering the law properly, appeal to the management to correct the defects.

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

Mr. ELTSE of California. I yield.

Mr. BLANTON. You are listening to the voice of a banker. This friend of ours from Pennsylvania is giving you the bankers' side of this proposition. The gentleman from Oregon [Mr. PIERCE] was giving you the side of the farmer; and I appeal to my friend from California not to listen to the banker's voice but to listen to the farmer's voice.

Mr. McFADDEN. May I ask the gentleman from Texas how he is qualified to speak on this bill; whether as a banker or as a farmer?

Mr. BLANTON. I have represented the farmers against the bankers, when their rights have been jeopardized, and I have been proud of it.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield further?

Mr. ELTSE of California. I yield.

Mr. McFADDEN. The gentleman from Texas is usually very complimentary to me, which I appreciate. I wish to correct the gentleman, I am not a banker.

Mr. BLANTON. The gentleman is an ex-banker like most of them are now.

Mr. McFADDEN. Because I was chairman of the Committee on Banking is no reason now to call me a banker.

Mr. BLANTON. Is it not complimentary to call my friend an ex-banker?

Mr. MOTT. Mr. Speaker, I demand the regular order.

Mr. McFADDEN. Mr. Speaker, I object.

Mr. FULMER. Mr. Speaker, will not the gentleman reserve his objection to permit me to make an explanation?

Mr. McFADDEN. Mr. Speaker, I reserve my objection for the moment.

Mr. FULMER. I would remind the gentleman from Pennsylvania that the Hare bill was reported by his committee.

Mr. McFADDEN. I realize that, but it was not passed by the Congress. There was certain pressure brought to report the bill out, but the members of the committee saw to it that the bill was not passed.

Mr. FULMER. It was reported late in the session.

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

Mr. McFADDEN. I yield.

Mr. WOLCOTT. I may say to the gentleman that I quite agree with a great many of the things he has said concerning this bill, but I do not think any Member of this House need have any fear that this bill will ever become law. You cannot compel a joint-stock land bank to accept its bonds in payment of a loan any more than you could compel the gentleman from Pennsylvania or any other individual to accept bonds or stock in payment of a mortgage which he might hold.

The bill is unconstitutional, and if the Department of Justice gives the President of the United States an opinion on the bill before he acts on it, the President of the United States will never sign it, because it is unconstitutional. I wish, however, that it might be passed and become law. I wish it might be passed to stop this practice on the part of joint-stock land banks of buying up their own bonds at 30 cents on the dollar and not passing the benefit of these purchases back to the farm owners. The only thing I do not like about this bill is that it is not worded in such a manner as to make it constitutional, so that the President of the United States can sign it if he wants to.

Mr. McFADDEN. Mr. Speaker, further reserving the right to object, the gentleman is quite correct in that he says this bill has not had proper consideration by those who are advocating its passage.

I am quite in sympathy with the arguments that are being made as to the plight of these borrowers, but this is not the proper bill to remedy the situation; therefore I object.

RIFLE RANGES FOR THE ARMY

The Clerk called the next bill, S. 2130, to authorize an appropriation for the purchase of land in Wyoming for use as rifle ranges for the Army of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That a sum not to exceed \$16,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purchase of 1,600 acres of land adjacent to Fort Francis E. Warren in the State of Wyoming for use of the United States Army for rifle-range purposes. All purchase of land under this act shall be made by the Secretary of War pursuant to law governing the acquisition of land for the use of the Army 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.

PURCHASE OF FOREST LANDS

The Clerk called the next bill, H.R. 9011, to facilitate purchases of forest lands under the act approved March 1, 1911.

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

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to substitute a similar Senate bill, S. 3521, for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That to allow and facilitate the purchase of forest lands under the provisions of the act approved March 1, 1911 (36 Stat. 961; U.S.C., title 16, secs. 613-521), in States which desire that such purchases shall be made but cannot give their formal consent thereto until the next meeting of their legislative bodies, it is hereby provided that a written statement of consent signed by the Governor of the State prior to January 1, 1935, and containing the certification that a majority of the individual members of the current State legislative body have expressed in writing to the Governor their concurrence in and approval of such statement of consent shall be regarded as fully complying with and satisfying the requirements of that part of section 7 of said act of March 1, 1911, which provides that no deed or other instrument of conveyance shall be accepted or approved by the Secretary of Agriculture under said act until the legislature of the State in which the land lies shall have consented to the acquisition of said land by 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.

A similar House bill was laid on the table.

TOLL BRIDGE ACROSS OHIO RIVER BETWEEN ROCKPORT, IND., AND OWENSBORO, KY.

The Clerk called the next bill, H.R. 9721, authorizing the Spencer County Bridge Commission, of Spencer County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, may I ask the author of the bill how near the nearest bridge to this is?

Mr. MILLIGAN. I cannot advise the gentleman whether there is another bridge in that vicinity or not.

Mr. ELTSE of California. Is the gentleman familiar with that area?

Mr. MILLIGAN. I am not.

Mr. ELTSE of California. This is a toll bridge?

Mr. CARTER of California. Mr. Speaker, reserving the right to object, is this a toll bridge?

Mr. MILLIGAN. It is.

Mr. ELTSE of California. Operated by a private company?

Mr. COCHRAN of Missouri. No; it is operated by a county official.

Mr. MILLIGAN. By the county commissioners of the county where the bridge is located.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve postal service, and provide for military and other purposes, the Spencer County Bridge Commission, of Spencer County, Ind., be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Ohio River, at a point suitable to the interests of navigation, between Rockport, Ind., and Owensboro, Ky., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

Sec. 2. There is hereby conferred upon the Spencer County Bridge Commission, of Spencer County, Ind., all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

Sec. 3. The said Spencer County Bridge Commission, of Spencer County, Ind., is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

Sec. 4. 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 amortize the cost of such bridge and its approaches, including reasonable

interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter 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. An accurate record of the cost of the bridge and its approaches, the expenditures of 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.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

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.

BRIDGE ACROSS MISSOURI RIVER AT FLORENCE, DOUGLAS COUNTY, NEBR.

The Clerk called the next bill, H.R. 9693, authorizing the Florence Bridge board of trustees to construct, maintain, and operate a toll bridge across the Missouri River at or near Florence, Douglas County, Nebr.

Mr. GILCHRIST. Mr. Speaker, reserving the right to object, for the purpose of propounding a parliamentary inquiry: Will an opportunity be given to return to the bills which were objected to at the time of what I call "the flare-up"?

The SPEAKER. The Chair understands that such a request will be made by the gentleman from California. Is there objection to the present consideration of the bill?

There was no objection.

Mr. MILLIGAN. Mr. Speaker, I ask unanimous consent to consider the bill, S. 3230, in lieu of the House bill.

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

There being no objection, the Clerk read the Senate bill, 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 Florence 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 Missouri River at or near the city of Florence, Nebr. (now a part of Omaha, Nebr.), 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.

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 State of Nebraska and the State of Iowa 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 and other property are located, 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 20 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 trustees 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 to be an instrumentality for interstate commerce, the postal service, and military and other purposes authorized by the Government of the United States, and said bridge and the bonds issued in connection therewith and the income derived therefrom shall be exempt from all Federal, State, municipal, and local taxation. 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 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. 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. Upon the completion of such bridge, it shall be the duty of said Commission, until said bridge shall be taken over or acquired by one or more governmental units as provided in this act, to supervise the collection of tolls and to authorize and audit all expenditures of money received from the collection of tolls, to see that all revenues received from the bridge, except such amounts as may be necessary for the repair, operation, and maintenance thereof, shall be paid into the sinking fund and used for the amortization of the outstanding indebtedness incurred for the construction or improvement of such bridge. After a sinking fund sufficient for such amortization shall have been provided, the bridge shall thereafter be maintained and operated free of tolls, and the Commission, its successors and assigns, shall thereupon convey by proper instrument of conveyance all right, title, and interest in said bridge and its approaches to the State of Nebraska and the State of Iowa jointly upon the agreement of such States to accept and to maintain and operate such bridge as a nontoll bridge.

SEC. 6. For the purpose of carrying into effect the objects stated in this act, there is hereby created the Florence Bridge Commission, and by that name, style, and title said body shall have perpetual succession; the right to contract, sue, and defend in courts of law and equity; possess a common seal; hold title to real estate and other properties; 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 one person named by the governing bodies of each of the following governmental units, to wit: Douglas County, Nebr.; city of Omaha, Nebr.; Pottawattamie County, Iowa. In the event that any of said governmental units shall fail to take the necessary action, then the person holding the office of county attorney of Douglas County, Nebr., and the person holding the office of county attorney of Pottawattamie County, Iowa, shall become members of said Commission. Any vacancy occurring in said Commission shall be filled by the governmental unit that made the original appointment. The members of the Commission shall serve without pay, but shall be reimbursed out of any funds in its hands for necessary expenses incurred in the conduct of its business. The Commission may employ a secretary, treasurer, engineers, attorney, and such other experts, assistants, and employees as it may deem necessary, and fix the compensation of such persons. All expenses and salaries shall be paid solely from the funds provided under the authority of this act.

Nothing herein contained shall be construed to authorize 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.

SEC. 7. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. MILLIGAN. Mr. Speaker, I ask unanimous consent to substitute the provisions of the House bill for the language of the Senate bill.

The Clerk read as follows:

Amendment offered by Mr. MILLIGAN: Strike out all after the enacting clause of the Senate bill and insert the following: "That in order to promote interstate commerce, improve the

Postal Service, and provide for military and other purposes, Charles J. Andersen, John A. Kuhn, and Henry Rief, all as trustees, or their successors in office, are hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at a point suitable to the interests of navigation, at or near Florence, Douglas County, Nebr., in accordance with the provisions of the act entitled 'An act to regulate the construction of bridges over navigable waters', approved March 23, 1906, and subject to the conditions and limitations contained in this act; said trustees shall own and hold said bridge in trust for Douglas County, Nebr., and Pottawattamie County, Iowa; said trustees being known as and functioning as the 'Florence Bridge Board of Trustees' and serving without compensation. Said board of trustees is hereby granted the right to assign, transfer, and mortgage all of the rights, powers, and privileges conferred by this act.

"Sec. 2. There is hereby conferred upon said board of trustees such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

"Sec. 3. The said board of trustees is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

"Sec. 4. 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 amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter 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. 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.

"Sec. 5. The right to alter, amend, or repeal this act is hereby expressly reserved."

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.

Mr. CARTER of California. Mr. Speaker, I ask unanimous consent to return to certain bills that have been objected to, beginning with no. 384 on the Consent Calendar.

Mr. ZIONCHECK. Mr. Speaker, I object. If we are going back, we will have to go back a little further than 384.

Mr. FITZPATRICK. Mr. Speaker, I thought the understanding was that after we finished the Consent Calendar we would go back.

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOLCOTT. I understand the rule concerning the consideration of the Consent Calendar provides that a bill to be in order for consideration on the Consent Calendar must be on the calendar for 3 legislative days.

The SPEAKER. The gentleman is correct.

Mr. WOLCOTT. Have not all the bills which have been on the Consent Calendar for 3 legislative days been considered?

The SPEAKER. The gentleman's statement is correct.

Mr. CARTER of California. That was my understanding.

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

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, this morning I made a similar request to go back to no. 372 on the Consent Calendar, H.R. 9723, which was put on the same basis yesterday, and to substitute S. 3604. The gentleman from Massachusetts, Mr. MARTIN, objected to going back. I renew the request at this time.

Mr. CARTER of California. Mr. Speaker, as I understand it, I have the floor.

Mr. DISNEY. If the gentleman will yield, I have a bill involved, and the Clerk was engaged in the reading of the bill at the time the flare-up occurred.

Mr. CARTER of California. The gentleman's bill would be included in my unanimous-consent request. My request was to go back to no. 384 on the Consent Calendar and call those bills that were objected to from there on.

Mr. TRUAX. Mr. Speaker, I object to going back to no. 384 on the Consent Calendar.

Mr. ZIONCHECK. Will the gentleman withhold his objection a moment?

Mr. TRUAX. I withhold my objection.

Mr. CARTER of California. Mr. Speaker, I yield to the gentleman from Washington.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to return to Calendar No. 372 on the Consent Calendar and substitute in lieu thereof the Senate bill, S. 3604, and that other bills objected to, under the same circumstances, be likewise considered.

Mr. TARVER. Reserving the right to object, Mr. Speaker, on yesterday when Calendar No. 377, relating to the disposal of surplus property of the C.C.C. camps, was called, the gentleman who makes this request demanded the regular order and prevented my explaining the terms of the bill to the House.

Mr. ZIONCHECK. Oh, no; if the gentleman will look at the RECORD, he will find that no one asked me to reserve the objection.

Mr. TARVER. The gentleman from Ohio [Mr. TRUAX] did not object.

Mr. ZIONCHECK. Take a look at the RECORD.

Mr. TARVER. The inquiry I desire to make is whether or not the gentleman will include in his request that we return and give further consideration to Calendar No. 377?

Mr. ZIONCHECK. The request I make, Mr. Speaker, is from 372, and includes all the bills from there on that have been objected to in an arbitrary manner.

Mr. MOTT. I demand the regular order, Mr. Speaker.

The SPEAKER. The gentleman from Washington asks unanimous consent to return to Calendar No. 372 and substitute the Senate bill for the House bill. Is there objection?

Mr. WHITE. Mr. Speaker, I ask unanimous consent to go back as far as Calendar No. 319 and consider that bill.

The SPEAKER. The Chair will consider only one unanimous-consent request at a time.

Mr. TARVER. Mr. Speaker, reserving the right to object, the request of the gentleman from Washington, as I understood, is to return to Calendar No. 372 and continue the call from there forward.

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry. What is the request?

The SPEAKER. The request is to return to Calendar No. 372 and call the bills that have been arbitrarily objected to from that point on.

Mr. AYERS of Montana. Mr. Speaker, reserving the right to object, unless we go back to Calendar No. 325, I must object to the request.

Mr. BYRNS. Mr. Speaker, I am not going to object to any request that is made, but I simply want to call the attention of the Members of the House to this fact. After the consideration of this calendar has been concluded, we want to take up the Private Calendar and there are a great many Members interested in the bills on that calendar. The Consent Calendar has had a chance and while I am not going to object to any request that is made, I do think we ought to hurry along and not spend too much time considering this calendar.

Mr. BLANCHARD. Mr. Speaker, I demand the regular order.

Mr. CARTER of California. Mr. Speaker, I ask unanimous consent that we may return to and reconsider all bills on the Consent Calendar that have been objected to today.

Mr. TRUAX. I object to that request, Mr. Speaker. We want to get along with the Private Calendar and that is what our leader wants done.

Mr. BYRNS. I have no objection to the request, but let us look at the matter in a sane way, and consider what we have done. I would not object to going back to any bill that has been arbitrarily objected to, but to go back to

bills that have been considered and objected to, without any question of arbitrary action or anything of that sort, is simply asking too much.

Mr. TRUAX. The gentleman from Tennessee is exactly right.

Mr. BYRNS. If you want to consider bills that have been objected to arbitrarily and without consideration of their merits, I can see some fairness in that, but if we go back to all bills objected to we will be here until 6 o'clock without taking up the bills on the Private Calendar.

Mr. AYERS of Montana. Who is to be the judge of what is arbitrary?

Mr. O'MALLEY. Mr. Speaker, will the gentleman from Tennessee yield?

Mr. BANKHEAD. Mr. Speaker, ad interim, I will submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BANKHEAD. What is the matter now pending before the House?

The SPEAKER. Unanimous consent to return to Calendar No. 372 and to call the bills from there on, including Calendar No. 372, that have been arbitrarily objected to.

Mr. BANKHEAD. Upon that, Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded. Is there objection?

Mr. AYERS of Montana. Mr. Speaker, I object.

THE PRIVATE CALENDAR

Mr. BYRNS. Mr. Speaker, I now ask that the Private Calendar be taken up.

Mr. GILCHRIST and Mr. DISNEY objected.

The SPEAKER. This concludes the calling of the Consent Calendar.

The Clerk will call the first bill on the Private Calendar.

Mr. BYRNS. Mr. Speaker, I presume from what I hear around me that there will be objection, but I want to keep faith with many Members here and that is what I propose to do. I ask unanimous consent that it first be in order to call Senate bills on the Private Calendar.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, may I ask the majority leader if that was the understanding yesterday?

Mr. BYRNS. No; we had no understanding yesterday, and I am making the request now and any Member can object.

Mr. BLANCHARD. Consideration of Senate bills is what the gentleman wants to do today?

Mr. BYRNS. I am making the request, and it is up to the Membership of the House whether that is to be the procedure or not. It is a matter of indifference to me, I may say to the gentleman.

Mr. BLANCHARD. I am not disposed to object, but what I have in mind is this: If the Senate bills are called, we are going away beyond the point where we have prepared ourselves for bills on the calendar.

Mr. BYRNS. I get the gentleman's point, and I may say it is entirely a matter of indifference with me. I am simply carrying out the request of a number of gentlemen.

Mr. BLANCHARD. I withdraw my reservation of objection, Mr. Speaker.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I should like to ask the floor leader a question. Does the gentleman propose to continue with the Private Calendar tomorrow?

Mr. BYRNS. I am going to ask unanimous consent to do so, but that is a matter of unanimous consent, and I do not know whether the House will be willing to do it or not.

Mr. JENKINS of Ohio. If the gentleman will permit a suggestion, I think it would be a wise thing to take up the Private Calendar and consider bills that have been passed by the Senate, but at the same time I think notice should be given that we are going to do that. If the gentleman will permit a suggestion, if we are going to take up the Private Calendar tomorrow, inasmuch as it is impossible to prepare in advance for those bills now, would it not be wise to ask unanimous consent that such bills on the Private Calendar

be considered tomorrow, so that the Members may be prepared at that time?

Mr. BYRNS. Well, we will find out whether we will take it up tomorrow. Mr. Speaker, I ask unanimous consent that on tomorrow it be in order to consider bills on the Private Calendar unobjected to, and that the Senate bills be called first.

The SPEAKER. Is there objection?

Mr. TRUAX. Reserving the right to object, I would like to ask my leader, the gentleman from Tennessee, a question—if he thinks that calling us here at 11 o'clock in the morning and sitting until 6 o'clock at night, we should do it on Saturday for the consideration of private bills, relieving private individuals mostly, when millions whom we ought to do something for are suffering?

Mr. BYRNS. Let me say that among the reasons for coming in at 11 o'clock, one reason was to preserve the right to call the Unanimous Consent Calendar. We have now completed the Unanimous Consent Calendar, and I have no other purpose than to move to adjourn tonight in the regular way.

Mr. DISNEY. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. DISNEY. The gentleman says we have completed the Unanimous Consent Calendar. Does he think we have had a fair show, when bills have been objected to without consideration and the Consent Calendar is going to be abandoned?

Mr. BYRNS. No; I mean this: We had half an hour on yesterday and up until this time today on the Unanimous Consent Calendar. I will say to my friend that these bills on the Private Calendar are entitled to some consideration. If the session continues, there will be another call of the Consent Calendar next Monday week.

Mr. MARTIN of Massachusetts. And we can take up the Consent Calendar at any time by unanimous consent.

Mr. BYRNS. Yes.

Mr. O'MALLEY. Why cannot that be done today? There are a number of gentlemen who did not get an opportunity to present their reasons for their bills. They ought to be entitled to have their bills presented.

Mr. BYRNS. I want to say that I was for the Indian bills. I was in the chair at the time they were called up. Considerable time was taken in discussion of the bills.

Mr. O'MALLEY. But the bills were not taken up individually.

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

Mr. TRUAX. I object.

Mr. DISNEY. Mr. Speaker, I make the point that no quorum is present.

The SPEAKER. The gentleman from Oklahoma makes the point of order that there is no quorum present. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 183]

| | | | |
|---------------|----------------|--------------|---------------|
| Abernethy | Burke, Calif. | DeRouen | Green |
| Adair | Cannon, Wis. | Dickstein | Griffin |
| Allgood | Carley, N.Y. | Dies | Guyler |
| Andrew, Mass. | Cary | Douglass | Hamilton |
| Andrews, N.Y. | Celler | Doutrich | Harter |
| Auf der Heide | Chase | Edmonds | Healey |
| Ayres, Kans. | Church | Farley | Holdale |
| Bacon | Clark, N.C. | Fernandez | Huddleston |
| Beck | Coffin | Fiesinger | James |
| Berlin | Collins, Miss. | Fish | Jeffers |
| Boehne | Connery | Flannagan | Jenckes, Ind. |
| Boland | Cooper, Ohio | Focht | Kee |
| Bolton | Corning | Frear | Kennedy, Md. |
| Brennan | Cox | Frey | Kennedy, N.Y. |
| Britten | Crowther | Fuller | Kurtz |
| Brooks | Crump | Gambrill | Kvale |
| Brown, Ky. | Culkin | Gifford | Lanzetta |
| Browning | Cummings | Goldsborough | Lee, Calif. |
| Buckbee | Dear | Goss | Lee, Mo. |
| Bulwinkle | Delaney | Granfield | Lesinski |

| | | | |
|--------------|---------------|--------------|----------------|
| Lindsay | Norton | Sadowski | Thompson, Tex. |
| Lozier | Owen | Schaefer | Thurston |
| Luce | Parks | Seger | Tinkham |
| Ludlow | Peavey | Shoemaker | Tobey |
| McCormack | Perkins | Simpson | Treadway |
| McMillan | Peterson | Sisson | Wadsworth |
| McSwain | Rayburn | Smith, Va. | Waldron |
| Maloney, La. | Reid, Ill. | Smith, W.Va. | Wearin |
| Mansfield | Rich | Snell | West, Ohio |
| Marland | Robertson | Snyder | Withrow |
| Marshall | Robinson | Stalker | Wolfenden |
| Montet | Rogers, N.H. | Steagall | Wood, Mo. |
| Muldowney | Rogers, Okla. | Stokes | Young |
| Nesbit | Rudd | Sullivan | |

The SPEAKER pro tempore (Mr. COOPER of Tennessee in the chair). Two hundred and ninety-three gentlemen have answered to their names, a quorum.

Mr. BYRNS. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

LIBERALIZATION OF THE EMERGENCY FARM MORTGAGE ACT OF 1933

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on H.R. 9528.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICHARDS. Mr. Speaker, under leave to extend my remarks on H.R. 9528, my bill to amend the Emergency Farm Mortgage Act of 1933, which has just passed the House as S. 3540, I wish to make these observations.

Among the outstanding achievements of the present administration and the 73d Congress, are the home-loan legislation and the Emergency Farm Mortgage Act of 1933. These two pieces of legislation have opened up the field of hope to both home owners and farm owners where there was only despair before. The great majority of our citizens, who had known the joy of owning a home, had come to the place where they were also burdened by the sorrow of seeing that home slip away. This deplorable condition was brought about by the recent business depression in which real estate has had no loan or collateral value in ordinary business channels.

To my mind, any unbiased person will admit that the present administration has done more to alleviate the distressing conditions facing the tillers of the soil than has any other administration in the last half century. It is deeply regretted that in many instances this legislation came too late to help.

The Emergency Farm Mortgage Act of 1933 was an outstanding humanitarian achievement and it helped to pay an obligation that this Government owed its citizens. This legislation had become necessary because that great farming class of our citizens was standing, back to the wall, and were not receiving a fair price for their products. They were unable to meet their debts and obligations and were losing their farms and homes by the thousands all over the country, because of a condition primarily brought about by former policies of this Government, which have ruined our foreign trade and closed our foreign markets. These same policies also had much to do with destroying the purchasing power of our own people. It was, therefore, necessary for the Government to do something and to do it at once, and I am glad to say that our party, led by a great President, has already taken active steps to permanently remedy the situation by placing new tariff-making authority in the hands of the President in order that satisfactory rates and schedules may be at once arranged with foreign countries.

However, the immediate problem that faced the administration was to provide a breathing period for these farmers, to call a halt upon foreclosures, and to enact legislation that would allow them to hold their ground until the Government could step in and provide other active and permanent remedies.

Among remedial legislation offered by the President and passed by the Seventy-third Congress was the Emergency Farm Mortgage Act of 1933. Under this act the Reconstruction Finance Corporation was authorized and directed to allocate and make available to the Farm Loan Commissioner the sum of \$200,000,000 to make loans to farmers

under certain conditions. These loans were to be secured by a first or second mortgage on the farm property affected, including crops. The amount of the mortgage could not exceed 75 percent of the normal value of the property, as determined upon appraisal pursuant to the terms of the Federal Farm Loan Act. The law further provided that a loan could not be made in excess of \$5,000 to any one farmer. Each mortgage was to contain an agreement providing for the payment of the loan on an amortization plan by means of annual or semi-annual installments, which installments covered interest on unpaid principal at a reasonable rate, and also equal payments to be applied on the principal of the debt as would extinguish the debt within an agreed period of not more than 10 years. There were other provisions in the bill as to method of procedure of obtaining a loan for the purpose mentioned.

It was, and is my opinion now, that the Government should provide for the farmers such loans as were provided under the Emergency Farm Mortgage Act, at an interest rate less than the rate stipulated therein, but, regardless of my personal opinion in the matter, it cannot be said that there are not many benefits in the act, and there is no doubt that thousands of farmers throughout the country have been able to retain or to recover their farms, where, if this legislation had not been provided, they could never have acquired this right. In section 32 of the Farm Mortgage Act of 1933 it was also provided that farmers who had lost their farms by foreclosure since July 1931 would have the legal right to obtain a Commissioner loan for the purpose of recovering their farms, provided a satisfactory arrangement could be made with the parties who were in possession at this time.

When it was called to my attention that farmers who had lost their farms by foreclosure before July 1, 1931, could not come under the benefits of the act, I introduced in the House H.R. 9528 to amend the Farm Mortgage Act of 1933, with the purpose of extending to farmers who have lost their farms by foreclosure prior to July 1, 1931, the same privilege as is now extended under the law to those who lost their farms by foreclosure since that date. I am glad to say that I was able to obtain the approval of Mr. W. I. Myers, Governor of the Farm Credit Administration, for this legislation. A unanimous majority report was received from the Committee on Agriculture, and when, on June 7, 1934, the bill was called up on the calendar of the House, I found that the identical bill, S. 3540, had been passed in the Senate the day before.

When my bill was called up in the House, I requested Chairman Jones of the Committee on Agriculture, to substitute the Senate bill for the House bill, otherwise it would have been necessary for the measure to be returned to the Senate again for approval, with the possibility of no definite action at this session of Congress. This was done and the bill passed with little opposition.

It is my hope that this legislation will provide a means whereby many farmers who have lost their farms by foreclosure before July 1, 1931, will be able to secure Commissioner loans and recover their farms from which they have been driven by force of circumstances over which they had no control. When a farmer has tilled the soil and provided a livelihood for his family on the same farm for many years and is forced to give it up because of debts that he cannot pay, something snaps in him and in many instances his fight and confidence are lost and he has no further incentive to work and toil, plan and dream for his family, because, of all things dear to an American citizen's heart, the home and ownership of soil is dearest. It is my hope that the Farm Loan Commissioner will be generous in handling the applications for loans in the field which has been opened up by my amendment to the Emergency Farm Mortgage Act, and that happiness will be restored to many farmers under the liberalized provisions of the original mortgage act.

PERMISSION TO FILE CONFERENCE REPORT, COMMUNICATIONS BILL

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House be permitted

until 12 o'clock tonight to file a report upon the communications bill.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman call that up tomorrow?

Mr. RAYBURN. If the Senate should pass it early enough tomorrow we might call it up, if it is agreeable.

Mr. MARTIN of Massachusetts. It is agreeable to me.

Mr. RAYBURN. If the Senate passes it early in the day, we will do that.

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

There was no objection.

THE PRESIDENT'S MESSAGE—A NEW ERA IN SOCIAL PROGRESS

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, President Roosevelt's message on social legislation is one of the most important he has ever sent to the Congress.

It is deep and far-sighted. It shows that the President understands the fundamental ills of our American people. In this message the heart and mind have united to construct a new road toward a better, toward a more secure future for the average man.

"Americans should never forget," the President says, "that security of the men, women, and children of our Nation comes first * * *." "This security depends," he continues, "primarily upon three factors * * * decent housing, employment, and security against unemployment and old age."

THE NEED AND VALUE OF AN ADEQUATE HOUSING PROGRAM

I want to discuss briefly the first two parts of this program and then dwell on the third. It is evident that the President has definitely concluded that a long-term program of housing is necessary to provide living quarters for the people.

Nearly one-third of the people of the United States are living in homes which are not only substandard but in many cases unfit for human beings.

Slum clearance alone is inadequate. It must be followed by the construction of new low-cost housing. We must have both. Further, a long-term extended housing program is the most practical way to pull the American people out of this depression.

On January 3, 1934, on the very first day of the convening of Congress, I introduced a bill which provides a practical way to solve this problem. I am happy that the fundamentals of that program have been approved by the President and that he is calling upon the Congress and upon the best interests of this Nation to devote their efforts toward a large scale of housing construction, both as a measure of necessity and as a means of recovery.

In his message the President next points to an opportunity for employment as the second fundamental requirement of recovery. There can be no well-being or security in this Nation—individually or nationally—until every man and every woman who is willing and able to work has a fair chance to find suitable employment.

SECURITY THROUGH SOCIAL INSURANCE

The third factor stressed in the message of the President concerns "security against the uncertainties and hazards of life." I would like to dwell upon this factor at some length, and therefore want to read a part of the Presidential message to Congress. The President says:

Next winter we may well undertake the great task of furthering the security of the citizen and his family through social insurance.

* * * the various types of social insurance are inter-related; and I think it is difficult to attempt to solve them piecemeal. Hence I am looking for a sound means which I can recommend to provide at once security against several of the great disturbing factors in life, especially those which relate to unemployment and old age. * * * I believe that the funds necessary to provide this insurance should be raised by contribution rather than by an increase in general taxation. Above all,

I am convinced that social insurance should be national in scope. * * *

THE ELLENBOGEN OLD-AGE PENSION RESOLUTION

I am truly gratified about this part of the Presidential message. At the beginning of this session I introduced a resolution in the Congress of the United States which directed a study to be made for the establishment of an old-age-pension system, a system which was to be national in scope and which was to be based upon contributions and not upon general taxation. The funds were to be raised by contributions from employers and employees instead of being paid out of the Public Treasury. The unemployed were to be free from contributions. Out of this fund a pension was to be paid to every aged person residing in the United States.

There is nothing new about an old-age-pension system in the United States. It has been advocated for years, but until my resolution was introduced it had never been proposed in the Congress of the United States to create a national system of old-age pensions based on a system of contributions and not upon taxation.

The resolution was passed by the House of Representatives February 15, 1934, and the subcommittee which was directed to make the study is now working under it. I have consistently maintained that old-age pensions, to be lasting and permanent, must be national in scope and must be based upon contributions and not upon payments from the Public Treasury.

THE PRESIDENT HAS ENDORSED THE CONTRIBUTORY SYSTEM

And now, Franklin D. Roosevelt, President of the United States, in a solemn message to the Congress has upheld the principle of contributory pensions in clear and unmistakable language.

The President has said:

I believe that the fund necessary to provide this insurance should be raised by contributions rather than by an increase in general taxation.

The data are now being gathered in Government departments in Washington, and I am very happy that I have the privilege of cooperating with the various studies now going on.

The next Congress will have before it a bill for the establishment of a national system of old-age insurance and of unemployment, both on a contributory system, and I hope the Congress will pass it.

OLD-AGE-PENSION SYSTEMS IN OTHER COUNTRIES

The national contributory system which I have advocated is not new. It has been tested in various countries and under various conditions, and has been proven to be the very best system of social security we can have.

Forty-two foreign countries have old-age-pension systems, and of these, 31 have the contributory system which I advocated.

It is interesting to note here that experts in this field all over the world have so decidedly come to the conclusion that the contributory system is the best that they have given to other pension systems which are in operation the title of "transitory pension systems." In other words, they look upon these systems as temporary and preliminary to the adoption of the contributory system.

I have told you of all the countries that have national systems of old-age pensions. What countries do not have national systems? The only large ones that do not have a national system of old-age pensions are India, China, and our own United States. We have belonged to this minority too long. I am thankful that I have been given the great privilege of taking a part in leaving that minority as soon as possible.

THE AGED HAVE A RIGHT TO SECURITY

We have been proud of the advances we have made in this great country in the fields of science, invention, and mechanical progress. Thus far we have not had the opportunity, nor the right, to point with the same pride to the advance which we should have made in the field of humanity.

In the field of mechanics for the past few years we have heard a great deal about obsolescence—the problem of the wearing out of machinery. We should have an equal, a much greater concern with the wearing out of the greatest piece of machinery of all—the human body. Now we shall concentrate on that piece of machinery. We shall not say that because it is worn out, because its parts are no longer as good as when new, it must go to the scrap pile. It is up to us—to you and to me—to give it the very best care and attention it needs; and this the President's announced program brings.

Ladies and gentlemen, I need hardly point out to you that this vast program cannot be carried out properly unless we have a firm foundation on which to base our studies on national needs for unemployment insurance and old-age pensions.

THE VALUE OF AN UNEMPLOYMENT CENSUS

Last Thursday the House of Representatives approved and passed the plan which I have advocated for the last 6 months calling for a national census of unemployment, population, occupations, agriculture, and livestock to be held next November 12. I say to you that the adoption of this plan was one of the most important and one of the most significant pieces of legislation carried out by the House of Representatives during this session of Congress.

WHAT THE CENSUS WILL ACCOMPLISH

With this census we will know exactly how many unemployed there are in this country, we will know where they live, how old they are, the work for which they are fitted. We will have the basis for planning on an accurate scale for their future needs not only for immediate emergency relief but for a long term and vast program of social progress, such as I have been discussing here.

For these reasons I know you will appreciate how exceedingly happy I am that this census plan was adopted.

The bill now goes to the Senate. It has already been favorably reported there, and we can therefore hope that the Senate will also approve it and it will become law.

My friends, I sincerely wish that all of you will feel as happy as I do about these things—about the promise contained in the President's message, about the passage of the census bill.

THE GREAT HOPE FOR THE FUTURE

I tell you that we are on the threshold of a new dawn. The President has endorsed fully a great program of social legislation embracing unemployment insurance and old-age pensions. Further, he has definitely stated how that great program will be carried out. I regret that it seems necessary to wait until the next session of Congress to pass this legislation rather than at the present time.

However, the American people have been shown again that we can look forward to the near future, when under the inspired leadership of a great President, the Congress of the United States will give the American people a system which provides against unemployment, a system which guarantees a real and true security for their old age.

For untold centuries people have been able to look forward to old age only with fear and dread. It promised no safety, no comfort, and no happiness. At least we shall do away with all that.

In one of his poems, Robert Browning, one of the greatest poets in the English language, has written:

Grow old along with me;
The best is yet to be.

This is the message of hope which the President has now brought the American people. It is a message which brings within our grasp the attainment of better and happier lives.

NATIONAL SECURITY AND DEFENSE

Mr. KNIFFIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein therein a short bill that I introduced today.

The SPEAKER. Is there objection?

There was no objection.

Mr. KNIFFIN. Mr. Speaker, I have asked for this little time so that I might call attention to a bill which I intro-

duced this morning, which would provide further for our national security and defense.

I am one who believes that there should be no excess profits in the purchase of war supplies of any other Government operations necessitated by a state of war. I am persuaded that if men are to be conscripted for war that that policy should be broadened so as to include all of the things made necessary by a state of war.

There would have been no World War from 1914 to 1918 if the people of the nations involved could have had their way about it. It is the average citizen whose neck is risked in war and not the powder, steel, or chemical manufacturers along with their international financing friends. The fact that the commercial motive is one of the strong factors that stimulates war is unchallengeable, and that being the case private profit should be taken out of war so as to remove the incentive on the part of those who make great profits. The burden of war would thereby be equalized.

Many of our present difficulties are attributable to the late war. The deadly germ of war ultimately attacks the blood and bones of nations that participate in it. Much is said and written about the cancellation of the debts. Our taxpayers are called upon for over \$400,000,000 yearly to meet interest requirements on bonds, the proceeds of which were loaned to European governments. The debts cannot be canceled any more than the destruction of a cyclone can be canceled. Someone must bear the loss and our people are at this time, some 15 years after the World War, still struggling under the galling yoke of this burden.

The next war, however, can and should be canceled forthwith.

When nations engage in legalized killing reaching into the millions, the war fatalities are not confined to battlefields but encompass our entire civilization.

Mere talk against war in itself will not prevent it; and I have therefore introduced a bill which, if enacted into law, will have a repressive effect upon those who might be willing that we engage in conflict because of the profits that would ensue to them, and I ask at this place in my remarks to have my bill printed in the RECORD.

A bill to provide further for the national security and defense

Be it enacted, etc., That to promote the efficient utilization and control of resources and industries during the existence of a national emergency in time of war, the President shall be, and he is hereby, authorized in the prosecution of any war in which the United States is engaged, when the conscription of persons is provided by law, to take private property (including money) for any military or nonmilitary purposes, but in no case shall persons or private property be conscripted for any purpose unless such powers are exercised concurrently, and no profit shall be paid as compensation for the taking of any private property.

The fact that tumult exists throughout the world is undeniable. I do not anticipate war with any nation in the very near future. We do not want war. At least 98 percent of the people we represent are unalterably opposed to war, and what I seek to do by the introduction of this bill is to foreclose any chance of the United States becoming involved in the future.

The theory that the jurisdiction of the United States should follow industrialists of this country, and in many cases they are associated with industrialists of European countries, into foreign lands when those industrialists go there for exploitation purposes, is unsound. If any American business man wants to go into a foreign country, where revolution is or soon may become in progress, in the hope that he may make great profit on his investment, he should be willing to take the risk and no obligation should rest upon the American Government to send armed protection there to safeguard his private business adventures when they are subjected to the risks of civil or military disturbance in a foreign country. Morally the practice cannot be justified; it is unsound legally and it is contrary to the principles of justice in international affairs.

People who are willing to go into a foreign country to exploit the resources of that country during civil disturbances should be warned of those existing dangers. Then if they are unwilling to leave, if they wish to subject themselves further to civil or military strife in a foreign country,

there should be no obligation on the part of the United States Government to send our Army and Navy into the jurisdiction of a foreign country to aid them in their progress of moneymaking and thus jeopardize the lives and the peace and safety of our American citizens.

THE PRIVATE CALENDAR

GEORGE A. CARDEN AND ANDERSON T. HERD

Mr. LLOYD. Mr. Speaker, if I correctly understood, the special order the other night called for the calling of Calendar No. 583, H.R. 8482, on the first call of the Private Calendar.

The SPEAKER. That is correct. The Clerk will call the bill.

The Clerk reported the title of the bill, as follows:

H.R. 8482, a bill conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on certain claims of George A. Carden and Anderson T. Herd.

The SPEAKER. Is there objection?
There was no objection.

The SPEAKER. Without objection, a similar Senate bill (S. 2898) on the Speaker's table, will be substituted therefor. There was no objection.

The SPEAKER. The Clerk will report the Senate bill. The Clerk read the Senate bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding lapse of time or any statute of limitations, or other limitations upon the jurisdiction of such court, to hear, consider, and render judgment upon any claims, legal or equitable, of George A. Carden and Anderson T. Herd, or their legal representatives, against the United States, involving the steamships *Erny, Lucia, Anna, Teresa, Clara, Ida, Dora, Himalaia, Franconia, and Campania: Provided,* That in determining the amount of any judgment on any such claim, allowance shall be made for any amount heretofore awarded the claimants on account of such claim: *Provided further,* That separate suits may be maintained (by or on behalf of the claimants or their legal representatives) with respect to any of such claims, but no suit shall be brought after the expiration of 1 year from the date of the enactment of this act: *And provided further,* That the record of the proceedings before the War Department heretofore had with respect to certain of such ships and the evidence there taken may be introduced, together with the exhibits therein offered, before the Court of Claims, with the full force of depositions, subject to objections as to competency and relevancy: *Provided further,* That if the Court of Claims shall upon the evidence reach the conclusion that the contract of sale included any right to the operation of the ships and that such right was not satisfied by the subsequent payment by the Secretary of War as an accord and satisfaction, then the recovery shall be limited to the duration of the World War.

Mr. LLOYD. Mr. Speaker, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LLOYD: Page 2, line 14, after the word "relevancy", insert the following: "*Provided further,* That if the Court of Claims shall upon the evidence reach the conclusion that the contract of sale included any right to the operation of the ships and that such right was not satisfied by the subsequent payment by the Secretary of War as an accord and satisfaction, then the recovery shall be limited to the duration of the World War."

The committee amendment was agreed to, and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill, H.R. 8482, was laid on the table.

GLADDING, M'BEAN & CO.

Mr. EVANS. Mr. Speaker, I understand that Calendar No. 614 on the Private Calendar, H.R. 3782, for the relief of Gladding, McBean & Co., at a previous call went over with the same understanding and the same status as the bill just considered.

The SPEAKER. That is correct, and the Clerk will call the bill.

The Clerk called the bill (H.R. 3782) for the relief of Gladding, McBean & Co.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

Mr. EVANS. Mr. Speaker, will the gentleman withhold his objection?

Mr. TRUAX. Yes.

Mr. EVANS. Mr. Speaker, this bill is exactly the same as quite a number of others that were passed by consent. Those bills have been enacted into law. This is a bill for the purpose of reimbursing Gladding, McBean & Co. for losses it sustained on fabricating material in the construction of post offices on which the contract was canceled by the Government because the contractor's bond was found to have been forged.

Mr. TRUAX. What year?

Mr. EVANS. A little more than a year ago. There is no objection to the bill by the Treasury Department. They paid half a dozen other bills of exactly the same kind. The Senate passed this bill after overlooking this item in the list of bills for relief of other subcontractors who sustained losses on the same job. It has been passed and approved by the Senate committee, passed by the Senate, and it occupies exactly the same status as a number of other bills that were passed. It was overlooked.

Mr. TRUAX. I notice the Secretary of the Treasury, Mr. Morgenthau, does not definitely give his approval to this bill. He said if the bill is to be given favorable consideration, however, it is recommended that lines 7 to 11, inclusive, be amended to read as follows.

Mr. EVANS. That amendment has been put in. This is the same report that is made on all these bills, but it does say in the report that there was no fault on the part of the claimant, and he should be reimbursed. That is the purport of the report.

Mr. TRUAX. What is the amount asked for?

Mr. EVANS. About \$6,000. It represents actual losses of the claimants in fabricating this material.

Mr. TRUAX. What material?

Mr. EVANS. For the building of a post office in the State of Nevada. It turned out there was a forged bond, and the contractor was irresponsible and failed. All of the other claimants except this one have been paid, and this claim is in exactly the same status. There is no difference at all.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. DOCKWEILER. I know the facts in this case. The company which manufactures this brick and wall material is not in my district. It is in the district represented by my colleague [Mr. EVANS].

Mr. EVANS. No. It is in another district. It is just over the line.

Mr. DOCKWEILER. Perhaps it is in my district. I know the facts of the case. It is a very justifiable claim. Every other claimant who did work on this post office has been taken care of.

Mr. TRUAX. This case has been the subject of complete hearings before the Appropriations Committee of the Senate. Did that committee approve this bill?

Mr. EVANS. Exactly.

Mr. TRUAX. Very well. Then I will withdraw my reservation of objection.

The SPEAKER. Is there objection?

Mr. EVANS. Mr. Speaker, I ask unanimous consent to substitute an identical Senate bill, S. 1173.

The SPEAKER. Without objection it is so ordered.

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Gladding, McBean & Co., out of any money in the Treasury not otherwise appropriated the sum of \$6,602.40 in full settlement of all claims against the Government of the United States for losses suffered by the said company by reason of the default of the Plains Construction Co., general contractors for the construction of post office at Las Vegas, Nev., and the contractor's failure to furnish a valid bond as required by law for the protection of labor and material men furnishing labor and material on public works: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this

act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

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

A similar House bill was laid on the table.

CHARLES J. WEBB SONS CO., INC.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to return to Calendar No. 603, S. 2138, for the relief of Charles J. Webb Sons Co., Inc. It was objected to under a misapprehension, and the gentleman who objected has withdrawn his objection.

Mr. TRUAX. Reserving the right to object, what is this bill?

Mr. SABATH. That is a bill for the relief of Charles J. Webb Sons Co.

Mr. TRUAX. Involving how much money?

Mr. SABATH. It is for money paid into the Treasury and later on the Treasury stated it was paid under a mistake.

Mr. TRUAX. Is that the Dickstein bill?

Mr. SABATH. That is the Dickstein bill.

Mr. TRUAX. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SABATH].

There was no objection.

The Clerk read the title of the bill.

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

There being no objection the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles J. Webb Sons Co., Inc., the sum of \$18,648.87, in full satisfaction of all claims for reimbursement on account of amounts erroneously collected and covered into the Treasury which had been tendered by such company in connection with a conditional offer in settlement dated January 4, 1932, and amended January 8 and 19, 1932, the conditions of which offer were not performed by the Government and the settlement not consummated.

With the following committee amendments:

On page 1, line 7, after the word "claims", insert "against the Government of the United States." On page 2, after line 3, insert: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ZIONCHECK. Mr. Speaker, I wish to call attention to the fact that I think we should not go back to bills that have been previously objected to because it causes nothing but confusion and a lot of hard feelings. I think at this time, with an agreement on the other side, we should not go back to any bills previously considered and objected to, unless there was some special order with previous notice.

TO AMEND SETTLEMENT OF WAR CLAIMS ACT OF 1928, AS AMENDED

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on the resolution (H.J.Res. 365) to amend the Settlement of War Claims Act of 1928, as amended.

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

There was no objection.

BOROUGH OF BROOKLAWN, STATE OF NEW JERSEY

Mr. WOLVERTON. Mr. Speaker, Calendar No. 616, H.R. 4672, for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey, was placed upon the preferred list on the last call of this calendar. I ask that it be called up at this time.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to return to Calendar No. 616, H.R. 4672. Is there objection?

There was no objection.

The Clerk called the bill, H.R. 4672, for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey.

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

Mr. TRUAX. Reserving the right to object, this proposes an expenditure of \$163,940.

Mr. WOLVERTON. No; if the gentleman will read the report carefully, I think he will find as I explained to the gentleman from Texas [Mr. BLANTON] the other night, and after the explanation he withdrew his objection, that the original bill which was introduced would have provided for that amount, but the bill which was subsequently introduced, and which is now before the House, and which has passed the Senate, would not carry that amount. It would be approximately \$93,000.

Mr. TRUAX. What was the year in which these claims were incurred?

Mr. WOLVERTON. It would be difficult to fix any particular year.

Mr. TRUAX. Oh, this is a war claim?

Mr. WOLVERTON. No; subsequent to the war. In 1923, a village which had been built by the Government to house ship workers was sold into private hands on terms that carried a 70-percent mortgage payable in 3 years, which brought payment date up to 1926.

Mr. TRUAX. The gentleman says long before the war. How long before the war?

Mr. WOLVERTON. No; I think the gentleman misunderstood me, it was long after the war.

Mr. TRUAX. That is what I am trying to determine. In what year did these claims originate?

Mr. WOLVERTON. That is what I was just stating to the gentleman. These properties were sold by the Government at public auction in 1923 on terms that permitted the mortgages to run until 1926. In 1926 the Government insisted upon payment. Some paid, others did not; and the mortgages continued to run until 1931 and 1932 when the Government made another sale.

Mr. TRUAX. The gentleman wants to go back to 1923, and pay \$165,000 on claims arising out of the war. Does not the gentleman think this is entirely too large an amount to consider in this manner?

Mr. WOLVERTON. If the gentleman will observe carefully the report that was made by the Shipping Board in this matter, the gentleman will find that the Shipping Board on November 16, 1932, which was when this matter was at its height, passed a resolution recommending the payment of this refund to the claimants.

Mr. TRUAX. Just a moment. Has this bill been recommended by the Treasury Department?

Mr. WOLVERTON. The Treasury Department had nothing to do with it. As the gentleman will notice, it has been recommended by the Shipping Board.

Mr. TRUAX. When was the bill first introduced?

Mr. WOLVERTON. A year ago, but it was not reached on the calendar until last Friday night.

Mr. TRUAX. No claim was made until a year ago?

Mr. WOLVERTON. The claimants were not in a position to make a claim prior to that time.

Mr. TRUAX. Why not?

Mr. WOLVERTON. Because the matter was not reported by the Shipping Board until 1932.

Mr. TRUAX. I am sorry, but I shall have to object to the bill, as I have objected to all bills that dipped into the Treasury for the satisfaction of claims which arose years ago.

Mr. WOLVERTON. This is not such a bill. This matter is current. As a matter of fact, this is an effort to rectify a situation which is very unjust; and if the gentleman will give me the opportunity, I think I can explain it to his satisfaction.

The purpose of this bill is to refund to certain owners of property in the borough of Brooklawn, N.J., who had purchased the properties from the United States, 28 percent of the purchase price where the full purchase price of said lands, or the full value of the United States Shipping Board mortgage, has been paid by such owners into the Treasury of the United States.

The refund, totaling \$93,000, will benefit approximately 106 individuals who purchased homes at Brooklawn, N.J., built by the Government to house shipyard workers during the war. The payment of this money is amply warranted by the facts.

The beneficiaries of the proposed refund purchased the properties in question from the Government in 1923. They paid 30 percent in cash and gave purchase-money mortgages for the remaining 70 percent. The mortgages were for a 3-year term. When the 3 years expired, the Shipping Board demanded payment on threat of foreclosure. Some paid the Government by refinancing their mortgages with banks, building-and-loan associations, and private agencies, thereby making payment to the Government in full. Others in subsequent years did likewise. These individuals fulfilled completely their obligation to the Government and to the local municipality.

The remaining purchasers, however, paid no attention to the demands of the Shipping Board for payment of the mortgages. They defaulted in the payment of principal, interest, and taxes. This continued for several years, until the condition became so bad that pressure was brought upon the Shipping Board to foreclose or sell out its interest in these properties. The impelling reason for demanding this action from a local or municipal standpoint was that the law made it impossible for local authorities to sell for taxes any property in which the Government had an interest. These delinquent owners, being aware of this, paid no taxes, even though receiving all the benefits of the schools, police, and fire protection, and other advantages, the same as those who paid taxes. This delinquency meant that only about one-half of the properties in the borough were paying the entire cost of the municipal government. Finally the condition became so bad that the borough was about to close its schools and apply for a receivership. It was then that the Government started foreclosures and sold the properties and mortgages to a private agency at about a 40-percent reduction of the amount due on the mortgages held by it. In making such sale, however, provision was made that the property owners could settle their mortgages on the 40-percent-reduction basis. Thus, the delinquent owners, the very ones who had refused to pay and defaulted in payment of principal and interest and municipal taxes, were permitted to settle their mortgages at a discount of 40 percent and escape payment of interest for several years as well as local taxes. Thus defaulting owners by their delinquency were given a substantial advantage over the owners who had faithfully and conscientiously performed their full obligation to the Government and the local municipality. No one can justify such a condition as that. It is unjust, unfair, and unconscionable. Certainly, those who were honest and faithful to their Government should not be required to suffer or be penalized therefor. Yet, that is what has happened, and what this bill seeks to remedy.

The matter was brought to the attention of the Shipping Board; and after several hearings and careful consideration, the Board, on November 16, 1932, passed this resolution:

Whereas the Brooklawn Real Estate Taxpayers Association, representing purchasers of Brooklawn, N.J., properties, by its representatives, appeared before the Board at a hearing held on October 8, 1932, and thereafter submitted a petition dated October 14, 1932, for refunds of payments made to the Shipping Board upon satisfied mortgages, etc., and

Whereas the Board has been advised by its general counsel that there is no law which authorizes the Shipping Board to make refunds in the manner prayed for by the petitioners, and that the petition therefor should be denied and the petitioners notified that their only source of relief is from the Congress of the United States: Therefore, be it

Resolved, That the petition above referred to be, and the same is hereby, denied for the reason that there is no law authorizing the Shipping Board to make such refunds and that the only source of relief is from the Congress of the United States, where such matters only can be determined; and it is

Further resolved, That the said the Brooklawn Real Estate Taxpayers Association be further advised that the Board expresses its sympathy with the object of the petition filed and will favorably recommend the passage by Congress of a proper bill to cover the situation.

The subject matter of the proposed legislation has had the careful attention and consideration of both the House and Senate Committees on Claims and has received the unqualified approval of both.

The Shipping Board, as will be seen by its report on the bill, has approved it and recommended its passage.

The Senate has passed the bill of Senator KEAN, similar in purpose to this bill introduced by myself, and there is no valid reason why this legislation should not have the unanimous approval of the House. This act of justice is due the hard-working, honest, and sincere men and women who in good faith have performed their obligations to the Government.

Mr. TRUAX. Mr. Speaker, I may say to the gentleman from New Jersey that I take the position with regard to these bills that this year we shall have to spend millions of dollars to take care of drought-stricken people and others in want. In none of these bills is any provision whatsoever made to raise the revenue to pay the claim. The President is working overtime and bending every energy to conserve money for the relief of all the people, not a few. I must object to the bill.

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

Mr. TRUAX. I yield.

Mr. BLACK. There is this difference between claims against the Government for injuries and the disaster in the drought-stricken area: The United States did not cause the drought, but the United States did cause these injuries.

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

Mr. TRUAX. I yield.

Mr. LAMNECK. It is not clear to me how the United States Government is responsible in this case. As I understand it, the Government had this property and sold it at public auction to private purchasers.

Mr. WOLVERTON. Yes.

Mr. LAMNECK. How did the Government get back into the picture in such a way as to be responsible?

Mr. WOLVERTON. These claims arose in the way I have indicated. The Government sold the property on terms of 30 percent cash and 70 percent mortgage. When the mortgages fell due in 1926, the Shipping Board insisted upon payment in full. Certain citizens of the community paid by refinancing their mortgages through building-and-loan associations and other sources and settled with the Government in full. The greater number, however, did not do so, but permitted the mortgages to run until they were greatly in arrears not only as to payment of principal and interest but also as to payment of taxes as well. It finally created such a condition that the borough of Brooklawn was about to go into the hands of a State receiver. The Government paid no taxes on the property it owned nor were taxes paid on the properties on which it held mortgages. The result was that finally the Shipping Board, seeing the injustice of the situation, ordered foreclosure sales and as a last resort an auction sale of properties and mortgages in which it had an interest, and then permitted the delinquents to settle for 40 percent of the mortgages, without the payment of back taxes or any of the other delinquencies.

Mr. TRUAX. Has the gentleman conferred with the Appropriations Committee about this bill?

Mr. WOLVERTON. No; this bill must first be passed as an authorization.

Mr. TRUAX. Has the gentleman conferred with the Director of the Budget?

Mr. WOLVERTON. The Shipping Board—

Mr. TRUAX. No; has the gentleman conferred with the Director of the Budget?

Mr. WOLVERTON. No; I have not. This bill must first be passed before it becomes a matter to be considered by the Budget Director.

Mr. TRUAX. Mr. Speaker, I object.

Mr. WOLVERTON. Will not the gentleman withhold his objection for a moment?

Mr. TRUAX. Yes; I withhold my objection for a moment.

Mr. WOLVERTON. This bill has the approval of the Shipping Board. In their resolution they say not only that they are in favor of relieving the situation but that they will also favorably recommend the passage by Congress of a proper bill to cover the situation.

Mr. TRUAX. Yes, I recall; but the Shipping Board is a group of tax spenders, not taxpayers. They would recommend practically anything.

If the gentleman wants this bill passed, let him get the approval of the Director of the Budget and of the Appropriations Committee of the House.

Mr. WOLVERTON. The House Committee on Claims has passed upon it favorably, the Senate committee passed on it favorably, and the United States Senate has passed on it favorably.

Mr. TRUAX. If the gentleman had not made the latter statement, there might be a better chance.

Mr. LAMNECK. I did not get an answer to my question. This is to reimburse those property holders who did pay in cash?

Mr. WOLVERTON. Yes; to give them the same status as was given to those who, through delinquency, received a discount on their mortgages.

Mr. TRUAX. The gentleman has failed to mention the liability of the Government in these cases. He merely mentions that the Shipping Board recommends that the bill be passed.

Mr. WOLVERTON. Because they know the facts.

Mr. TRUAX. But they do not raise the money.

Mr. WOLVERTON. If the gentleman feels his judgment and knowledge are superior to that of those who know, that is for him to decide.

Mr. TRUAX. I do not feel that my judgment is superior to the judgment of the Shipping Board on paying claims, but I feel that my judgment is as good as anyone's for the taxpayers of this country who are going to pay these bills.

Mr. Speaker, I object.

L. R. SMITH

The Clerk called the next bill, S. 870, for the relief of L. R. Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to L. R. Smith, of Fortine, Mont., the sum of \$19,223, said amount being in full settlement and reimbursement to the said L. R. Smith for the construction of a graded truck road, 7 miles in length, on Graves Creek, within the Blackfeet National Forest Reservation in the State of Montana, in pursuance of a survey made by the Forestry Bureau and proposed road development on said reservation in the Blackfeet National Forest.

With the following committee amendments:

On page 1, line 7, after the word "settlement", insert "of all claims against the Government of the United States."

On page 2, at the end of line 3, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were 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.

CONCRETE ENGINEERING CO.

The Clerk called the next bill, S. 1540, for the relief of the Concrete Engineering Co.

Mr. ZIONCHECK and Mr. HOPE objected.

Mr. EAGLE. Will the gentlemen withhold their objections?

Mr. ZIONCHECK. I withhold my objection.

Mr. HOPE. I withhold my objection.

Mr. EAGLE. Mr. Speaker, this bill involves \$4,300.

There was a firm down in Houston, Tex., that was in the construction business and had to buy some steel forms. These steel forms were shipped by boat from various manufacturing plants in the North. They charged them, under section 304 of the Revenue Act, 0.3 of a cent per pound. Under section 312 the charge should have been 0.2 of a cent per pound.

The firm, being new in its business, instructed its certified warehousing agents to file a protest against the excess charge in all of 22 instances which occurred in the years 1926 and 1927. The agents upon whom these people relied filed protests in 17 of the instances, and the excess tariff payments were in each instance refunded. This firm thought that they had filed protests in the remaining five cases, but the protests had not been filed.

The amount of excess payments which the Treasury has received is \$4,300. The Secretary of the Treasury, Mr. Ogden Mills, in the year 1932, recites these facts and says that because no protest was currently filed he cannot recommend payment, but he recites the fact that the Treasury has collected \$4,300 in excess of a correct interpretation of the law. These people requested their certified warehousing agents, upon whom they relied, to file a protest in each instance.

The Senate committee has unanimously reported this bill. The Senate has unanimously approved the bill. The House committee have unanimously reported this bill favorably. It is upon this calendar. There is no moral or legal ground why these people should not have the \$4,300 back that everybody, including the Secretary of the Treasury, Mr. Ogden Mills, in 1932 said that the Treasury had of their money in excess of a true interpretation of the statutes.

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

Mr. HOPE. Mr. Speaker, I object.

Mr. EAGLE. Mr. Speaker, what State is the gentleman from?

Mr. HOPE. Kansas.

Mr. EAGLE. You will not pass another bill this session or any other session that I am a Member of.

The regular order was demanded.

Mr. HOPE. Mr. Speaker, I do not think we need to take any threats from that side of the House.

WESTERN UNION TELEGRAPH CO.

The Clerk called the next bill, S. 2139, for the relief of the Western Union Telegraph Co.

Mr. EAGLE. Mr. Speaker, I raise the point of order that there is not a quorum present. I will not be treated this way on an honest bill. No one will pass a private bill from now on this session, and you might just as well go home.

The SPEAKER. Evidently there is not a quorum present.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 184]

| | | | |
|---------------|---------------|----------------|-----------|
| Abernethy | Bolton | Carter, Wyo. | Culkin |
| Adair | Brennan | Cary | Cummings |
| Allgood | Britten | Celler | Darden |
| Andrew, Mass. | Brooks | Chase | Dear |
| Andrews, N.Y. | Brown, Ky. | Chavez | De Priest |
| Auf der Heide | Browning | Church | DeRouen |
| Ayres, Kans. | Buckbee | Coffin | Dickstein |
| Bacon | Bulwinkle | Collins, Miss. | Dies |
| Bakewell | Burke, Calif. | Connery | Dirksen |
| Beck | Burke, Nebr. | Connolly | Disney |
| Berlin | Caldwell | Cooper, Ohio | Ditter |
| Boehne | Cannon, Wis. | Corning | Douglass |
| Boland | Carley, N.Y. | Cox | Doutrich |

| | | | |
|---------------|---------------|--------------|---------------|
| Eaton | Healey | Marland | Rudd |
| Fernandez | Hill, Knute | Marshall | Sabath |
| Fiesinger | Hoepfel | Mead | Sadowski |
| Fish | Huddleston | Merritt | Schaefer |
| Fitzgibbons | James | Montet | Seger |
| Fitzpatrick | Jeffers | Mott | Shoemaker |
| Flannagan | Kahn | Muldowney | Simpson |
| Focht | Kee | Nesbit | Sirovich |
| Ford | Kennedy, Md. | Norton | Smith, Va. |
| Frear | Kennedy, N.Y. | O'Brien | Smith, W.Va. |
| Frey | Kramer | Owen | Snell |
| Fuller | Kurtz | Palmisano | Snyder |
| Gambrill | Kvale | Parks | Stalker |
| Gasque | Lambertson | Peavey | Steagall |
| Gifford | Lanzetta | Perkins | Stokes |
| Goldsborough | Lea, Calif. | Peterson | Sullivan |
| Goss | Lee, Mo. | Plumley | Taylor, Tenn. |
| Granfield | Lesinski | Prall | Thurston |
| Green | Lindsay | Randolph | Tobey |
| Greenway | Luce | Reece | Treadway |
| Griffin | Ludlow | Reid, Ill. | Waldron |
| Guyer | McCormack | Reilly | Wallgren |
| Hamilton | McDuffie | Rich | Weideman |
| Hancock, N.C. | McMillan | Richards | West, Ohio |
| Hart | McSwain | Robertson | Withrow |
| Harter | Maloney, La. | Robinson | Wood, Ga. |
| Hastings | Mansfield | Rogers, N.H. | Young |

The SPEAKER. Two hundred and sixty-three Members have answered to their names; a quorum is present.

On motion of Mr. BYRNS, further proceedings under the call were dispensed with.

Mr. MARTIN of Colorado. Mr. Speaker, I move that the House do now adjourn.

Mr. BLANTON. Mr. Speaker, the gentleman from Colorado [Mr. MARTIN] is one of the loyal, dependable Democrats in this House, and he is surely following his leader.

Mr. MARTIN of Colorado. I shall follow him if they vote down this motion.

Mr. BLACK. Does not the gentleman realize we have only had two quorum calls today?

Mr. MARTIN of Colorado. Only two? I have been answering roll calls for quorums here all day.

Mr. BLANTON. The gentleman from Colorado [Mr. MARTIN] is too good a Democrat to gum up the cards, when it is not the wish of his majority leader [Mr. BYRNS].

The SPEAKER. Does the gentleman from Colorado insist upon his motion?

Mr. MARTIN of Colorado. Mr. Speaker, I withdraw the motion to adjourn.

TRANSPORTATION OF THE MAILS BY AIR OR WATER

The SPEAKER laid before the House the following request from the Senate:

IN THE SENATE OF THE UNITED STATES,
June 6 (calendar day of June 8), 1934.

Ordered, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (H.R. 7340) to authorize the Post Office Department to hold contractors or carriers transporting the mails by air or water on routes extending beyond the borders of the United States responsible in damages for the loss, rifling, damage, wrong delivery, depredations upon, or other mistreatment of mail matter due to fault or negligence of the contractor or carrier, or an agent or employee thereof.

The SPEAKER. Without objection, the request of the Senate will be complied with.

There was no objection.

THE PRIVATE CALENDAR

The SPEAKER. The Clerk will call the next bill on the Private Calendar.

WESTERN UNION TELEGRAPH CO.

The Clerk called the bill, S. 2139, for the relief of the Western Union Telegraph Co.

Mr. TRUAX. Mr. Speaker, I reserve the right to object to this bill.

This bill is to pay \$1,100 to the Western Union Telegraph Co., owned by Kuhn, Loeb & Co.

Mr. BLANCHARD. Regular order, Mr. Speaker.

Mr. TRUAX. I will amend the bill, if the gentleman will accept the amendment, to make this an off-set on the income taxes that they have robbed the Government of during the past 8 or 10 years.

Mr. MARTIN of Colorado. Is this the gentleman's own bill?

Mr. TRUAX. No; I have no bills on the Private Calendar.

Mr. MARTIN of Colorado. No; I guess the gentleman has not, because the gentleman from Ohio and the gentleman from California, Mr. ELTSE—

Mr. TRUAX. I have saved the taxpayers of this country \$1,000,000 today.

Mr. MARTIN of Colorado. And you have wasted \$10,000,000 worth of time while you were doing it.

Mr. TRUAX. The gentleman is being paid for being here, the same as I am.

I object, Mr. Speaker.

RESERVE OFFICERS' TRAINING CORPS AND CITIZENS' MILITARY TRAINING CAMPS

The Clerk called the next bill, S. 2688, to validate payments for medical and hospital treatment of members of Reserve Officers' Training Corps and citizens' military training camps.

Mr. HOPE. Mr. Speaker, I reserve the right to object—

Mr. EAGLE. Mr. Speaker, I object.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, it is quite evident that for one reason or another we are not going to be able to transact much business today on the Private Calendar, and may I suggest to the Speaker that possibly we should take up some of the rules that are on the calendar.

The SPEAKER. The Chair agrees with the majority leader that it is useless to continue the call of the calendar.

The Chair recognizes the gentleman from Alabama [Mr. BANKHEAD].

FEDERAL MEMORIAL COMMISSION

Mr. BANKHEAD. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 356 and ask for its immediate consideration.

The Clerk read the resolution, 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 Senate Joint Resolution 93. After general debate, which shall be confined to the joint resolution 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 Library, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the joint resolution and the amendments thereto to final passage without intervening motion except one motion to recommit.

With the following committee amendment:

Page 1, line 6, strike out "1 hour", and insert in lieu thereof "30 minutes."

Mr. BANKHEAD. Mr. Speaker, does the gentleman from Massachusetts [Mr. MARTIN] desire some time on the resolution?

Mr. MARTIN of Massachusetts. Yes; we should like to know what the bill is, as copies of the measure are not available at the desk.

Mr. BANKHEAD. As the gentleman from Massachusetts suggests that copies of the bill are not available, I will yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN] to explain the purposes of the bill. I had assumed, of course, that copies of the bill were available to Members, as is usually the case.

Mr. COCHRAN of Missouri. Mr. Speaker, this is a Senate joint resolution. A companion measure was introduced in the House by me. It authorizes the creation of a Federal memorial commission to consider and formulate plans for the construction near St. Louis of a permanent memorial to the men who made possible the territorial expansion of the United States, which includes Thomas Jefferson, Livingston, Monroe, and those who negotiated the Louisiana Purchase.

The resolution does not carry even an authorization for any money. Remember that. It provides for the appointment of 3 members by the President, 3 by the Vice President, 3 by the Speaker of the House, and 6 by the association which has been organized and has members throughout the area covered by the Louisiana Purchase. This area

purchased by Jefferson in 1803 consists of over 2,000,000 square miles, the value today being estimated at \$165,000,000,000. This cost the Government but \$15,000,000.

The officials of the Jefferson National Expansion Memorial Association are Bernard F. Dickmann, mayor of St. Louis, honorary chairman; Charles Nagel, former Secretary of Commerce and Labor, honorary vice chairman; Rolla Wells, former mayor of St. Louis, honorary vice chairman; Luther Ely Smith, chairman; Morton May, Carl F. G. Meyer, Frank C. Rand, vice chairmen; John G. Lonsdale, treasurer; Tom Gilmartin, secretary.

Members of executive committee and chairmen of special committees: Plan and scope, Judge Jesse McDonald, chairman; press and publicity, W. C. D'Arcy, chairman; finance, Sidney Maestre, chairman; legislation, Gale F. Johnston, chairman, William J. Gibbons, Isaac H. Orr; historical data, McCune Gill, chairman; legal, Charles P. Williams, chairman; transportation, Col. Albert T. Perkins, chairman; speakers, Mrs. George Gellhorn, chairman, Claude B. Ricketts, Max O'Rell Truitt; Mrs. E. M. Grossman, executive secretary.

It is desired to erect this memorial on the banks of the Mississippi River at St. Louis. In advocating this site the association says:

Here came Capt. Amos Stoddard in 1803, representing President Jefferson as well as France, to take possession of Louisiana. The flag of Spain was lowered, the flag of France was raised to signify the reacquisition by Napoleon 2 years before; then the Lilies of France came down, and the Stars and Stripes were raised over America's new domain. To this spot had previously come the explorers Jollet, Pere Marquette, and La Salle.

Later came the Germans under Gottfried Duden and Carl Schurz. Scandinavians came through St. Louis, some bound for the Northwest, and sons of other nations. Such famous men as Zebulon Pike, Benton, Robert E. Lee, Doniphan, Douglas, Lincoln, Sherman, Blair, Mark Twain, James B. Eads, and Eugene Field were here. St. Louis was a starting point for the Santa Fe Trail, the Oregon Trail, the fur-trading enterprises, the Lewis and Clark Expedition, the migration to Texas under Moses and Stephen F. Austin, and the "Forty-niners"—a myriad of unknown pioneers and frontiersmen. This is sacred ground in American history.

However honored by pageants, presentations, and Presidential praises, the United States has thus far had no adequate, permanent national memorial to those men who, as pioneers, gave to our Government, and held for posterity, an area west of the Mississippi double that east of it.

It is well to honor Jefferson, Lewis and Clark, Livingston, and Monroe, and that galaxy of statesmen, patriots, and pioneers who had this great vision of the national expansion that was to be. Every great movement must have its leaders. They should be honored.

And we should honor the unknown pioneers who came from New England and New York, Virginia, Maryland, the Carolinas, and Georgia and formed a westward movement that is one of the marvels of the history of the world.

St. Louis gave you the greatest world's fair the country ever knew. It will give you this memorial.

The people in the area are extremely anxious for the passage of this resolution so that the permanent commission can be organized.

We have precedents for the passage of legislation of this kind. One passed in the last Congress, which provided for a commission to investigate a similar project in North Carolina—the advisability of erecting a suitable memorial in honor of the first white child born in America.

I do not think there is any more I can say in reference to the resolution. It is sponsored by Republicans and Democrats alike.

Mr. CARTER of California. What is the salary to be paid these commissioners?

Mr. COCHRAN of Missouri. None whatever; the only cost to the Government is for printing this resolution.

Mr. CARTER of California. What about the expenses of the commission?

Mr. COCHRAN of Missouri. The Government is obligated in no way for any expenses of the commissioners or anyone else.

Mr. MARTIN of Massachusetts. The gentleman will not say that they will not come to Congress later for an appropriation?

Mr. COCHRAN of Missouri. No one has indicated to me there is any such thought in their minds.

Mr. MARTIN of Massachusetts. But he will not guarantee that they will not come back and ask for an appropriation?

Mr. COCHRAN of Missouri. They would have a hard time getting it. The country has done a great deal in the gentleman's State in the way of erecting historical memorials.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. JENKINS of Ohio. Section 2 says the United States commission may in its discretion accept from any source, public or private, money or property to be used for the purpose of making surveys, and so forth. Is not that an invitation to the world to come forward and also for the United States to step in?

Mr. COCHRAN of Missouri. I think the gentleman from Ohio is drawing on his imagination. I doubt if the commission will be here in my time asking for money.

Mr. MILLIGAN. They can accept contributions from private sources to carry into effect the proposition, and section 3 of this bill provides that it shall be no expense to the Federal Government.

Mr. COCHRAN of Missouri. That is true. The Federal Government is not responsible in any way. The resolution so provides. What more could be asked?

Mr. JENKINS of Ohio. Why could not the city of St. Louis take care of this?

Mr. COCHRAN of Missouri. It probably could, but there is a desire to bring in all States and municipalities in the area covered by the Louisiana Purchase.

Mr. TABER. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. TABER. Is not this the bill that was brought in with the request that the Government contribute \$30,000,000? Was not that the way the bill started out?

Mr. COCHRAN of Missouri. I was requested to introduce such a resolution, and the day I introduced it in the House I gave to the press a statement that, in my opinion, it would never get out of the committee. I explained that Congress would never approve of such a proposition. This is a new resolution, and is so worded that it makes no charge on the Government and no appeal for even an authorization, let alone an appropriation. The resolution passed the Senate without an objection; without even being discussed.

Mr. McFADDEN. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. McFADDEN. Will the gentleman state what was the original cost of the Louisiana Purchase—the original purchase—was it not \$15,000,000?

Mr. COCHRAN of Missouri. Yes; \$15,000,000; and the area is now worth \$165,000,000,000.

Mr. McFADDEN. And this is to cost twice what the original purchase cost?

Mr. COCHRAN of Missouri. The gentleman is like the gentleman from Ohio, drawing on his imagination. The gentleman has not read the bill. There is no provision, I repeat, for the Government to advance one dollar. If the Members will read the resolution they will see that that is true.

Mr. McFADDEN. Mr. Speaker, I have read the bill and I remember participating in the debate when the bill was under consideration before and was defeated. The gentleman knows very well that authority is going to be asked of this Congress at a subsequent date to appropriate \$30,000,000.

Mr. COCHRAN of Missouri. The gentleman from Pennsylvania is an excellent mind-reader if he knows any such thing to be a fact. I am not asking for an appropriation, the resolution simply provides for a Federal commission. I shall not ask for any \$30,000,000 appropriation.

Mr. McFADDEN. I know the gentleman will not, but the gentleman is proposing to leave this body and go to another body. If I thought this would help the gentleman succeed in his ambition, I might be in favor of the bill.

Mr. COCHRAN of Missouri. I do not want the gentleman to consider my political ambitions at this time, but I do appreciate his kind remarks.

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

Mr. COCHRAN of Missouri. Yes.

Mr. LOZIER. Mr. Speaker, this proposal calls for no appropriation or authorization for an appropriation. I am sure that the resolution is offered in good faith and that neither this Congress nor any other Congress will be called upon to make an appropriation for the furtherance of this most worthy project. Is not that true?

Mr. COCHRAN of Missouri. Absolutely.

Mr. LOZIER. Here is a project which not only has its cultural aspects, but it involves a national recognition of the greatest single incident in American history since the adoption of our Federal Constitution. There is no event in the history of our Republic that contributed more to the expansion, stabilization, and the perpetuity of our Republic than the purchase of the Louisiana territory. While the acquisition of Louisiana territory, according to Jefferson, was of doubtful constitutionality and bent the Constitution almost to the breaking point, yet such purchase fixed irrevocably and unchangeably the destiny of the United States and made it a world power, forever removed the danger of being hedged about or absorbed by any European nation, and insured our ultimate and peaceful expansion to the Pacific.

This project is worthy of the enlightened and progressive millions who inhabit this vast trans-Mississippi area, the natural resources and riches of which stagger human comprehension. It is fitting that this epoch-marking, history-making event should be recognized by a memorial in keeping with the importance of the transaction that was destined to transform the United States from a weak and struggling state into a virulent and puissant Nation dedicated to human freedom, the reign of law, and social justice.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. JENKINS of Ohio. If the Federal Government is not supposed to pay anything toward this \$30,000,000, how is the gentleman going to get the money?

Mr. COCHRAN of Missouri. The commission is going to get the money throughout the area covered by the Louisiana Purchase, an area valued now at close to \$200,000,000,000.

Mr. JENKINS of Ohio. Does the gentleman think it is wise, at a time when there is drought and depression and with prospects for the continued depression, to stand for a proposition like this, especially when the gentleman expects to be elected to the United States Senate?

Mr. COCHRAN of Missouri. The public-spirited citizens interested in this project feel that it will benefit the unemployment situation, and that is one thought behind it. Blocks of buildings will be removed and a splendid memorial thereon is their goal. They are going out to try to find a way to raise money to construct a memorial, and if the memorial is constructed, it will require labor to construct it. This means work for the unemployed. It is, I admit, a gigantic task, but if the gentleman only knew the personnel that compose the association he would have hope that they will reach their objective as I have.

Is there any reason why we should not encourage them by providing for a national commission? I cannot conceive of any good reason and I do not think anyone can advance a sound reason.

Mr. ELTSE of California. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. ELTSE of California. To partially answer the gentleman from Missouri [Mr. LOZIER] when he asked why this great gentleman should not be honored, I cannot see why the Democratic Party wants to honor him when they have pulled so far away from the principles of Thomas Jefferson. He was a believer in State rights, and I cannot understand how the party which has abandoned State rights wants to honor him.

Mr. COCHRAN of Missouri. Let me say to the gentleman from California that I believe if Thomas Jefferson had been here on March 4, 1933, and had found his country and his people in the condition that President Roosevelt found them, found them in the condition a Republican administration left them, he would have done exactly as President Roosevelt has done. He would have taken care of them. He would have fed, clothed, and housed them. [Applause.]

Mr. BANKHEAD. Mr. Speaker, will the gentleman from Massachusetts use some of his time?

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Speaker, I am opposed to this resolution. The place for a memorial to Thomas Jefferson is in the National Capital, and not on the western bank of the Mississippi River. It is to the everlasting disgrace of this Nation that up to now we have not in this Capital a suitable memorial to Thomas Jefferson. To my mind no one contributed more to the founding of this Union and to its perpetuity than did Thomas Jefferson. I have had a bill before the Congress for the last 8 or 9 years providing for a memorial to Thomas Jefferson. I have searched the entire city of Washington, and I have failed to find a statue of Thomas Jefferson. Hidden away at the east entrance of this Hall is a small statue of Jefferson in a narrow hall, and unless somebody calls attention to it you will not see it. That is the tribute that a grateful—with an interrogation point after the grateful—country offers to the memory of Thomas Jefferson. The Louisiana Purchase was a great achievement, yes; but why do not the States that were carved out of the Louisiana Purchase get up this memorial themselves on the bank of the Mississippi and pay for it. I am opposed to a national memorial anywhere in the country to the memory of Thomas Jefferson until a suitable memorial is erected here, where it ought to be, in the Nation's Capital. I have suggested that the block immediately east of the Archives Building on Pennsylvania Avenue, known as the "Apex block", be set apart by Congress as a suitable site for the erection of the Nation's tribute to Thomas Jefferson.

This is the place and this is the city where it should be, not out along the western bank of the Mississippi. The Nation's Capital is the place where it should be. If the States in the West want this memorial, why do they not start it and pay for it, and not come here looking to the Federal Government for help?

Let us examine the report of the Committee on the Library. What does it say?

The Committee on the Library, having had under consideration Senate Joint Resolution 931, respectively report the same with the recommendation that it do pass.

That is all the report says. Nothing else.

Now, I think it is a serious mistake to pass this resolution. I should like to see a thousand memorials to Thomas Jefferson, but until there is one here, where it ought to be, the Congress should not authorize a memorial in any other part of this Nation. We have been ungrateful, we have been unmindful of the work that Thomas Jefferson contributed to the cause of our beloved country, and until proper action is taken here, no other memorial should be considered.

Mr. MAY. Will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. MAY. I should like to ask the gentleman from New York if he does not believe, as I do, that Thomas Jefferson directed his own memorial in the writing of the Declaration of Independence, the Virginia Statutes of Religious Liberty, and in the founding of the University of Virginia?

Mr. BOYLAN. Thomas Jefferson directed that those achievements alone, including religious tolerance, be inscribed on his tombstone.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. COCHRAN of Missouri. Did the fact that Grant's Tomb was erected in New York prevent the Government of the United States from erecting the beautiful memorial at

the foot of Capitol Hill? Illinois has a wonderful memorial to Lincoln, but we also have the Lincoln Memorial in Washington.

Mr. BOYLAN. No; but the city of New York paid for the Grant Memorial erected there at his tomb.

Mr. COCHRAN of Missouri. Is there anything in this resolution that indicates the Government is going to pay for this? Why not give our people a chance to see what they can do.

Mr. BOYLAN. If you want the memorial in St. Louis, why do you not get the money and build it there?

Mr. COCHRAN of Missouri. There is nothing in this resolution which provides that it shall come from the Federal Government. It sets up a Federal commission. That commission is to do just what the gentleman wants—raise the money for this memorial.

Mr. BOYLAN. No, not now, but later you will be seeking Federal funds.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 additional minutes to the gentleman from New York.

Mr. BOYLAN. Are there any other questions?

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

Mr. BOYLAN. With great pleasure.

Mr. BANKHEAD. I can understand the great interest that the gentleman from New York takes in perpetuating adequately the memory of Thomas Jefferson. I am familiar with the efforts the gentleman has made for a number of years to have such recognition given by some appropriate memorial in the city of Washington; but what assurance have we that there is any prospect of effectuating the gentleman's desire at any time within the immediate future? Coupled with that, and set over against that uncertainty, here is a concrete proposition upon the part of the citizens of that great area affected by the Louisiana Purchase, by which they propose by their initiative, to set up a memorial in that section of the country, and they are not asking for any Federal appropriation for that purpose. I should like to have the gentleman's answer to those questions.

Mr. BOYLAN. Well, it is true that there is nothing in the world to prevent those distinguished citizens from commencing and pursuing their work; the National Government will not prevent it in any way, and I am sure will not offer any impediment to any action they might take.

Mr. KENNEY. Will the gentleman yield to me?

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

Mr. KENNEY. The gentleman is acquainted with that great bridge from his city over to the State of New Jersey, called the "George Washington Bridge." I should like to have the gentleman, while he is on the subject, see to it that whoever may name the next bridge should give it the name of that great statesman, Thomas Jefferson.

Mr. BOYLAN. I think the gentleman has made an excellent suggestion, and I certainly will do everything I can to bring it about.

Too much honor cannot be given to Jefferson's memory, but I believe the initiative and the start should be in the Nation's Capital. Until something is done here, fitting and adequate, or in a measure promising to be adequate, to the respect of his name and his works, no memorial commission should be established by the Congress. For this reason and on account of the great respect and reverence I have for the memory of Thomas Jefferson, for the respect I have for the work he performed for the perpetuation of this Nation, and in the hope that we may be awakened to a realization of the debt we owe to his memory, I shall oppose this resolution. [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, I am sorry to note the position taken by my friend from New York [Mr. BOYLAN] on this resolution. As a rule it is my good fortune to find myself in accord with him on matters coming up

on the floor. As a matter of fact, we are in heartiest agreement on the principal issue presented by this resolution this afternoon—the honor due Thomas Jefferson and the proper acknowledgment of his genius and achievements, especially in the acquisition of the Louisiana territory.

No one can stand in Statuary Hall and look upon the effigies there of the men who have made American history and who have had so large a part in the founding and preservation of the Republic without a feeling of surprise and regret that Jefferson is not there. Although he was the greatest thinker of the Revolution, second only to Washington and Franklin in the consummation of that vast enterprise, there is no fitting memorial to him within the confines of the Nation he helped to establish.

But I am inclined to think that the gentleman from New York and the gentleman from Kentucky, who have just spoken, on a hasty perusal of this resolution, have misconstrued its real purport. The memorial proposed is not merely a tribute to Jefferson, but is also in commemoration of an epoch-making event in the history of the Nation.

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

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. MAY. Mr. Speaker, I think the gentleman from Missouri must have misunderstood my meaning. I am one of the greatest admirers of Jefferson that there is in the House of Representatives. I merely wanted to stress the fact that Jefferson himself had said, as is engraved upon the monument marking his last resting place, that the three great achievements of his career were the writing of the Declaration of Independence, the writing of the Virginia Statutes of Religious Liberty, and the founding of the great University of Virginia.

I shall vote for this resolution. I believe we ought to pass not only this resolution but a resolution that would cause the erection of a monument to Thomas Jefferson in the capital of every State of the Union.

Mr. CANNON of Missouri. Mr. Speaker, I am glad the gentleman is supporting the resolution. I note he quotes the inscription from the tomb of Jefferson. I recently made a week-end trip to Richmond and there enjoyed the hospitality of our former colleague, Gov. George C. Peery, of Virginia. Among other points of history I visited Monticello and read the inscription to which the gentleman refers. It was written by Jefferson himself. When he came to sum up in one sentence the noblest achievements of his life and career he made no mention of his services as Secretary of State under Washington, or as Ambassador to France, or that he was twice President of the United States. He referred instead to his authorship of the Declaration of Independence, of the Virginia Statutes for Religious Liberty, and the founding of the University of Virginia. But could Jefferson have looked forward to this hour and have appraised the events of his administration at their true worth, he would have added a fourth. He would have written, author of the Declaration of American Independence, of the Virginia Statutes for Religious Liberty, father of the University of Virginia, and purchaser of the Louisiana Territory.

No other event since the adoption of the Constitution has affected so profoundly the history and destiny of the American people as the acquisition of the Louisiana Purchase—characterized by Speaker Clark as the greatest transaction in real estate since the devil took the Savior to the top of a high mountain and offered him the world if he would fall down and worship him. From that moment the modern United States was possible. The acquisition of Texas, California, and the Northwest Territory inevitably followed and as a result no nation today exercises a more effective or beneficent influence on world affairs. But for the Louisiana Purchase the Republic would have remained a petty state surrounded by overshadowing provinces of European powers, without influence abroad or opportunity at home, and ultimately the helpless prey of foreign aggressors. Surely both the man and the deed are entitled to this belated recognition.

I fully realize the force of the suggestion which has been made here, that in times like these, with men and women

and children to be fed and cared for, the attention of the country should not be diverted from the utilitarian. But "life is more than meat and the body is more than raiment." A nation which does not remember its great men and commemorate their virtues and their deeds will not long produce men deserving of remembrance or deeds and virtues worthy of commemoration. We can adequately care for the needy and at the same time honor the immortals who established a form of government which serves all mankind.

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, the further suggestion has been made that the memorial proposed in this resolution be placed in Washington. That would be highly inappropriate. The proper place for such a memorial is the spot on which occurred the stirring event which it commemorates. The historic soil of old St. Louis, where the standard of France was lowered and the Stars and Stripes were raised on that fateful day in 1803, is the natural and logical site for such a memorial.

Mr. Speaker, this resolution is neither provincial nor partisan. Its provisions are not limited to the city of St. Louis or the State of Missouri. It is national in its scope and world-wide in its significance. The objection that it proposes a charge on the Federal Treasury is disproved by the terms of the resolution itself. It does not ask for a dollar of appropriation. It merely asks for the appointment of a commission. It is my understanding that St. Louis is ready to contribute its part of the expenses. I am certain the State of Missouri will be glad to participate. And I have no doubt that each State in the Louisiana Purchase will want to have a part in supporting it. I trust the resolution will receive the support of Members from all States and from both sides of the aisle. [Applause.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I do not minimize the greatness of Thomas Jefferson. I appreciate fully he merits a monument, and many have been erected in his honor, but I do say this is not the time to be spending money for monuments. The resources of the country and the people are being taxed to the utmost to take care of relief demands.

The proponents of the measure say it is not their purpose to ask the Government of the United States for any money. It is true, they do not ask for it right now, but just as sure as I am standing here, before their monument contract is awarded they will be back asking Congress for an appropriation. Why am I confident in this prediction? Because it was only a few months ago it was proposed to have the Government contribute \$30,000,000 for the monument, and when the opposition was too formidable, the advocates revised their plans and sought merely a commission to receive donations from States and individuals.

This resolution calls for 3 persons to be appointed by the President of the United States, 3 Senators by the President of the Senate, 3 Members of the House of Representatives and 6 members from the district where the monument is to be placed. It is very evident from the complexion of the committee the purpose is eventually to secure money from the Treasury of the United States.

Mr. CANNON of Missouri. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Missouri.

Mr. CANNON of Missouri. Possibly the gentleman is not aware that provision has already been made for the expenses of the committee. It is my understanding that a number of public-spirited men of St. Louis have already guaranteed the expense and support of the commission proposed in the resolution, and that no appropriation will be asked for that purpose.

Mr. MARTIN of Massachusetts. May I ask the gentleman whether he does not expect the commission will come back here eventually and ask for a contribution from the United States Government?

Mr. CANNON of Missouri. I have never received any information from anyone connected with it indicating that they expect a contribution from the United States Government. I am not authorized to speak for anybody in that connection. But I have never received any such intimation and the resolution speaks for itself.

Mr. MARTIN of Massachusetts. Originally was there not a contribution asked from the Federal Government?

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield myself 3 additional minutes.

Mr. CANNON of Missouri. I understand when it was first mentioned some enthusiastic friends suggested that the United States Government might contribute \$30,000,000. Of course, anyone knows that is out of the question. The Government has in the past contributed generously to such projects. The Rushmore memorial in the Black Mountains to Washington, Lincoln, and Theodore Roosevelt, for example, was a Federal project in which the United States matched dollars with the State, and such instances may have encouraged some to think the Federal Government should make a like contribution to the Jefferson memorial, but so far as I am aware the responsible proponents of the resolution have not asked a penny from the United States Government, either in their hearings before the committee or their interviews with the State delegation.

Mr. MARTIN of Massachusetts. I wish I could believe that, but I have been here so long, and I have seen these projects all start in this manner. When they first come to the House no one wants any money. It is merely official recognition desired. But they all come back, and eventually they get the money because persistency in the end prevails.

Mr. BLANTON. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Texas.

Mr. BLANTON. The gentleman from Massachusetts has served here long enough with our able and highly distinguished colleague from Missouri [Mr. CANNON] to know that he has been one who has fought harder and has done more to save the money of the United States for the people of the United States than any other man I know of in Congress. Every one of us here highly appreciates the valuable service of the gentleman from Missouri [Mr. CANNON]. He has saved enough public money that the gentleman ought not to impute an attempt upon his part to improperly expend public funds.

Mr. MARTIN of Massachusetts. May I say that I do not impugn the motives of either one of the gentlemen from Missouri who spoke here. I think they are sincere. They are both able and fine men, and I do not think they will individually ask for an appropriation. I do not fear either, but someone else will ask for an appropriation. I believe in the interest of economy we ought to stop this project right here, and I hope the House will reject the rule.

Mr. UMSTEAD. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from North Carolina.

Mr. UMSTEAD. If the Congress should be later asked for an appropriation to establish a memorial in that territory to Thomas Jefferson, would the gentleman vote against the bill?

Mr. MARTIN of Massachusetts. I would vote against such a proposal. I have voted against most all of these monuments in recent years because the needs of the Government are so great in other directions that we cannot afford to spend money except for essentials.

Mr. UMSTEAD. Even for a monument to the memory of Thomas Jefferson?

Mr. MARTIN of Massachusetts. Even for a monument for Thomas Jefferson.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM. Mr. Speaker, it was not my purpose to comment upon the resolution, but I find it possible in this case to agree both with the gentleman from Missouri [Mr. COCHRAN], and with the gentleman from New York [Mr. BOYLAN].

Coming from the ancient and classic State that boasts the nativity and resting place of Thomas Jefferson, it seems to me that it is highly appropriate that this great achievement that the resolution seeks to memorialize should be carried on. Nor do I find myself very much horrified by the very probable prospect that eventually Congress will be asked to make a contribution to that worthy project. The resolution does not ask for it now, but as the work progresses very likely we shall be asked in the future. And why not?

We have built memorials to everyone else. We have spent the money of the American taxpayer lavishly in memorializing this national hero and the other, and if, in the judgment of some future Congress, it should seem appropriate to have the Federal Government make a contribution to this great memorial, I think it would be entirely proper to do so. May I say I think the Federal Government should immediately take steps to establish some appropriate shrine in the Nation's Capital to Thomas Jefferson. That ought to be a Federal project, built out of Federal funds, and in keeping with his life and service, not only to America, but to democratic governments the world over.

We have memorialized in Washington Lincoln and other great characters in American history, and we ought to have here in the heart of the Nation's Capital some appropriate shrine to Thomas Jefferson. Even in the days of economic stress when we are, as I say, spending money so lavishly on many projects that some of us may think questionable, I would not stand back in an effort to start a memorial now in the Nation's Capital to this great hero of liberty and justice in government. [Applause.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. ELTSE].

Mr. ELTSE of California. Mr. Speaker, I agree with the gentleman from New York [Mr. BOYLAN] and also the gentleman from Virginia [Mr. WOODRUM] that the seat of the Nation's Government is the proper place to establish this memorial.

Those of us who are familiar with American history know of the great battle that went on between Hamilton and Jefferson, Hamilton believing in centralized government and Jefferson, on the other hand, believing in a decentralized government. I submit that this monument ought to be established here in the city of Washington and that there should be inscribed on it for all those who may come the words that "Government is an evil, a necessary evil, and the less of it the better", or words practically to this effect.

In these days when there is a tendency toward centralization of government and taking away the sovereignty of States for which the States fought and for which Jefferson stood, it is high time we have such a memorial at the seat of government and the Capital of the Nation, where all who come may see and be inspired to follow his dictates and the principles taught by the famous and the immortal Thomas Jefferson.

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

Mr. ELTSE of California. No.

I yield back the balance of my time.

Mr. BANKHEAD. Mr. Speaker, I yield 2 minutes to the gentleman from California in order that he may submit an inquiry or otherwise use the time.

Mr. COLDEN. Mr. Speaker, I simply want to remind my colleague from California that through the purchase of Louisiana it is possible for him to sit in this great assembly today and express his views, because, without the geographical contiguity between California and the Atlantic States, California probably would never have become a part of this Union. This was made possible by the purchase of the Louisiana Territory by Thomas Jefferson, and I think all

of the Members from California and the Southwest are under deep obligation to him, and we owe him a tribute the same as the people of the State of Virginia and the Louisiana Purchase area.

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

Mr. COLDEN. Yes.

Mr. BLACK. Does the gentleman think Thomas Jefferson conferred any benefit on the country by allowing the gentleman from California to come here? [Laughter.]

Mr. ELTSE of California. May I ask the same question with respect to the gentleman from New York?

Mr. COLDEN. I want to say to the gentleman from New York that the gentleman from California [Mr. ELTSE] is my colleague, and I believe it is my duty to protect him to that extent.

Mr. LOZIER. Mr. Speaker, will the gentleman yield for one question and an observation?

Mr. COLDEN. I yield.

Mr. LOZIER. Is it not true that Missouri, the brightest of the many stars of first magnitude in the constellation carved out of the Louisiana Territory, furnished Moses Austin, who planned, and Stephen Austin, who began the Anglo-American movement into Texas? The grant of Texas lands was made by the Mexican Government to Moses Austin in 1820 or 1821, and in 1822 Stephen Austin founded his colony on the Brazos.

The Louisiana Territory produced rugged men like the Austins, who planted civilization in the Texas wilds, which subsequently resulted in the independence of Texas, the establishment of the Republic of Texas, and its subsequent entrance by treaty into our Federal Union. Then followed the Mexican War and the Treaty of Guadalupe-Hidalgo, which increased our coast line 1,500 miles and added to our public domain 1,000,000 square miles of territory of great strategic importance and with enormous mineral deposits and other natural resources so diversified and stupendous that no statistician has ever attempted to approximate their intrinsic value.

Is it not meet and proper that we should rear in the historic city of St. Louis, the key and gateway to the Louisiana Purchase area, a stately monument of marble and bronze in honor of Thomas Jefferson, and to commemorate the acquisition of this far-flung domain that has so enormously enriched our Nation and so mightily influenced our national destiny?

Mr. COLDEN. Yes; and I may say further that the contribution from the States of the Middle West that furnished the Republican majority is responsible for my colleague being here. [Laughter.]

[Here the gavel fell.]

Mr. BANKHEAD. Does the gentleman from Massachusetts desire to use any more of his time?

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. McFADDEN].

Mr. McFADDEN. Mr. Speaker, I am very much in favor of suitable memorials to men like Thomas Jefferson, because it was from the gray matter of men like Jefferson and Hamilton and Washington and others that we were given the Constitution of the United States.

I would not be averse in this instance to an appropriation by the Congress of a reasonable amount for this particular memorial. My interest, however, was aroused in the first instance by the presentation of a bill providing for a \$30,000,000 appropriation. This was unreasonable, because this monument is to be erected in the West, and it should have been the pride and the ambition of the locality to have had an opportunity to subscribe to a monument of this importance.

I recall that in Pennsylvania, where the Constitution was adopted, for a good many years nothing was done to mark the memory of Robert Morris, who was among those who, along with Jefferson, had much to do with the formation of this Government of ours, and it is to the credit of the people of Pennsylvania that a few years ago they took it upon themselves to place in the city of Philadelphia a

suitable memorial to Robert Morris. I happened to be the chairman of the committee that undertook this work and we did not ask for any appropriation from the Congress. The memorial, perhaps, could have been more elaborate, but there is always the matter of sentiment attached to these memorials, and I am heartily in favor of marking the memory of the men who in the early days gave us this great chart under which we have been operating until just recently. [Laughter and applause.]

To my mind it is rather a travesty for this Congress to appropriate money to commemorate the memory of Thomas Jefferson when, as a matter of fact, practically everything they have done has been to undo all that Jefferson stood for and everything he tried to impress, not only upon the men of his time, but upon future generations as to the necessity of maintaining constitutional government in the United States.

There are many other men in the United States whose memory we should revere and mark by suitable memorials. Some come from my own congressional district, and I may refer to David Wilmot, one of my predecessors and another former Member, Galusha A. Grow, who was Speaker of this House during the Civil War.

I have tried recently to get legislation that would do something to construct a memorial for Wilmot, but of no avail.

There are other men for whom I should like to see a memorial constructed in suitable places throughout the United States—memorials for every man who signed that great Constitution of ours. I believe the generations to come, when constitutional government has passed out, as it is now passing out, will revere the memory of these great men who stood up as they saw fit to do for the future maintenance of this great country of ours. [Applause.]

Mr. BANKHEAD. Mr. Speaker, I trust that there will be no misapprehension about the real purpose of the resolution from the Rules Committee making the joint resolution in order, and the Senate joint resolution, which has passed the Senate of the United States.

As has been clearly stated in the debate, it is simply a proposition to set up a commission of the number named in the resolution for the purpose of considering and formulating a plan whereby this tremendously important event in the development and construction of the Government of the United States is to be properly memorialized, and that it may have behind it the dignity and endorsement of representatives of the Federal Government appointed by the President of the United States.

I cannot conceive of any place in the country—despite the argument made by my genial friend from New York for the erection of a monument here to the memory of Jefferson—I cannot conceive of any more appropriate place for the construction of such a memorial than in the territory to which it applies.

As pointed out by the gentleman from Kentucky, it would not be necessary that Jefferson should be memorialized. He is enshrined in the hearts of the American people and will ever live in the affections and gratitude of the people of this country. [Applause.]

Just as the reply was made in London in that great cathedral constructed by Sir Christopher Wren, when a visitor asked, "Where is the monument to Wren?" the reply was, "Look around you."

Just as a visitor to St. Peter's in Rome might ask for some memorial to Michaelangelo, the answer would be to look above him and view the great frescoes that he had painted on the dome of that historic edifice. There would be the memorial to him. So that it is not necessary for the purpose of history to actually construct a memorial to Thomas Jefferson anywhere; but, for the benefit of future generations of that great western empire that his genius made possible, for the encouragement of the recollection of great historic events in the minds and hearts of the youth of this country, it seems to me that it is as little as we can do to give the endorsement of the Congress of the United States to a project undertaken by the citizens themselves of that great territory, to merely authorize the appointment

of a commission to work out appropriate plans and provisions for a memorial.

Mr. BOYLAN rose.

Mr. BANKHEAD. Mr. Speaker, I see the gentleman from New York [Mr. BOYLAN] rising in his place. I join with him in the expression of the hope not only that this great memorial, somewhere along the Mississippi River, will be brought to a successful fruition, but I trust that the time will not be long delayed when here in the Capital of this Nation some great effigy of appreciation shall be constructed in memory of the author of the Declaration of Independence. [Applause.] But where there is a proposition, possibly, to construct two great memorials to this great man, when we have this immediate opportunity to begin a work of this magnitude, I do not think it is logical to discourage it upon the ground that sometime possibly in the future we will get permission to construct a memorial here in the city of Washington.

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

Mr. BANKHEAD. Yes.

Mr. BOYLAN. Mr. Speaker, I appreciate everything the gentleman has said. He has delivered a most eloquent address, one of the kind that he is able to deliver; but I know the gentleman will agree with me that the first memorial and the first step taken in anything we may do for the memory of Thomas Jefferson—although, as the gentleman has stated, he needs no memorial, for his works and achievements are embedded in the hearts and the minds of the American people—should, in the first instance, be to prepare a national memorial in the Nation's Capital, where visitors from the world over may see it and have called to their attention his life and works.

Mr. BANKHEAD. Mr. Speaker, I have already indicated to the gentleman why I cannot agree with the logic of his position.

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

Mr. BANKHEAD. Yes.

Mr. MAY. In view of the fact that the Congress of the United States has heretofore expended several hundred thousand dollars in a bicentennial to memorialize the life of Washington, and considering the relation that Jefferson sustained to Washington and to this Republic in its formation and foundation, what other tribunal in America is there that could more appropriately pass a resolution on this subject than the Congress of the United States?

Mr. BANKHEAD. Mr. Speaker, I agree with the gentleman's conclusions in reference to that. I have spoken in support of the passage of the rule. Gentlemen will understand that 30 minutes is given for consideration of the resolution upon its merits, and I certainly hope gentlemen will not only adopt the rule but, when the vote comes, that they will adopt the resolution.

Mr. Speaker, I move the previous question on the resolution and the amendment thereto.

The SPEAKER pro tempore (Mr. SHALLENBERGER). The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The amendment was agreed to.

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

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts) there were—ayes 115, noes 15.

So the resolution was agreed to.

Mr. BANKHEAD. Mr. Speaker, in view of the fact that it is late in the afternoon and that it is the desire to finish this matter before we adjourn, I wonder if we could not reach an agreement to submit the resolution upon its merits without debate and without going into the Committee of the Whole House on the state of the Union.

Mr. MARTIN of Massachusetts. That would be agreeable to me.

Mr. TABER. Would it then be the purpose to adjourn?

Mr. BANKHEAD. The majority leader informs me that he expects then to adjourn. Mr. Speaker, I ask unanimous consent that the resolution may be put upon its immediate passage without intervening motion.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

Senate Joint Resolution 93

Resolved, etc., That there is hereby established a commission, to be known as the "United States Territorial Expansion Memorial Commission" (hereinafter designated as the "United States Commission") for the purpose of considering and formulating plans for designing and constructing a permanent memorial on the Mississippi River, at St. Louis, Mo., said Commission to be composed of 15 commissioners as follows: Three persons to be appointed by the President of the United States, 3 Senators by the President of the Senate, 3 Members of the House of Representatives by the Speaker of the House of Representatives, and 6 members of the Jefferson National Expansion Memorial Association to be selected by such association.

Sec. 2. The United States Commission may in its discretion accept from any source, public or private, money or property to be used for the purpose of making surveys and investigations, formulating, preparing, and considering plans and estimates for the improvement, construction, or other expenses incurred, or to be incurred.

Sec. 3. The United States shall not be held liable for any obligation or indebtedness incurred by the United States Commission, the State of Missouri, the Jefferson National Expansion Memorial Association, the city of St. Louis, Mo., or any other agency or officer, employee, or agent of them, or any of them, for any purpose.

The SPEAKER pro tempore. The question is on the third reading of the joint resolution.

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

THOMAS JEFFERSON

Mr. MAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAY. Mr. Speaker, I find myself in thorough accord with both the spirit and purpose of this resolution, and I am greatly delighted to have this opportunity of again expressing my views upon the life and services of Thomas Jefferson to not only the United States, but to all humanity in all the world for all time. To me there never was nor indeed could there be a place, a time, or a tribunal more appropriate in which to consider a resolution proposing a memorial to the immortal Jefferson than here at this time in this Hall.

We have in the recent past very appropriately and wisely paid a just and much-deserved tribute to George Washington by the creation of a bicentennial commission to provide a celebration of the two hundredth anniversary of the birth of Washington which reached its happy climax here in this historic Hall on February 22, 1932. Since the resolution calls for no appropriation of funds from the Federal Treasury and merely seeks to provide a commission to plan a fitting memorial to Jefferson's great accomplishment in the acquisition of the Louisiana Territory, I find neither reason nor justification for the opposition now coming from the other side of this House. All around this great Capital City we find erected statues honoring many great soldiers and statesmen, and most of them inspired by military achievements in some great battle involving the destruction of human life and property. Here we have a resolution to memorialize the deeds of one not noted as a warrior but one whose life typified the saying: "Peace hath her victories no less renowned than war." Yes, Mr. Speaker, a resolution proposing to create a memorial in marble and granite to stand out to the gaze of generations unborn and for centuries to come, as a beacon of hope and inspiration to noble deeds; a memorial that shall stand beside the pathway of civilization and liberty along which traveled the crusaders of liberty and democracy, carrying the self-evident truth "that all men are created equal" and have cer-

tain inherent and inalienable rights, among which is the right to life, liberty, and the pursuit of happiness; yes, Mr. Speaker, crusaders that carried into the jungles of a vast and impenetrable wilderness the hope of future generations of Americans, that Jefferson's philosophy of life, "Equal and exact justice to all men and exclusive privileges to none", might be the rich inheritance of all generations in this and every other land under the sun.

This greatest achievement of his administration, the acquisition by peaceable means of the Louisiana Territory, was the opening gate to a mighty empire, every foot of which is made sacred by the heroism and sacrifice of the men and women of the days of the covered wagon, and why not express in imperishable marble and granite the appreciation of a grateful people for such a statesman, philosopher, and patriot as Thomas Jefferson? My State bequeathed to the Nation Abraham Lincoln, the child of destiny, that followed the trail of the covered wagon and carried into that great land of promise the political philosophy of Thomas Jefferson "that this must be a government of the people, by the people, and for the people", and may I pause to remark that Jefferson's philosophy of government has for three-quarters of a century had its opponents in that same school of thought from which its adherents on the other side of the aisle now emerge as the opponents of this resolution.

In the eternal destiny of things, thank God, the fundamentals of government and the political philosophies of Jefferson have survived the attacks of the last few decades and emerge today more potent, powerful, and glorious than ever. It has come forth in glorious triumph to again reveal "a government of the people, by the people, and for the people" under the wise and superb leadership of another great Jeffersonian Democrat. [Prolonged applause.]

In the mind and heart of that matchless humanitarian and statesman was developed by his training and environment that immortal trinity, life, liberty, and the pursuit of happiness, which he wrote into the Declaration of Independence. A memorial to Jefferson though amply justified as a tribute to him as a man is also a recognition of these great fundamentals of democratic government. They were later embodied and written into the Constitution of the United States. In every sentence in that great document running like threads of gold and cords of strength is found the spirit of these three great divinely inspired principles. Jefferson the architect, the engineer, the master of political economy; the student, scholar, and statesman long before his elevation to the Presidency, has laid strong and secure foundations upon which he and his contemporaries had planted the Constitution under which we now live. Under that Constitution that guarantees to us and our posterity the blessings of liberty, that document that was designed to promote the general welfare and secure these blessings, no law should ever be enacted that is not a breathing and vital expression of the will of the people. I trust, Mr. Speaker, that as the result of it, pilgrims of all future generations as they pass from the great populous East to the broad plains of the West, may look upon a bright and shining memorial to Thomas Jefferson, that shall give hope and inspiration to the young and the old, to the Jew and gentile alike through the centuries. I shall vote for the resolution. [Applause.]

EMERGENCY CONSTRUCTION OF PUBLIC HIGHWAYS—CONFERENCE REPORT

Mr. CARTWRIGHT submitted a conference report (Rept. No. 1923) on the bill (H.R. 8781) to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and for other purposes, for printing in the RECORD.

FREEDOM AND PLANNING

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein the Sieff political economic plan and an analysis of that plan.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McFADDEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following secret document entitled "Freedom and Planning" issued from the inner council of the members of the Political Economic Plan, otherwise termed "P.E.P." The chairman of the organization and author of the document is Israel Moses Sieff, London, England. This is followed by an analysis of the plan.

FREEDOM AND PLANNING
COLLAPSING CIVILIZATION

This generation is faced with the threat of a world collapse of modern civilization and the advent of a period comparable with the dark ages which followed on the collapse of the Roman Empire in the fifth century A.D.

We are apt to regard such statements as pleasantly scarifying, pardonable exaggerations in the mouths of those who are trying to spur us to action against the very real ills of the times, but not meant quite seriously.

The threat is serious. Chaos will overtake us if we cannot show intelligence enough to extricate ourselves.

For more than a year now nothing has enabled civilization to keep some sort of course and to ride out the storm except the immense momentum of ordinary economic processes and the inertia of habit and custom. It is the resisting powers of these forces and human intelligence which has thus far staved off the collapse.

They cannot bring us back prosperity, but they may suffice to carry the world through the immediate crises. If so, we shall for a time be able to live on our capital, the material capital stored up from past generations, the intellectual and moral capital of men and women trained for civilization and citizenship. But what chance will the next generation have, if half of them find no employment for their youthful energies, and all of them are living under the oppression of hopelessness and decay?

What forms collapse will assume no one can foresee. It may not come suddenly. More probably there will be a gradual decline with fleeting periods of revival.

SHRINKING CREDIT AND SHRINKING TRADE

Modern life depends on world-wide interchanges of goods and services. These in turn depend on confidence and credit. Confidence and credit are being progressively impaired. Without them it is impossible to maintain for long not merely existing standards of life but even life itself for a large proportion of the world's population.

Imagine the plight of Great Britain if the complex economic and financial machinery which supplies the vast bulk of our population with its food were to cease to function. Such a catastrophe is not, it is true, as yet in sight, but this machinery depends wholly on confidence and credit, and with dwindling world trade and social and political trouble growing in other countries the moment is not far off when we shall be unable in these islands to support either present standards or our present aggregate population.

Applied science puts at man's disposal foodstuffs, raw materials, services of all kinds, in ever-growing abundance, enough not alone to maintain existing standards of life but to raise these standards for all far above the highest now enjoyed by any of us.

Only our intelligence and powers of organization and our moral and spiritual capacity to work in mutual cooperation with each other are proving insufficient to meet the growing complexity of the machinery for regulating production, distribution, and consumption.

First one, then another vital part of the machine is being thrown out of gear. Increasing friction is being generated in the effort to distribute to the consumer that which man is producing. The quantity of things produced and things consumed declines. The volume of world trade, both of internal trade within each country and still more of international exchanges of goods and services, is progressively lessened.

WORLD-WIDE ECONOMIC DISTRESS

Cracks are appearing everywhere. In China and in India economic distress is both aggravated and concealed by the social and political unrest of which it is the main root.

In South America revolution has become endemic and all but one or two of the most solid countries are financially in default.

In central and southeastern Europe financial default is imminent, but that is by itself of little moment in comparison with the consequent social and political upheaval which will follow. It is open to question whether the populations of Germany and central Europe can be fed and kept alive next winter and how long any organized government can control the situation in these countries.

In the United States of America loss of confidence is absolute. The strain of material suffering in a population, none too homogeneous, accustomed for generations to rapidly increasing prosperity, may lead to a breakdown of existing institutions and forms of government. The outcome is unpredictable but the consequences throughout the globe may be catastrophic.

World disorganization, famine, pestilence, and the submergence of our civilization are visible on the horizon.

WHY?

Not because nature has been niggardly. Not because individual human achievement or capacity have grown less. They have won ever greater and greater triumphs over nature and throughout the material field in the last two generations.

These triumphs have been won by an ever-wider and even bolder application of the principle of division of labor, till man's powers of large-scale organization have been overstrained. He can control and adapt the forces of nature, but the task which he has now set himself requires more than that. He has still to learn so to control and adapt his own human nature and so to work together with the human nature of his fellows as to fit them and himself into their proper places in the organization without losing for himself and for them all that makes life worth living.

"Mankind is not clever enough to control the machine which he has created."

There is no lack of human good will and desire to serve our generation. Yet all of us are acutely conscious of the exasperating frustration of our best efforts. We see the evil plight to which we and the world are being reduced, and we confess that for the moment human intelligence seems bankrupt.

A RESPITE?

This essay cannot concern itself with remedies for the immediate crisis or with the means we may hope to restore for a time some semblance of order in the world's economy. It is necessary to assume that, whether with or without the help of intelligent human leadership, the economic structure will find within itself enough powers of resistance to secure for us a temporary respite.

The respite will be a short one. We must use it to make a new start or our doom is sealed.

BRITAIN'S FLIGHT

Great Britain and some parts of the British Empire have in some degree improved their own position since last autumn. Absolutely the improvement in Great Britain has been small, though relatively to other countries it is striking.

This achievement is of real value to the world, even though some part of it has been made at the expense of added difficulties for others.

It has been attained thanks to a remarkable demonstration of the self-discipline and well-disposed spirit of public service and the sober imperturbability and reasonableness of the British citizen in face of a crisis.

It is in this evidence of British character that the best hope for the future rests.

BRITAIN'S NEED OF A PROSPEROUS WORLD

Britain cannot however prosper in a distressed world. Entirely dependent on external trade for her food and raw materials, Britain cannot escape world catastrophe by isolating herself.

Moreover, that world-wide loss of control of the machinery of civilization is all too visible in Britain and in British institutions.

If Britain is to save herself and give the world that leadership which is urgently demanded, the first need is for complete reconstruction of our national life on lines fitted for the new needs of the twentieth century.

Here a fundamental difficulty must be faced. Economic nationalism is no solution. On the contrary, it is among the main causes of the world's troubles. Recovery depends on building up afresh and extending even more widely than before world-wide exchanges of goods and services which everywhere cross national and political boundaries.

The United Kingdom is far too small in area to form today an economic unit commensurate with the vast scale of modern commercial and industrial operations.

The aim must always be the widest possible international cooperation.

To assume, however, that for this reason the first steps must be international would under present conditions result in mere futility. Action, if it is to be both practicable and advantageous, must be taken within the sphere now open to us. Economic reconstruction within that sphere will moreover, at least in the earlier stages, tend to draw other countries within the orbit of returning prosperity.

Our attention must first be directed to the United Kingdom and to those regions whether within the British Empire or in countries of complementary trade where political and economic associations offer promising opportunities of effective cooperation.

Every care must, however, be taken to secure that in focusing our gaze on our own sphere of action we do nothing to exclude the wider division, and that we work gradually for the extension of complementary planned relations over the widest possible area.

THE NEED FOR PLANNING

"Almost all British constitutional safeguards are safeguards against being governed."

"Communism is a tremendous extension of government and consequently a great encroachment on liberty."

"Mussolini understood that what was keeping the people slaves was their determination to be what they called free."

"No real business that had to do positive work could achieve anything on the British Parliamentary system."

None of these aphorisms of Mr. Bernard Shaw can be rejected as untrue, even though they offer no proof that communism or fascism are either necessary or desirable.

Their truth can be illustrated in every branch of our present-day life.

We have allowed the numbers of our feeble-minded to double themselves in the last 20 years.

We have watched the purchasing power of our currency fluctuate wildly and play havoc with our economic life, and have been powerless to help ourselves.

The Road Act of 1910 gave powers both to build motor roads and to prevent ribband-building, but we still permit it and spoil our countryside and our motor roads.

Notoriously unsuitable candidates "got themselves elected" (this is our habitual way of speaking of what happens) to Parliament and local councils.

Prime ministers got nervously worn out in the mere effort to grapple with the everyday business which faces them.

In the imperial sphere there is practical unanimity as to the need for organizing the Empire as an economic family and yet we have the spectacle of the imperial conference of 1930.

In the sphere of foreign affairs the nations sign the Kellogg Peace Pact and arm themselves to the teeth.

Or again we keep alive the pretense that reparations and inter-governmental debts will continue to be paid, and because we dare not settle these obligations on terms which seem to involve inequitable distribution of the sacrifices involved, we wait with folded hands for the enforced default which will involve even greater iniquity and will strike a further blow at the foundations of the world's economic life. A year ago a broadminded settlement would have restored economic activity and staved off the financial crisis. Today, though an essential step on the road to recovery, cancellation of these obligations will by itself be of little avail. Its chief value now would be the evidence it would give of our capacity to reach international agreement.

THE FAILURE OF OUR POLITICAL AND ECONOMIC MACHINERY

Our political and economic machinery is breaking down. The great fund of individual and corporate good will, greater probably than at any previous period of our history, goes to waste and all our wills are frustrated for want of a large-scale plan of national reorganization.

Neither in politics nor in economics have we grasped that the first and urgent necessity is planning ahead. Particular projects often of great potential value are put forward in Parliament or elsewhere without any effort being made to relate them to each other or to a national plan, and they either break down or function imperfectly through needless friction engendered by absence of ordered planning.

Frequently where public opinion has become exasperated at its failure to get something done to remedy a defect which everyone recognizes as intolerable, our distracted legislators with desperate unanimity unite to pass into law a compromise which is wanted by no one and merely aggravates the evil.

It is a common occurrence for a government to be pursuing two or more mutually inconsistent politics at one and the same time.

CAN WE SAVE OUR FREEDOM?

Mr. Bernard Shaw's mordant words pose directly the poignant question, Is national reconstruction possible without sacrifice of the essentials of personal and political freedom?

For all their difference, bolshevism and fascism have two outstanding features in common. Both stress the primary need for conscious forward planning on a national scale. Both repudiate the claims of personal and individual freedom.

In this country we hold fast to the concept of freedom as one of absolute validity.

We know in our hearts that we are in imminent danger of losing both our freedom and our material well-being if we go on drifting.

But, if indeed, national reorganization has to be bought at the price of losing our freedom, many of us feel that it would be better for humanity to descend once again into the abyss of barbarism and struggle back painfully at some later epoch to a civilization capable of satisfying both its material desires and its spiritual aspirations.

Is the dilemma absolute? Can conscious forward planning of our economic life be reconciled with the essential and overriding claim of freedom?

Is it true that what we need is more government and a great encroachment on liberty?

Observe that it is in the sphere of our economic life, in the sphere of material things only, that conscious forward planning is demanded.

May it not be that an unprejudiced reexamination of what we call freedom may reveal unexpected possibilities?

Our ideal is a nation of free men and women self-disciplined by an active social conscience.

FREEDOM AND THE MOTORIST

The growth of a code of law and of custom for motorists shows what can be done by free cooperation. The law and the custom are dynamic; not static. They are continually developing. At the moment indeed the toll of life and limb on the public roads is evidence of the urgent need for further improvements both in law and in custom. As a rule the law steps in only to interpret the collective will already expressed in a code of behavior, and to put compulsion not on the motorist in general, but only on the "road-hog."

Self-discipline and collective action enable the motorist to enjoy a large measure of freedom. Without the help of the code and without the intervention of authority to help him to enforce

it, the will of the motorist in general would be everywhere frustrated and he would enjoy far less freedom than is now secured for him.

Is this "more government and a great encroachment on liberty?"

Can we not do for ourselves as a nation what we as motorists have done for ourselves as motorists?

"The law came in because of sin", but insofar as we are self-disciplined and our social consciences are active, we have won true freedom for ourselves in the particular field of motoring.

We do not rely solely on the enlightened self-interest and unregulated competitiveness of motorists to serve providentially the greatest good of the greatest number, and sternly forbid legislative intervention.

Yet, so long as we worship at the altar of laissez faire as the guiding principle of our economic life, we are trying to conduct our industry and commerce in exactly that spirit which we have wisely rejected in the field of motoring.

Laissez faire represented a reaction against the doctrine of mercantilism and in its day has served this country and the world admirably, but our free institutions were won long before the principle of laissez faire was enunciated.

There is not a prior reason for regarding freedom of thought, freedom of speech, freedom of conscience, free institutions as incompatible with conscious forward planning of our economic life.

A SUBSTITUTE FOR LAISSEZ FAIRE

The problem, then, is to find a new economic philosophy to replace the doctrine of laissez faire. The great virtue of laissez faire was that it seemed to provide a miraculous self-adjusting system of regulating the flow of production in accordance with demand in a freely competitive individualistic world. Even today there are unrepentant individualists whose cry is for a return to unrestricted laissez faire. Sweep away, they urge, all governmental and bureaucratic interference, abolish unemployment insurance and health insurance and all these new-fangled social services. Reduce taxation correspondingly, and industry will look after itself.

It is not always realized how fortuitous and temporary were many of the conditions on which the successes of laissez faire depended in the nineteenth century.

In many cases the economic life of the world has become too complex, the scale too large, the marvelous stream of new scientific invention too bewildering, the annihilation of distance, and the speed of transport and communication have drawn the Nation too closely together to allow of any return to nineteenth century methods. The mere size of the modern industrial unit is alone enough to destroy the effectiveness of the old methods.

And the social conscience of mankind has rightly revolted against the brutality of the economic adjustments on which in the last analysis depended the self-regulating machinery of the system of laissez faire.

Moreover, however firm their faith in the doctrine, statesmen and governments always tempered its rigors with pragmatic justice by intervening at this point and at that to enforce factory acts, acts restricting hours of labor and the like. And the rigidity of trade-union regulations today is part of our evil inheritance from the intolerance of laissez faire doctrinaires.

With the advent of the twentieth century and particularly after the war, Government intervention began rapidly to operate in increasingly wider spheres. And by this date the nature, form, and extent of Government intervention tended to be more and more uneconomic and antieconomic in their results precisely because they were conceived and applied by local authorities, Government departments, and parliaments and cabinets which still did lip service without conscious hypocrisy to the principles of laissez faire.

It was in principle permissible for the State to levy taxation on industry according to the needs of the public purse. It was in principle permissible for the State to make laws and regulations restricting the freedom of business activities in the interests of health, sanitation, safety of life and limb, conditions of labor. It was not permissible in principle for the State to recognize responsibility for the efficiency or remunerativeness of business. That was intolerable State interference in a region which it had no right to enter.

The rigidity of the doctrine has indeed been relaxed in many directions and with the advent of a protective tariff we have entered on an entirely new era in the relations between State and business. Yet it remains true that taxation and regulation of industry have been excessively and needlessly hampering in their effects just because our political and economic philosophy forbade the state "interfere with the free play of natural economic forces."

It must be left for separate essays to deal in greater detail with suggestions for building up a plan of national reconstruction in the special fields of agricultural and industrial production, finance, marketing, transport, housing, town-and-country planning, and the like.

The purpose of this essay is rather to examine how far it is true that conscious forward planning involves encroachment on freedom.

THE FREEDOM OF THE CONSUMER

The basic principle of human economic activities, except in Soviet Russia, is, and has been ever since the first steps in the direction of the division of labor were taken, that the would-be consumer determines for himself which of his competing wants

he will satisfy within the range of choice which his available purchasing power (even when he was living under a system of barter before money was invented) and the available supply of goods and services offered.

It is the consumer's choice which settles the relative prices of the various goods and services which the producer (or middleman) offers for sale.

The Communist system attempts to fix relative prices and to deny to the consumer the right to exercise this fundamental freedom of choice. The reason for this is that the Communist ideal is a mechanized state which will produce according to plan the maximum output of consumable goods and distribute them with maximum efficiency. The state accordingly fixes by decree the quantity and quality of production of all kinds and cannot afford to leave it in the power of the human consumer to cause variations in demand by exercising a free choice among his competing wants.

The consumer in fact is treated not at all as a consumer but as a part of the mechanism of production requiring a given quantity of fuel, etc., to keep him going as a producer. There is no reason whatever to regard this ultimate denial of freedom to humanity as necessary to conscious forward planning.

Reasonable standardization of some articles of ordinary consumption and some limits to excessive stimulation of the demand for the satisfaction of more whims which arises from unbridled competition among those who cater to them may indeed be welcomed. But the economic aim of a free community must always be to give the consumer the widest opportunities for satisfying as many of his wants as possible.

If there is to be a planning authority, its function must be to attempt to forecast demand and to regulate production and distribution accordingly, not to control or dictate consumption.

Control of consumption on special cases, e.g., of alcoholic liquor, may be necessary for reasons arising out of human weakness, but the limits of such control are narrow, and its existence does not invalidate the general argument.

Again rates and taxes levied for such purpose as the provision of free education or for display of flowers in a public park involve the enforcement of a form of collective consumption, but the individual is not compelled to use the public park or the free education if he has the desire and the means to choose alternatives.

This last example is, however, a significant illustration of our ready acceptance of collective restraints in our own or the general interests without feeling that our freedom is being filched from us.

A PLANNING AUTHORITY

Conscious planning leaves the consumer free but involves the substitution of some organized control over overproduction and distribution on behalf of the community to take the place of that free play of supposedly automatic economic forces on which *laissez faire* relied.

Control implies a controlling authority. To the average man and woman among us there jumps to the mind at once the picture of a large number of new Government departments and hordes of new officials attempting to take the place and to do the work of the business man, the manufacturer, the farmer, the banker, the shopkeeper, or at least to tie them all up hand and foot and dictate to them in the management of their daily affairs. And we see further a glimpse of Parliament and local bodies overwhelmed by the task of fulfilling their new functions.

Few people today would deny that the old social idea of putting the whole business of the nation into the hands of bureaucratic Government departments would prove a hopeless failure in practice and would be no improvement on present conditions.

Is there not a middle way, or better still a new way, of meeting the need for organization and coordination of those economic tasks which the break-down of *laissez faire* is leaving unaccomplished.

THE PUBLIC-UTILITY CONCERN

Without much distinction of party successive governments have tended in recent years to try, in various fields, to find a new way forward through the setting up of public-utility bodies, of which the B.B.C., the central electricity board, and the projected London passenger-transport board are outstanding examples. These bodies are not government departments, and their methods of management and direction and control are modeled rather on those of commercial concerns. Their purpose is to perform collectively for the community certain functions and to provide collectively certain services, in which monopoly rather than competition is, in the general belief, likely to give the best results. For this reason it is felt to be necessary to put the emphasis on the rendering of public service and not on the securing of profits, while insisting that the work ought to be done on a self-supporting basis and not dependent on a subsidy from the rates or taxes.

In all the instances cited the earning of surplus profits for private shareholders is excluded, and this must no doubt be the usual argument where monopoly is involved. It need not, however, be an invariable rule.

One special merit of this form of organization is that it claims to give flexibility of management and avoid the major risks of red tape, and while maintaining the ultimate control of Parliament and the nation provides for a large degree of self-government, and so reduce rather than increase the amount of governmental interference.

It is possible to envisage a considerable extension of this form of organization of the nation's business. A new picture begins to emerge in outline of industry, agriculture, transport, etc.,

enjoying if not Dominion status, at any rate wide powers of local self-government, with the Cabinet, Parliament, and the local authorities liberated from duties to which they are not ideally suited and free to perform their essential functions on behalf of the community.

THE ANALOGY OF THE ELECTRICITY GRID SYSTEM

The analogy of the grid system of the central electricity board, not itself undertaking the production of power nor the final distribution of electricity services to the consumer but providing a coordinated system of carrying the electricity produced from the big generating stations to local distributing centers all over the country, can be suggestively applied to other services.

Imagine the dairy farmers of the country or of various regional divisions of the country as the milk-generating stations, and the retailers of milk as the local distributing centers, with a central milk board conducting the business of bulk marketing of milk as the providers of the milk grid of Britain. Already under the agricultural marketing act there are signs of the coming of such a milk grid as a natural development to meet the needs of the day. An extension of the system with suitable adaptations to other agricultural products easily suggests itself, and even more directly as a method of dealing with the needs of modern transport by rail, road, water, and air.

ORGANIZED PRODUCTION

When we come to the organization of producers, agricultural, industrial, and extractive, the central electricity model becomes more difficult to follow. Generally speaking, organization on public-utility lines seems to be adapted rather to the rendering of services in the sphere of distribution than to the business of production. It may be significant that the central electricity board was excluded from the ownership of generating stations. For reasons which have their roots deep in our human nature, we seem to be much readier to admit the principles of controlled monopoly and the domination of the motive of public service over the motive of private profit in the sphere of distribution than in the two spheres of original production and final retailing between which distribution services are intermediate.

Methods of retailing cannot indeed be left entirely unchanged in the face of twentieth-century needs. The multiple shop and the chain store are already bringing about notable modifications. The waste involved in the 500,000 or more retailed shops—1 shop for every 20 households—cannot be allowed to continue to block the flow of goods from producer to consumer. And reorganization of retail methods is necessary to achieve adequate organization of production. In general, however, it will probably be found that there is a large place in the business of retailing for the continued play of individualism and personal enterprise. The individualist consumer and his free choice call for some corresponding individuality of outlook in the retailer who caters to him.

Not so in the sphere of production. The business of production must be planned if it is to possess adequate means of keeping the volume and quality of the goods produced in reasonable relation to demand.

The development of an organized grid system for the distribution of milk must, it is certain, lead to a profound modification of the traditional individualism of outlook of the dairy farmer. And so it will be in other producing industries, cooperative organization of the business of distribution cannot fail to bring about conditions in which both the need and the will to organize themselves on a cooperative basis will arise amongst the producers whether they be agriculturists, or producers of coal or iron from the mines, or manufacturers of steel or of cotton or of wool.

Whether we like it or not—and many will dislike it intensely—the individualist manufacturer and farmer will be forced by events to submit to far-reaching changes in outlook and methods. The danger is that in resisting them because he regards them as encroachments on what he calls his freedom, he will make things worse for himself and for the community. Resistance is likely to play into the hands of those who say that tinkering is useless and that full-blooded socialism and communism are the only cure. Or he may be tempted to flirt with Fascist ideas. In either case he loses his cherished freedom, and it is only too probable that fascism and communism alike would be but short stages on the road to barbarism.

THE CONDITIONS OF ECONOMIC FREEDOM

It is idle to deny that some, at least, of the changes required when conscious forward planning extends into the field of production are of a revolutionary character.

It is all important, therefore, that we should appraise them soberly and without prejudice and distinguish clearly between unavoidable alterations of methods of economic organization and fundamental attacks on our personal and political freedom.

Our economic freedom must be and always has been tempered by the conditions of our environment and by our relations with our fellows, without whose mutual aid we could not enjoy the advantages which material well-being brings. Spiritual freedom in a highly organized and complex society of civilized men and women is attainable only by ready cooperation in so arranging our economic life as to provide the best attainable material surroundings.

PLANNING AND THE PRODUCER

Without entering more deeply into details than space here allows, the position of the farmer and manufacturer under a system of planned production can only be sketched in broad outlines.

He may be conceived of as remaining in full control of all the operations of his farm or factory, but receiving from the duly constituted authority instructions as to the quantity and quality of his production, and as to the markets in which he will sell. He will himself have had a voice in setting up his constituted authority and will have regular means of communicating with it and of influencing its policy. He will be less exposed than at present to interference from above; that is, from Government departments and local bodies and their inspectors. He will be less free to make arbitrary decisions as to his own business outside the region of day-to-day operation of plant or farm.

It must be presumed that the constituted authority will be armed by enabling act of Parliament and by a majority decision of its own members, presumably elected by the votes of those with whose affairs they deal, to exercise powers of compulsion over minorities in clearly specified cases.

All this is not very different from that which already occurs in particular organized industries, but must be conceived of as applying generally to most if not all of the major fields of production and as part of a consciously and systematically planned agricultural and industrial organization.

A NATIONAL PLAN IN OUTLINE

An outline of the organization contemplated would be somewhat as follows:

A national planning commission, with advisory, not executive functions, subordinate to the cabinet and to Parliament, but with clearly defined powers of initiative and clearly defined responsibilities, its personnel representative of the nation's economic life.

A national council for agriculture, a national council for industry, a national council for coal mining, a national council for transport, and so on, all statutory bodies with considerable powers of self-government, including powers of compulsion within the province with which they are concerned.

A series of statutory or chartered corporations, e.g., a cotton-industry corporation, a steel-industry corporation, a milk-producers' corporation, organized on the lines of public-utility concerns, serving at least to federate, and in suitable cases to own, the plants, factories, etc., engaged in production.

A series of public-utility corporations dealing with distributive services, e.g., the central electricity board, the national transport board (or a number of regional transport boards), and the national milk-marketing board.

In the constitution of these bodies provision would naturally be made for suitable representation of interest, including organized labor, and for their due coordination by means, for example, of the election by the various corporations of some of their members to serve on the national councils. To all of them Parliament would delegate considerable powers to regulate the affairs of their particular industries.

COMPULSION AND PRIVATE OWNERSHIP OF LAND

From the standpoint of encroachments upon freedom, apart from the denial of the tenets of individualism, the most obvious targets for attack are perhaps the proposed grant of powers to compel minorities and (point not yet mentioned) the probable necessity for drastic changes in the ownership of land.

Powers of compulsion of minorities are not unknown even under present conditions and will probably not arouse very violent antagonism on grounds of high principle.

The question of private ownership of land is one which never fails to encounter deep-rooted passions. It is also one which arises immediately in almost every aspect of conscious-planned reconstruction.

The conclusion seems unescapable that whether in the field of town-and-country planning or in that of agriculture (or rural) planning or in the organization of industry, it is not possible to make reasonable progress without drastic powers to buy out individual owners of land.

This is not to say that land nationalization, in the ordinary sense of the term, is either necessary or desirable. Far from it. Nothing would be gained by substituting the State as landlord. What is required, if only a view to equitable treatment of individuals, is transfer of ownership of large blocks of land not necessarily of all the land in the country, but certainly of a large proportion of it, into the hands of the proposed statutory corporations and public-utility bodies, and of land trusts.

In many cases all that would be needed would be the conversion of rights of ownership of land into rights of participation as shareholders or stockholders in the new corporations or in land trusts. It would be possible further in a large number of cases to leave management undisturbed, together with the enjoyment of many of the amenities which at present go with ownership, subject to the transfer of title to the corporations or trusts.

Here again limits of space preclude fuller treatment of the subject. All that is here relevant is the inevitable conclusion that the planned economy which the Nation needs to meet the demands of the twentieth century must clearly involve drastic inroads upon the rights of individual ownership of land as at present understood.

FINANCE

Thus far in this essay finance has been purposely left aside.

The assumption is that consciously planned reconstruction of the economic life of the Nation will increase, and indeed is necessary to maintain, the present national dividend. There is no reason to believe that overhead charges for government and administration will be increased. On the contrary, they should be diminished by the elimination of the friction and waste arising from present unplanning and disorder.

It should be possible also with industry and production re-planned and coordinated so as to rearrange taxation as to take from the national dividend that part of it which is required for collective expenditure by the community at an economic cost less burdensome to the Nation than is involved by our existing rates and taxes.

From the standpoint of the national and local budgets therefore there is no cause for anticipating financial difficulties.

The question remains what changes are required in the financial machinery of the country. It is in the sphere of distribution, and especially in that important part in the mechanism of distribution which belongs to finance, that the worst disorders of the present economic system have shown themselves.

In no sphere is the evidence of our loss of control of the machine of civilization more evident than in that of finance.

The catastrophic fall of prices has resulted in complete disequilibrium between the cost of production and the price which the consumer can pay, and in particular, between the relative prices of agricultural and manufactured products.

Mismanagement of the standard of value is apparent throughout the world.

It is by no means so clear how recovery is to be brought about. Cheap money is obviously essential, but it is only if and when it leads to a revival of activity, to increased demand for goods and services and an increase in the volume of trade, followed by a recovery of prices to a remunerative level, that it serves any useful purpose.

Mere manufacture of paper purchasing power is of little avail, more especially if with waning political confidence the basis of credit shrinks faster than the manufactured paper money increases.

This is not the place to examine the problem of escape from the immediate financial crisis.

The same assumption must be made as was made earlier in this essay that the inertia and momentum of the economic structure and of habit and custom will carry us somehow through for the moment and that we shall be given a respite.

STABLE MONEY

One basic need of the new economic organization is the stabilization of the purchasing power of money. Stable money and conscious forward planning are mutually dependent.

The elimination of violent fluctuations of the general price level will immensely facilitate improved organization of production and distribution.

No question arises of fixing the prices of individual commodities.

Once equilibrium between costs of production and prices to the consumer has been reestablished, our first efforts must be directed to securing stability of the purchasing power of our money.

This question is dealt with at length in a separate essay and the conclusion must perforce be taken for granted here.

Stable money cannot be secured without considerable extension of control on behalf of the community over the flow of investment and the uses which the individual makes of his capital.

While as consumer he can retain full freedom of choice as to which of his competing wants he will satisfy, there are real difficulties in leaving him entirely free to invest his savings in any way he chooses.

It is probable that many of these difficulties can be solved, on the one hand, by extension of the system of insurance, along lines to which recent developments of the motoring law again supply suggestive analogies, and, on the other hand, by means which, while leaving the small capitalist untrammelled, will so canalize the flow of both long-term and short-term investment of the large sums which are at the disposal of banks and financial institutions as well as funds in the hands of large insurance companies as to insure that adequate capital is available for the big industrial, agricultural, and distributive corporations already envisaged.

It is necessary to insist that finance shall take its proper place as the servant and not the master of industry and commerce. The stabilization of the purchasing power of money will by itself go far to secure this subordination.

THE BANKS AND PLANNING

The Bank of England has in the course of its history lost practically all of its original profit-making characteristics and become in fact, if not in form, a leading example of a public-utility corporation devoted to rendering public service. It has also many of the features of a self-governing institution, its relations to the Government delicately adjusted so as to combine both due subordination and administrative independence, so as to offer a significant parallel to the new institutions suggested earlier in the sphere of industry and distribution. It would appear to be sufficiently flexible to enable it to adapt itself to filling its place in the new order without requiring any radical changes in its constitution.

The logical completion of the process of amalgamation which has reduced the number of the major joint-stock banks to five would clearly be to merge them all in one and to give them some monopolistic privileges in return for converting themselves into a real public-utility corporation.

This is a delicate process and it may be unwise to force the pace, seeing that natural developments are tending to bring about much the same results without outside intervention.

Careful study is needed of the relations between planned industry and the stock exchange, the acceptance houses, the issuing houses, and other parts of our financial machinery. It may well be that with industry, agriculture, transport, etc., organized on the lines suggested, and with the adoption of the steps necessary

to stabilize the purchasing power of money, the problems, which are in prospect somewhat terrifying, of bringing about a suitable reorganization of our financial institutions will be found largely to have solved themselves. For finance as the servant of industry can have no motive to do otherwise than adjust itself to the new needs.

LABOR

Little has been said hitherto on the subject of organized labor. Clearly, labor must have effective representation and play an adequate part in the new statutory councils and public-utility corporations and in all the activities of the replanned nation.

The most difficult task will perhaps be to reconcile the trade unions to the remodeling of many of their existing regulations and to the change in outlook which conscious planning requires.

Stable money and the discarding of the doctrines of individualism and laissez faire will between them make obsolete many of the objectives and many of the issues which at present bulk largely in the minds of trade unionists. In planned industry the employee will take his true place more clearly than before as a partner in production.

The changes required in the organization of labor are obviously not such as can rightly be described as encroachment on freedom.

Difficult therefore as the right solution of the knotty problems which arise may prove, they need not detain us further in this examination of the relations of planning to freedom.

THE SOCIAL SERVICES

Nor need we pause here to examine what planning may mean in other parts of the structure of our economic life, education, health service, housing, provision for leisure.

Each of these subjects and others will need detailed investigation and the methods of organization adopted must be fitted into and form part of a complete whole with the new model for industry. It is high time that man should make effective use of biological knowledge to improve the human race and make himself more fit for his twentieth century responsibilities. In the health services and the province of medicine it is urgently necessary to shift the emphasis from cure to prevention, from negative to positive health, and this may well call for a big change in the organization of the medical profession, which has at present too often a vested interest in disease. But there is no reason for supposing that in order to deal with these various questions any new invasions of freedom will be called for which in degree or kind go further than what has already been contemplated in the industrial field.

IMPERIAL PLANNING

Many of the problems of national reconstruction extend into the imperial and international field. The United Kingdom by itself is far too small to provide an adequate economic unit for planning.

A planned economy for Britain implies as the next step a planned imperial economic family. Considerable interrelations imperial cooperation from the outset is essential, as a minimum, for success in certain directions.

The stabilization of the purchasing power of money calls for action not only in the Empire but also in such countries as Argentina and Scandinavia, which belongs to "sterlingaria", the area where British sterling is indisputably the international medium of exchange. Tariffs and agreements for industrial cooperation with other parts of the British Empire will have to be fitted into the framework of our national industrial system in order to make reasonably possible the successful functioning of such projected bodies as the steel industry council or the statutory cotton corporation. The subject matter with which these bodies will deal includes large questions of export trade, and is not, as in the case of the central electricity board, confined to the provision of services within our national boundaries.

INTERNATIONAL PLANNING

The interrelations of national planning and international problems are peculiarly difficult. An ideal national plan cannot be framed and brought into operation without complete international cooperation. Yet to wait till conditions are propitious for an intelligent international reorganization of our own and the world's economic life will not help us.

And with Russia and Italy embarked on plans which definitely override the claims of freedom, complete world-wide agreement is not within reach.

The better is the enemy of the good. Within the boundaries of the United Kingdom we have ample opportunities, if we set ourselves whole-heartedly to the task, to achieve that national reconstruction which is so sorely needed. Within the British Empire and even beyond it in countries whose economic ties with Britain are historically close and whose trade is complementary, we have reasonable prospects of securing fruitful results by political and economic cooperation.

We dissipate our strength and overstrain our resources if we attempt more before first putting our own house in order. It is not selfishness or aggressive nationalism or imperialism which puts a limit on our immediate sphere of action, but a sober estimate of our political and economic powers.

The goal of world-wide international cooperation must never be lost from sight, and advantage must be taken of every opportunity for bringing it nearer. The very fact that it extends planning across existing political boundaries is of special value. Nevertheless our first task is to replan Britain, with an economic organization that will fit harmoniously into the planned imperial economic family, and in so doing to give leadership and new hope to a distressed world.

Man's powers of large-scale organization and of harmonious cooperation will be further tested by the need for economic planning which transcends national boundaries and in due course demands world-wide cooperation. National and imperial and ultimately international political and economic practices and institutions will doubtless undergo profound modifications in adapting themselves to the twentieth century.

The constitutional development of the British Empire may indeed provide a model more suitable for adaptation to the needs of world cooperation than any at present in existence. The harmonious and free cooperation within a single system of a number of states enjoying sovereignty and independence as equal partners in a commonwealth of nations would appear to offer possibilities of extending itself indefinitely till it covers the whole world. Proof of the ability of the British commonwealth to provide its citizens with an economic organization that ministers effectually to their well-being will be the surest way of winning world-wide approval.

The only rival world political and economic system which puts forward a comparable claim is that of the Union of Soviet Republics.

If planning and freedom are to be reconciled, the solution must be found along the lines of the British approach.

PLANNING AND POLITICS

Effective planning on the economic side and even the introduction of desirable reforms in detail has become impossible without a drastic overhauling both of Parliament and the central government and of the machinery of local government. Political and economic planning are complementary and supplementary to each other and must be carefully interrelated. We need new economic and political institutions to match the new social adjustments which applied science has created and a new technique both in politics and in industry to enable us to find intelligent methods of surmounting new difficulties and complexities.

It has been suggested more than once in the course of this essay that devolution of powers to statutory bodies will be an important feature of the new order, and that in the result Parliament and the Cabinet will be relieved of some part of their present duties and set free to the great advantage of themselves and of the nation for their proper tasks of directing and guiding public policy.

Big consequent changes will follow in the machinery of government. The British constitution is, however, accustomed to changes of this sort. It is continually developing and adapting itself to new conditions. The further development now contemplated will be a natural evolution along lines consistent with British traditions.

Here, as elsewhere, vested interests will doubtless feel themselves challenged, and be inclined to resist. That is inevitable, but the essentials of constitutional freedom will remain unshaken. In some of its aspects the tariff advisory committee already suggests the nucleus of a national planning commission. In due course we shall perhaps be astonished not at the magnitude of the changes, but at their relative smallness.

PLANNING AND ECONOMIC FREEDOM

One further question remains to be touched upon before the summing up is reached.

Let it be granted, a well-disposed critic may say, that what you propose involves no fundamental attack on freedom; granted that your plan of reconstruction is not open to the charge of encroaching upon spiritual freedom, and, if successful, would provide a better material environment for the realization of humanity's higher aspirations; do you not run the risk of so trammeling and shackling man's economic freedom that the result will be less production not more, less enterprise and initiative, a drying up of the incentives to progress, and final loss not gain in material well-being?

One possible answer is, of course, to refer our critic to what was said at the outset as to the imminence of catastrophe if we continue to drift. We must regain control of the machinery of civilization if we and it are to survive.

Reluctance to embark on a doubtful adventure deserves a less negative treatment.

The dangers which our critic fears are real dangers. Red tape is not confined to Government departments. Our statutory corporations and public-utility boards may all too easily become unadventurous obstacles to progress, determined enemies to all new ideas.

It may be indeed that one of the lessons we have to learn from our present distresses is that scientific invention itself requires some planning in its application to the economic structure of the Nation.

The problem of progress is no longer the problem of getting enough change to prevent routine from deadening effort but the problem of preventing change from destroying both routine and all social stability.

This, however, is no justification of institutions which deaden effort.

Our proposals must rather be defended by the claim they will liberate the spirit of initiative and not deaden it, in that they will provide means by which the energetic man of business may escape from the disheartening frustrations and failures which are caused by the complexity of the machine, and will give him scope for serving his generation in a larger kingdom than the narrow field

of competition with rivals in particular industrial or commercial pursuits.

Though organized on public-utility lines with monopolistic privileges, the great chartered industrial corporations will find ample room for energy and initiative in performing their primary task of combining maximum output with minimum costs of production. The executive heads of particular factories will not lack the spur of competition.

THE PROFIT-MAKING MOTIVE

It is no part of our plan to enshrine equalitarian doctrines or to eliminate from business life the desire to better oneself and the motive of personal reward. Subordination of the motive of profit to the motive of service does not imply that the motive of profit has no useful part to play even within a public-utility concern not working for profit. It is not absent in the B.B.C. nor in the central electricity board.

Nor is it suggested that public-utility concerns or bodies analogous in character should be set up to deal with any but the major "key" business activities of the nation.

For example, the specialized steel industries of Sheffield would not, unless by their special desire, find a place within the organization of the chartered steel corporation. They would be ancillary to it and would no doubt cooperate with it in suitable ways, but would remain independent.

In general, specialized production and skilled craftsmanship would continue to be the field of individualistic effort. So also would retail business.

Experience alone can prove the justice of our claim that economic freedom will not be fatally shackled by the effects of conscious forward planning. Experience, too, will be needed to make clear the boundaries of the province within which individualistic effort can best be relied upon to secure the highest national dividend.

But we do make the claim that national reconstruction along the lines indicated is not only urgent and essential to salvation, but is also rightly calculated to improve the economic environment of our national life.

A CONSERVATIVE EVOLUTION

Indeed, the Socialist or the Communist will condemn our planning as mere tinkering with the outworn machine of capitalism. To him it will appear as a hopelessly conservative and anemic attempt to stave off the red-blooded revolution which alone would satisfy him.

Our plan is, we claim, conservative in the truest and best sense. It is conservative, not destructive, and builds solidly upon the present and the past. It faces the issues boldly and is not afraid to challenge vested interests and deeply cherished habits of thought and action. It does not, however, propose to expropriate anyone, and, in requiring the application of compulsion in a limited sphere, it is not doing more than extend and make explicit and give systematic application to tendencies and practices already at work.

The purpose of this essay is not to put before the reader any complete or fully worked-out plan of national reconstruction. That can be done only in a series of separate essays, and even then much of the necessary details would have to be left out.

Such sketch in the broadest outline of the lines which reconstruction might take as has been given here must inevitably raise more questions in the mind of the attentive reader than it answers.

PLANNING FREEDOM

Our purpose has been to vindicate by reasoned presentation our faith that national reconstruction on the basis of conscious forward planning, besides being urgent and necessary, is compatible with the preservation of our freedom.

Vested interests, ingrained prejudices, traditions, customs, and points of view which have proved their value in the past are challenged by us to give way to the needs of the present. This generation is called upon to accept modifications in the structure of its economic life, which are profound enough to require an altogether new outlook on the content and meaning of economic freedom. The old spiritual values which belong to personal and political freedom are not challenged. They are accepted as absolute and in full. It is because they are accepted as absolute and because there is urgent need to safeguard them in the changed world of the twentieth century, that new methods of economic organization have to be devised.

Economic freedom must always be relative to its environment. Economic freedom demands that form of economic organization of civilized society which will provide men and women with the highest standards of material well-being attainable by the use of their powers of scientific production and cooperative endeavor, in order that the environment thus afforded may present the widest possible opportunities for the exercise of the human nature.

In the haphazard and disorganized economic structure of today men and women are balked alike of economic and spiritual freedom.

If by conscious forward planning they can escape present frustrations, they will rightly be judged to be more truly free.

Mr. McFADDEN. Mr. Speaker, this analysis is divided into two parts, and represents only a portion of the data I possess showing a well-organized plan for world control. It is given with a view of furnishing a synopsis or outline of a hellish conspiracy to enslave and dominate the free peoples of the earth. There are sufficient facts herein to give the

key to the thoughtful student of our national affairs so that he may be on guard against the sinister and ambitious Cæsars in our midst.

I

FREEDOM AND PLANNING AS APPLIED TO THE BRITISH GOVERNMENT

This "political economic plan", as it is also called, was prepared under the direction of Israel Moses Sieff, an English Jew, the director of a chain-store enterprise in England called "Marks & Spencer." This enterprise declared a 40-percent dividend during 1933 and was enabled to do so by the fact that it had handled almost exclusively all imports from Soviet Russia, thus being able to undersell established British competitors.

The political economic plan group is a branch of the Fabian Society.

In this connection I wish to quote from a Paris publication, *Revue Internationale des Sociétés Secrètes*, under date of January 25, 1931:

On the 1st of November 1930, the *Evening Standard*, an English daily paper, contained the following lines:

"GOVERNMENT BY FABIANS"

"Many Labor members are talking about the dominance in the Government of that very academic body, the Fabian Society. I find that many people believed that this organization, through which many intellectuals entered the Socialist movement, had ceased to exist. But it goes on with membership, small but influential—some 5,000.

"Yet practically every recent appointment, either to high or low office, in the Labor administration has been made from the membership of the society, the latest examples of which are the new Air Minister, Lord Amulree, and the new Solicitor General, Sir Stafford Cripps. I am told that at least 90 percent of the members of the Government are in the rolls of the society, and that, contrary to regulations, so are a good many highly placed civil servants.

"The civil servants would probably defend themselves by saying the society is more intellectual than political.

"This ascendancy is, of course, due to the all-powerful influence of Lord Passfield and his wife, Mrs. Sidney Webb, with whom the Fabian Society has been the passion of their lives."

What, therefore, is the Fabian Society, the members of which, according to the *Evening Standard*, govern England? The answer is given us by the society itself in the Basis of the Fabian Society, which is appended to every book and tract it issues, and it runs thus:

BASIS OF THE FABIAN SOCIETY

"The Fabian Society consists of Socialists.

"It therefore aims at the reorganization of society by the emancipation of land and industrial capital from individual ownership and the vesting of them in the community for the general benefit. In this way only can the natural and acquired advantages of the country be equitably shared by the whole people.

"The society accordingly works for the extinction of private property in land, with equitable consideration of established expectations, and due provision as to the tenure of the home and homestead; for the transfer to the community, by constitutional methods, of all such industries as can be conducted socially; and for the establishment, as the governing consideration in the regulation of production, distribution, and service of the common good instead of private profit.

"The society is a constituent of the Labor Party and of the International Socialist Congress, but it takes part freely in all constitutional movements, social, economic, and political, which can be guided toward its own objects. Its direct business is (a) the propaganda of socialism in its application to current problems; (b) investigation and discovery in social, industrial, political, and economic relations; (c) the working out of Socialist principles in legislation and administrative reconstruction; (d) the publication of the results of its investigations and their practical lessons.

"The society, believing in equal citizenship of men and women in the fullest sense, is open to persons irrespective of sex, race, or creed, who commit themselves to its aims and purposes as stated above and undertake to promote its work."

One cannot refrain from noticing the irony of the words: "By constitutional methods", contained in the above basis. Everyone knows that the Socialist-Bolsheviks of Russia claim to have confiscated and expropriated "by constitutional means" which are in reality legalized theft.

The society took the name of Fabian from the policy of temporizing it adopted, claiming to imitate that of the Roman prodicator, Fabius Conctator, during his fight against Hannibal, whom he eventually defeated at Tarenta, 215 B.C.

Frank Podmore, well-known spiritualist and occultist, one of the founders of the Fabian Society, is quoted as saying to the earliest members: "For the right moment you must wait, as Fabius did most patiently, when warring against Hannibal, though many censured his delays; but when the time comes, you must strike hard, as Fabius did, or your waiting will be in vain and fruitless."

The Fabian Society waited 40 years, striking a continual series of covert blows at the political, economic, social, and religious structure of England, and in 1924 it came to power with the advent of the first Labor government, which can be called the offspring of the Fabian Society.

The period of waiting had been fruitful, if long.

There is no gainsaying that the Fabian Society has been first and foremost a gathering of intellectuals; it might be said of a rebellious intelligentsia, whose accomplishments seem the realization of Weishaupt's dream of Masonic illuminism, cleverly combined with Moses Mendelssohn's dream of Jewish illuminism (Haskalah).

Historically, it was founded in 1833 at the time when, in the realm of philosophy and metaphysics, the political economy of John Stuart Mill, in England, and the positivism of Auguste Comte in France had thrown perturbation in the minds of numerous thinkers and given abundant food to the free thinkers of the epoch. Henry George's book on socialism, Progress and Poverty, was in great vogue. The direct influence leading to the formation of the Fabian Society was, according to E. R. Pease, its historian, exercised by Thomas Davidson, the founder of the Fellowship of the New Life, which society culminated in the Ethical Society of Culture in New York. Considerable impulse was also given to the budding association by its assimilation of Robert Dale Owen's socialistic principles.

It may be of interest to the readers of the R.I.S.S. to remember the fact that among the earliest members of the Fabian Society who had participated in the Fellowship of New Life were freemasons and spiritualists, some becoming later affiliated with Madame Blavatsky's theosophy. The activities of Frank Podmore in both Masonry, occult and spiritual, and Fabian socialism are a study in themselves.

Among the intellectuals who joined the Fabian Society soon after its inception in 1834 was the Irishman, Bernard Shaw, who was elected a member that year.

At that time the Fabian Society had completely seceded from the Fellowship of the New Life and formulated its own socialistic program. The following year Sidney Webb, now Lord Passfield, Minister of the Colonies, and Sydney Olivier, now Lord Olivier, who has held several government appointments, were elected members of the Fabian Society. Soon afterward, Mrs. Annie Besant, the present head of the theosophical movement, also was elected a member.

Fabian socialism at the outset groped its way along all the beaten paths of the social revolutionists who had preceded them. It also made incursions into Babouvism, Marxism, Bakounist anarchism, and the then existing various social democratic groups. Being, however, mainly composed of intellectuals, bureaucrats, civil servants, journalists, etc., the Fabians, whose fundamental slogan was the righting of the wrongs of the working class, had no keen desire for riotous street manifestations, and confined their earliest activities to drawing-room meetings.

It does not enter within the limits of the present sketch to retrace the history of the Fabian Society, but the point which should be regarded as of great importance is that out of the drawing-room meetings alluded to above, there emerged the tactics, truly Fabian, of temporizing and the decision taken and followed of penetrating into or, as Bernard Shaw himself expressed it, "permeating" numerous existing societies with Fabian socialistic ideas and principles.

This method of penetrating into organizations, political and economic, and boring from within, gave in time remarkable results. Fabians, mainly civil servants, easily found their affinities in liberal circles, and, moreover, owing to their loudly proclaimed Socialistic profession of faith, obtained the confidence of the working classes. They were indeed sitting on both sides of the fence and recruiting the good will of both Liberal and Labor organizations.

The study of Fabianism is one of almost unparalleled opportunism. Fabians seemed to have formulated no original creed of their own, but were only animated by an unswerving resolve to get to the top and govern England. Consequently, they adjusted themselves to whatever was the creed or tenets of any camp they penetrated into, and by degrees converted its adherents to a turn of mind designed to procure the advancement of Fabian members in political, industrial, or educational lines, with the final result that they secured "key positions." To suit even anarchism, they formed a special Fabian branch which bore the name of Fabian Parliamentary League.

No field of exploitation seems to have been overlooked by these Socialist intellectual illuminati:

1. Politics: In politics, their range of activities has been well defined by one of its leaders, Bernard Shaw, in a paper he read at a conference in 1892, at Essex Hall. The policy of "permeation" of the Fabian Society was clearly outlined and much stress laid upon the enumeration of results already achieved. Within a year of this conference, in January 1893, the Independent Labor Party was formed by the grouping of the local Fabian societies then in existence. These groups under the leadership of Keir Hardie, Friedrich Engels (co-worker of Karl Marx) and Marx's daughter E. Aveling had accepted as their code Marxism thus summarized: "To establish a Socialist state where land and capital will be held by the community." On such principles was Russia transformed into Soviet Russia in 1917.

The author of the History of the Fabian Society does not fail to point it out as the parent society, emphasizing the fact that the Marxist Independent Labor Party was but its offspring. Thus, leading on the one hand Marxist Socialism, and having, on

the other, so permeated the Liberal Party that they also practically ruled it, the Fabians were soon able to set about taking part in local elections, and proposing their own candidates for appointments on school boards, vestry, county councils, women's liberal federation, liberal and radical unions, etc. They spared no pains in pushing forward the autonomy of municipalities as well as the various schemes for national insurance, old-age pensions, tariff reform, employers' liabilities, workmen's compensation.

Politically also, through their offspring, the Independent Labor Party, they asserted their defeatist and antipatriotic tenets during the Boer War 1899-1902, when they expressed their wish "to see the Boers successful and the British Army driven into the sea."

By 1903 the Independent Labor Party, after 10 years of indefatigable efforts among the trade unionists, gave its parent, the Fabian Society, the opportunity and satisfaction of presenting England with a full fledged Labor Party. Up to that time, Fabian candidates had contested and won seats in Parliament as Liberals. The practice of the policy of interlocking directorates had never been better evidenced than by the tactics of Fabianism.

The outbreak of the war in 1914 furnished the illuminati of socialism with the opportunity of manifesting their antipatriotic feelings much more openly than they had done during the Boer War. It was then that their policy of interlocking directorates bore abundant fruit. What one might call the "melting" property of the Fabian Society became more evident, for as such it did not create a record of antipatriotism. That particular task was entrusted to its members of the Labor Party and the Independent Labor Party, who took a prominent part in the formation of the Union of Democratic Control, which counted the Zionist Jew, Israel Zangwill, among its leading bandmasters.

The shameful defeatist, pro-German activities of the present Prime Minister of England, Ramsay MacDonald, Fabian and Laborite during the World War, and the open support given to bolshevism by his Labor Party, have forever sullied the political honor of England and are a matter of history.

Yet another aspect of Fabianism is the great part it took in the formation and, later, direction of the League of Nations, which Bernard Shaw calls "an incipient international government." Fabians have even been known to revivify it as one of their creations, but there, at any rate, they are guilty of overrating their powers, for to all readers of the protocols of the Wise Men of Zion it is known beyond the shadow of a doubt that the superstate is a Jewish creation. So far as we know, the Fabians have not laid any claims to the authorship of the famous protocols written even before the Fabian Society came into existence. Still it is comparatively easy to conjecture that, owing to their close connections with such a Sage of Zion as Israel Zangwill, they may have been led to adopt this deep-rooted idea of his coreligionists. In other words, the permeating Fabian Society became in its turn permeated by Jews. However, so far it has consciously or unconsciously failed to acknowledge that it is nothing more nor less than a tool in the hands of Judeo-Masonry.

2. Economics: In the realm of the economic, industrial, and financial life of England the Fabian Society played no lesser a part than in politics. With its slogan of "progressive policy" it invaded agriculture, preaching the nationalization of land; in other words, the confiscation of landed property. (Note: At a lecture given before the Comité d'Études Nationales in Paris by a Fabian, Mr. Noel Buxton, in May 1923, a member of the audience put it clearly to the orator that the agrarian program of the Labor Party spelled nothing other than expropriation.) It took on, though subsequently dropped guild socialism, but carried much weight with trade-unionism and a kind of syndicalism.

The first blow to industry was struck in Lancashire in 1890, the stronghold of English industry, with the help of Mrs. A. Besant as chief spokesman and agitator. Later the cooperative movement was captured and Fabianized and subsequently delivered over to the Independent Labor Party and Labor Party. It is due to the Socialists having been so successful in conquering industry that during the World War sabotage assumed such appalling proportions in the munition factories in England.

As to the financial ideals of the Fabians, whose basic principle is the ruin of capitalism, they became realities when taxation of the people took undue proportions in the shape of income tax, supertax, death duties, which are to be capped by capital levy. The promised benefits to the working class to be derived from such schemes as the national health insurance and workmen's compensation and dole, old-age and widows' pensions, have proved a myth. Yet they have gone a long way toward furthering the plans exposed in the protocols which aim at reducing to bondage the "Goyim" rich and poor alike.

3. Education: In the matter of education the Fabian illuminati have followed a theory which is none other than that suggested by one of the souls of Bavarian illuminism, Nicolai, in the eighteenth century. Having secured posts in the school boards of the country, it became very easy for Fabian Socialists to instill their educational de-Christianized principles in the school curriculum. Their attack on religious teaching was subtle but deadly, as seen in the education bill of 1902. They boast openly of having in their ranks several Anglican bishops and divines, the list being headed by Bishop Headlam, one of the earliest Fabians. Eventually they won, having, as has always been their wont, resorted to intensive propaganda, generously distributing their tracts and leaflets.

Under Fabian educational schemes come the formation of the educational groups and of the nursery, the latter designed as a

kind of training school for very young prospective Socialists. Women's groups were also formed, the members of which participated in all movements tending to a fuller feminist emancipation. But by far one of the most important steps taken by the Fabians along educational lines has been their inauguration in existing universities of University Socialist Societies, which in 1912 were finally grouped by Clifford Allen into the Universities Socialist Federation. Fertile seeds of Fabian socialism are also sown at the summer school organized annually by the society, which E. R. Pease rightly terms a "propagandist society." The culminating triumph of the Fabians in the realm of education was the creation of the London School of Economics and Political Science at the London University, where today one of the chief lectures is the Jew Socialist, Harold Laski, member of the executive committee of the Fabian Society and chairman of its publishing committee.

As was suggested already, and as can be seen from the succinct exposé here given, Fabianism left no field unexplored and unexploited. For 50 years it has treated England to doses of both pure and diluted Marxism, mostly diluted, as the English, by the very nature of their steady and conservative characteristics are not easily aroused to excesses as those perpetrated by the Paris Communards of 1871. But, on the other hand, they have been thoroughly permeated and their poisoning has been one of long process. It is true also to add that the war paved an easy way for the onward progress of socialism.

The young generations who had still been nurtured in the spirit of Christian tradition and family conservatism perished on the battlefields of France. Their virility would no doubt have constituted the barrier of opposition to this pernicious Fabianism. * * * As to the older generation that preceded that of the young martyrs falling in the name of patriotism and honor, they knew little and wanted to know still less, keen on believing that nothing could ever shake the security of England. How few among them wanted to understand the Protocols of the Wise Men of Zion, published in 1920, and fight the Christian fight to prevent the full accomplishment of the fateful Judeo-Masonic program therein contained. A limited effort was made by a group of Britons which in no time was permeated by emissaries of the powerful enemy and became sick unto death. * * * A noble and steadier effort made by a group publishing the Patriot, and spasmodic outbursts of righteousness made by the Morning Post, are all the resistance that England has been able to oppose to the devastating forces of Judeo-Masonic illuminism, that is, Fabian socialism.

The results are, to the naked eye, the history of England since the war, politically and economically.

Lloyd George's coalition government had been kind to socialism, but the real harvest time came when the Labor Party won the election in 1924 and its members governed or rather misgoverned England. It needed nothing short of the Bolshevik alliance which MacDonald wished to force upon the country to provoke the remaining sound reaction of the English people and prompt them to overthrow the Labor government. But this show of resistance was ephemeral.

How pitiful it is to know that the return of the Labor Party to power in May 1929 is entirely due to the incompetence of a conservative government, in which the people trusted for the sane administration of the affairs of state. Yet the Prime Minister, leader of the Conservative Party, Mr. Baldwin, could not claim ignorance of the Judeo-Masonic plans contained in the protocols of the Wise Men of Zion. He found it easier to deliberately disregard them. Be it as it may, England is once more in the hands of the Labor Party, with the inevitable and ubiquitous Ramsay MacDonald, and according to the latest report issued by the society, "8 Fabians are members of the Cabinet and 14 others hold offices in the Government without seats in the Cabinet."

Outside of England the Fabians are affiliated with strong Socialist groups professing the same ideas—in Copenhagen, in Canada and Australia, Japan, the United States of America, Spain, and Germany. It is our opinion that the Fabian Society is in close connection with the French Comité d'Études Nationales, which has already been mentioned to the readers of the R.I.S.S. and also with the Club du Faubourg, as well as with the Socialist Party headed by the Jew Leon Blum.

Less than 50 years of combined efforts, made by some intellectual and determined Jews and Masons, have cast over the world a drag-net in which all the nations of the world have been ensnared, and they are to be the prey of triumphant Jew.

Surely neither the fanatic illuminatus Nicolai nor his friend and master, the Jew Mendelssohn, ever conceived a better accomplishment of their ideals.

Yet, judging by the financial and economic situation of England at the close of 1930, the practical experiments of the Fabian-Socialist-Marxist theories of the illuminati governing the country have doomed it to irreparable ruin.

According to the Clarion, a Fabian weekly organ, still more disturbances are in store for the unhappy English nation. Its Parliament is to be "democratized" and one, or possibly two, "national assemblies"—one for England, another for Scotland—will be created.

But, and here comes the anomaly which is nothing short of ludicrous, for Mrs. Sidney Webb, the author of the proposed Fabian plan, announces that the sovereign power will remain vested in the King, Lords, and Commons! * * *

Propaganda will once again come into play to sow disorder in the already much troubled minds and empty stomachs of a large number of English people. England as a whole refuses to believe

that she is in the grip of bolshevism because she still sees the image of a throne, not realizing that this symbol of fallen royal power is kept by the Socialist for commercial purposes. It cannot be denied that without a court which panders to the futile snobism of American women, American dollars would not annually pour into England. Thus does the English throne which alone is left undisturbed and unshaken serve several purposes.

It hypnotizes the people into a false feeling of security, it is also an excellent commercial proposition, and, last but not least, let us remember that it is at the hands of a sovereign that titles are bestowed, and Jews and Fabians alike are eagerly seeking such dignities. Lord Melchett, Marquess of Reading, Lord Passfield, Lord Olivier * * * such is the ruling aristocracy of England. Without a king they would have remained Mond, Isaacs, Webb, Olivier, which emphasizes the need of at least one Socialist kingdom to serve the various ends of Judeo-Masonry which, outside of the lodges where titles are granted, wants to have its own aristocracy with sonorous titles.

As a last consideration, one fails to see why English economists and financiers express a too naive astonishment at France's policy of recalling from England all her gold resources. It needs no violent stretch of imagination to foresee that at any time such men as MacDonald, Snowden, Henderson, Webb-Passfield, and so forth, all of them Fabians, might decree the nationalization, confiscation, and expropriation by bolshevist constitutional methods of all public and private property.

Let us not forget that in conjunction with this eventuality, the insurance companies have already insured themselves against meeting any claims arising from the loss of insured property in cases of "confiscation by the State."

During 1931 this group of Fabians—among them Gerald Barry, I. Nicholson, and Kenneth Lindsay—used a newspaper at that time owned by Lord Beaverbrook and called "The Week End Review" as a vehicle for their ideas. It is understood that Beaverbrook, upon becoming familiar with their plans, disapproved; whereupon they left his paper and continued to publish their ideas in another on means furnished, according to my informant, by Mrs. Leonard Elmhirst, formerly Dorothy Willard Straight, nee Whitney, Sir Basil P. Blackett, governor of the Bank of England, became chairman of the group in 1931. From this time the organization was called the "political economic plan." Among other members were Israel Moses Sieff, Sir Henry Bunbury, Graeme Haldane, I. Hodges, Lady Reading, Daniel Neal, and H. V. Hodson. Monthly meetings were held, at which Mrs. Elmhirst was present. Finally the group split on international policy, and Sir Basil P. Blackett resigned and Israel Moses Sieff became chairman in July 1932. It is said that since becoming head of the group Sieff has spent £60,000 on the movement. In the fall of 1932 the following people joined the political economic plan: Sir Arthur Salter; Sir Oswald Moseley, the head of the new British Union of Fascists; Lord Eustace Percy; Lord Melchett, the son of the late Alfred Mond; and Sir Christopher Turnor.

The political economic plan organization is divided into many separate, well-organized, and well financed departments. For instance, town and country planning; industry; international relations; transport, controlled by Lord Ashfield; banking; social services, civic division, chairman, Ronald Davison; and an agricultural department, the head of which is Leonard Elmhirst, husband of the former Dorothy Willard Straight. Mrs. Elmhirst manages a school for agriculture on political economic plan lines at Dartington Hall, Totnes, Devonshire.

The document Freedom and Planning, heretofore inserted in the RECORD, is entirely secret and, to the best of my belief, has never before been published. However, the political economic plan has published broadsheets which in a rather veiled manner treat of some of the subjects dealt with in the secret document. These broadsheets are intended only for members and are almost impossible to procure. In a broadsheet dated April 25, 1933, they define their organization as follows:

A group of people who are actively engaged in production and distribution, in the social services, in town and country planning, in finance, in education, in research, in persuasion, and in various other key functions within the United Kingdom.

Emphasizing the secrecy of the organization on the last page of this broadsheet occurs the following paragraph:

You may use without acknowledgment anything which appears in this broadsheet on the understanding that the broadsheet and the group are not publicly mentioned, either in writing or otherwise. This strict condition of anonymity, upon which the broad-

sheet goes to you, is essential in order that the group may prove effective as a nonpartisan organization making its contributions outside the field of personal or party polemics.

Perhaps the first and only publicity the organization has had was in the Daily Herald April 28, 1933, which published an article referring to a private dinner given at the Savoy by the political economic plan on March 29 at which the chairman, Israel Moses Sieff, and the secretary, Kenneth Lindsay, made speeches. The caption in the Daily Herald was "Mystery Group Out to Re-Plan British Industry; P.E.P. at Work on New 'Control.'"

The political economic plan group members hold the meetings in a private room of the House of Commons. One of the first meetings was held on October 31, 1932, with the cognizance of Prime Minister MacDonald. Among those present were Malcolm MacDonald, son of the Prime Minister, J. H. Thomas, Sir Ernest Bennet, Lord Delawarr, Israel Moses Sieff, and Kenneth Lindsay, the secretary of the political economic plan.

The plan is already in operation in the British Government by means of the tariff advisory board, which in many of its powers is somewhat comparable to the National Recovery Administration in the United States.

This group organization has gathered all data and statistics obtained by governmental and private organization in administrative, industrial, social, educational, agricultural, and other circles; and Army, Navy, and airport statistics are in their hands as well as those of the law and medical professions. This has been made possible from the fact that the Prime Minister, Ramsay MacDonald, being a Fabian, the political economic plan Fabian group has had all archives at its disposal.

Through the tariff advisory board, created in February 1933, and headed by Sir George May, the control over industry and trade is being firmly established. This board works in direct connection with the treasury and with it devises the tariff policy. It has also been granted the powers of a law court and can exact under oath that all information concerning industry and trade be given it.

Iron and steel, as also cotton industrials in England, have been ordered by the tariff advisory board to prepare and submit plans for the reorganization of their industries and warned that should they fail to do so a plan for complete reconstruction would be imposed upon them. The tariff advisory board has been granted default powers and can, therefore, impose its plan.

The committee of the tariff advisory board is composed of Sir George May, Sydney Chapman, professor of economics and a statistician, and Sir George Allan Powell, of the food board and food council.

An interesting bit of information has come to me in this connection to the effect that this Fabian group has close connections with the foreign-policy association in New York City. This foreign policy association was largely sponsored by the late Paul M. Warburg and has received the close attention and support of Bernard M. Baruch and Felix M. Frankfurter.

Many serious people in England feel that this Fabian organization practically controls the British Government and that this Government will soon be known as "His Majesty's Soviet Government." It is asserted that both Prime Minister MacDonald and his son belong to the organization and that the movement is well organized and well financed and intends to practically sovietize the English-speaking race.

About 3 months after the passage of the National Recovery Act of the United States, when Israel Moses Sieff was urged by members of his committee to show more activity, he said:

Let us go slowly for a while and wait until we see how our plan carries out in America.

II

THE PLAN IN THE UNITED STATES

During the past several months Bernard M. Baruch, Felix Frankfurter, and the New York Jewish lawyer, Samuel T. Untermyer, have made several visits to Europe and spent

considerable time there. There is justification for the belief that they have contacted with members of the British Fabian group and are familiar with their plans. The same system, in a somewhat adapted form, has been placed upon the statute books in the United States, and the iron hand of world control is fast being closed upon American agriculture, labor, and industry. The people in the United States have been propagandized into the belief that the National Industrial Recovery Act is a product of the political genius of Franklin Delano Roosevelt. There is no greater popular fallacy. The National Industrial Recovery Act was formulated before Franklin Delano Roosevelt had any well-defined ideas as to its existence, and it is doubtful that even now he appreciates its significance. It required 15 years of hard effort on the part of Mr. Baruch and his associates to foist this act upon the American people, and it was only through the sufferings over a period of great stress that he was enabled to do it. Baruch himself stated before the War Policies Commission in reference to the genesis of this act, "For 13 years I have been coming down and working with my associates in the War Department * * *." It might be stated that practically every year since the war Baruch has been going to the Army War College and giving our future generals lectures along these lines. However, these addresses are clothed in secrecy and we do not know just what he says. During the spring of 1931, in appearing before the War Policies Commission, Mr. Baruch stated, in part:

* * * Our industry must, at last analysis, mobilize itself. What is required is leadership of a type that will persuade cooperation in every branch. This leadership must be backed by sanctions of far greater force than can or ought to be used in peace. It is a spontaneous sort of function, utterly inappropriate to any imaginable form of bureaucratic organization.

As I have said, I do not favor an involved statute attempting to anticipate the requirements of another war.

I think plans should be made and revised yearly. I think some steps should be taken to keep selected industrial leaders informed of these plans so that when the principal actors in the 1918 mobilization pass from the scene there will be a nucleus of personnel to take their places. I do not believe that we can go further.

But, for a very special reason, I do believe that there should be one statute on the books the very existence of which would be a constant warning to everybody that never again in America will any man make as much profit in war as he can make in peace. There need be nothing complex nor involved about it. Purely for purposes of discussion I have prepared a rough draft, eliminating enacting clauses and formalities. It follows:

"That whenever Congress shall declare war or the existence of an emergency due to the imminence of war, then from and after a date prior to such declaration, which date the President is hereby authorized and directed to determine and announce, it shall be unlawful for any person to buy, sell, or otherwise contract for any service, right, or thing at a higher rate, rent, price, wage, commission, or reward than was in effect at the date so determined.

"Whenever, in the sole discretion of the President, he shall determine that any maximum price, wage, rent, rate, commission, or reward should be adjusted either upward or downward, he is hereby authorized to make and proclaim such adjustment; and such adjustment shall have the full force and effect under this statute of such price, wage, rent, rate, commission, or reward before such adjustment.

"During the period of any war or emergency declared by Congress thereunder the President is authorized to determine, and by proclamation announce, what classes of public service, or of dealers or manufactures of any article or commodity shall be required to operate under licenses, to fix a condition of such licenses, and to grant licenses under such conditions. After such determination by the President it shall be unlawful for any public service, dealer, or manufacturer in such determined classes to engage in business without such license.

"During the period of any war or emergency declared by Congress hereunder, the President is authorized to determine the order of priority in which any manufacturer, dealer, or public service in the United States shall fill customers' or other orders and after such determination it shall be unlawful for any such manufacturer, dealer, or public service to fill such order in any other order of priority."

So much for the bill he proposed, but bear in mind he was emphatic that it should be used only in the event of war or an emergency caused by the imminence of war. He further stated:

Nobody with any familiarity with industry could seriously urge a wholesale assumption by any Federal bureau of the responsibility for management of any or all of the vast conjureries of manufacturing establishments upon which we must rely for extraordinary effort in event of war. Even if such bureau management

could prove adequate to the task (which it could never do), the mere process of change would destroy efficiency at the outset.

The industrial pattern of the United States is a delicate mesh of interrelated strands. It has been evolved in response to the needs of the Nation and under natural economic law but dimly understood. It is a sensitive living organism, and the injection of arbitrary and artificial interference could be attempted only at the risk of starting a sequence of upheavals, the ends of which no man can see. * * *

Baruch also presented to the War Policies Commission a draft of a proposed act regarding price fixing, and stated:

General Johnson, who was instrumental in drawing up the selective-service legislation, as it was submitted to Congress during the war, and who wrote the selective-service regulations, assisted in preparing this draft. * * *

Johnson, as well as Herbert Bayard Swope, was present with Baruch during these hearings, and they appeared to be his lieutenants, Johnson especially acting in the capacity of an assistant.

General Johnson in the last few months has become well known to the American public, and there can be little doubt that his first allegiance is to Bernard M. Baruch, with whom he has been associated so long.

We find in the activities of General Johnson, in the promulgation of codes upon the industry of the United States and in the activities of that other "brain truster", Prof. Rexford Tugwell, in promoting agriculture codes and controlled agricultural industry of the Nation, the very same machinery in operation as was proposed in Freedom and Planning.

However, Baruch, Johnson, Tugwell, Frankfurter, et al. seem to be more brazen in their efforts in this country. Frankfurter has been furnishing most of the legal brains for the outfit, and it is said that no legal position of any consequence can be secured by any lawyer in the present administration without it has first had the approval of Frankfurter. And it is a startling fact, in connection with this, that most of the legal advisers, especially in key positions, are Jews. Felix Frankfurter's adept student and protégé, Jerome N. Frank, general counsel of the Agricultural Adjustment Administration, delivered an address before the Association of American Law Schools, thirty-first annual meeting, at Chicago, December 30, 1933, on Experimental Jurisprudence and the New Deal. A reading of this address shows the contempt of the Frankfurter lawyers for the Constitution of the land and an expressed determination to obviate and avoid constitutional barriers in their administration of the Nation's affairs. Those in charge of the plan and its administration in the United States have for years considered methods for accomplishing their ends without regard to the Constitution of the United States. They recognize the fact that the National Industrial Recovery Act did not give them all of the power they desired in order to break down the barriers enacted in our Constitution preserving certain rights to the various States of the Union, as well as other features. Therefore, in the promulgation of the various codes affecting industry and agriculture throughout the country they have sought to compel, browbeat, and bulldoze the business interests of this country to engage in private contract so that they would have the power to require the business interests of the Nation to do their wishes regardless of the Constitution. The new-deal lawyers now have no hesitancy in appearing in court and asserting that private citizens can contract away their constitutional rights. It has been through this method that they have broken down State lines and invaded the most private affairs of our citizens. It will be through this method, for instance, that the little retailer of the country will be driven out of business and chain-store-system control by them put into operation, just as they are attempting in England.

There is no better illustration of this group of international would-be Caesars to control the industry and agricultural interests of this Nation than that demonstrated in the methods they have employed to try to coerce and compel the Ford Motor Co. to sign the automobile manufacturers' code. It should be borne in mind that even General Johnson himself has had to admit to the Comptroller General of the United States that he has no evidence of code or law

violation on the part of the Ford Motor Co. It should also be borne in mind that the little Jewish Assistant Attorney General, Cahfetz, who appeared in the Supreme Court of the District of Columbia for the Government in recent cases brought therein by a Ford dealer, admitted to the court that he had no evidence of law violation. Therefore a question of whether or not the Ford Motor Co. has violated the law or the codes is not raised. It is admitted by the Government that they have not. Then why all this stir to prevent the purchase by the Government of Ford products? There are two outstanding reasons: One is that the Ford Motor Co. represents the last stronghold of independent industry in this Nation, hence it must be destroyed. It interferes with their plans. Next, so long as the Ford Motor Co. refuses to sign any code and thus engage in private contract which would give the administration power over and beyond the law it is still free at any time it chooses to attack the constitutionality of these extraordinary measures. Frankfurter lawyers contend that one who has signed the code has waived his rights to make any such attack. Therefore the power of Government will be used to bludgeon and compel, if it can, this last stronghold of independent industry to come within the fold so that it will be safe from attack in this quarter.

The American people may feel exceedingly grateful that someone has shown some degree of patriotic sanity in this respect, and the Ford Motor Co. has a great many of the smaller business enterprises of the Nation with them in their stand.

We not only see the hurried and frenzied regimentation of industry and agriculture in this Nation by means of codes, but we are also witnessing a most spectacular engagement by Government in the private loan field. Billions of dollars are being used to take over debts and pledge the property of industry, farmers, and home owners. This paves the way for the day near at hand when Government corporations will begin to take over and operate industrial enterprises and land and home organizations. We are on the threshold of a modern and Machiavellian feudal system devised and controlled by a group of international usurers.

It might be well to observe that those who for 15 years have planned this specific legislation which is now operating to take over and control the most intimate affairs of our national life must have foreseen the conditions under which they could make such a plan possible. Therefore, it is reasonable to assume that they had some direct part in bringing about the conditions which make it possible to place the "plan" in operation. There has not been an administration since our advent into the great World War in which Bernard M. Baruch has not been a chief political, economic, and financial adviser, and every administration that has listened to him has carried us deeper and deeper into financial chaos, and today we are operating on his greatest experiment—a planned economy and industrial and agricultural control. The juggernaut has been built and it is being moved on its cumbersome wheels. It is only a matter of time until it will give its lurch and roll upon and crush those who have built it.

Immediately following the World War, Bernard M. Baruch appeared before a select congressional committee and there testified to the fact that he virtually had complete control of the resources of the American Nation during the war. The colloquy with Congressman Jeffries is in part as follows:

Mr. JEFFRIES. In other words you determined what anybody could have?

Mr. BARUCH. Exactly; there is no question about that. I assumed that responsibility, sir, and that final determination rested with me.

Mr. JEFFRIES. What?

Mr. BARUCH. That final determination, as the President said, rested within me; the determination of whether the Army or Navy should have it rested with me; the determination of whether the Railroad Administration could have it, or the Allies, or whether General Allenby should have locomotives, or whether they should be used in Russia, or used in France.

Mr. JEFFRIES. You had considerable power?

Mr. BARUCH. Indeed I did, sir.

Mr. JEFFRIES. And all those different lines, really, ultimately centered in you, so far as power was concerned?

Mr. BARUCH. Yes, sir; it did. I probably had more power than perhaps any other man did in the war; doubtless that is true.

It is quite safe to assume today that now in coalition with Frankfurter, Brandeis, Moley, Tugwell, Johnson, Berle, and others of the American group, Mr. Baruch exercises more power than any man in the United States, if not in the world. It is a nice little camouflage for him to talk about getting out of Wall Street and writing the story of his struggling youth. We might as well look for the stream to run up the mountain.

THE PRIVATE CALENDAR

GEORGE A. CARDEN AND ANDERSON T. HERD

Mr. LLOYD. Mr. Speaker, a few moments ago on the Private Calendar, in consideration of Calendar No. 583, H.R. 8482, a bill conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on certain claims of George A. Carden and Anderson T. Herd, I offered a committee amendment. I was not advised at that time that the Senate bill included the committee amendment.

I ask unanimous consent to vacate the committee amendment because it was already included in the bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. LLOYD]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of business on the Speaker's table, I may be permitted to address the House for 10 minutes.

Mr. MARTIN of Massachusetts. Reserving the right to object, I should like to ask the majority leader what is the program for tomorrow. Will this interfere with his program?

Mr. BYRNS. I intended, when the House meets tomorrow, to renew my request for unanimous consent to consider the Private Calendar. I would do so now, but I believe we will all be in better humor tomorrow, and perhaps the request may be granted. If that is denied, then it would be proposed to go ahead with suspensions and rules, and possibly conference reports. A conference report has just been filed, and there has also been a conference report filed on the communications bill. Those conference reports may come up at any time.

Mr. MARTIN of Massachusetts. If the gentleman's request is granted, we will only consider bills on the Private Calendar and whatever conference reports may come in?

Mr. BYRNS. Yes. My request would go to this extent—of course, that could be refused, but if it were granted, we will take up the Private Calendar. I really believe the time has come when we ought to consider some Senate bills and pass those Senate bills on the Private Calendar. If the Members will look at the RECORD, they will find that the Senate passed a great many of the House bills on yesterday. I think we ought to pass Senate bills first and then consider House bills.

Mr. MARTIN of Massachusetts. Will the gentleman make his request now?

Mr. BYRNS. There is a request pending.

Mr. MARTIN of Massachusetts. I have no objection to the pending request.

Mr. TRUAX. Will the gentleman yield for a question? Is the gentleman going to ask unanimous consent to consider the Private Calendar on tomorrow?

Mr. BYRNS. I am going to ask that tomorrow.

Mr. TRUAX. You will ask it for tomorrow?

Mr. BYRNS. I will ask it tomorrow. I am simply serving notice now that I will make that request as soon as the House meets tomorrow.

Mr. MARTIN of Massachusetts. Perhaps the gentleman could do it now.

Mr. HANCOCK of New York. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. HANCOCK of New York. Did the gentleman say it was the intention to give preference to Senate bills that have been passed?

Mr. BYRNS. I am going to make that request. I think that is what we ought to do. I think we ought to take up the Senate bills first, and then if we get through with those, we can take up the House bills; but, in any event, I am going to ask that the Private Calendar be called tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. FLETCHER] that on tomorrow, at the conclusion of business on the Speaker's table, he may address the House for 10 minutes?

There was no objection.

FARMING THE FOUNDATION OF CIVILIZATION

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD concerning the decentralization of industrial population by subsistence homestead projects.

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

There was no objection.

Mr. McSWAIN. Mr. Speaker, it is trite to say that the farm is the foundation of all civilization. This truth nearly everybody will admit, but few are willing to admit its economic significance. Out of the ground all things of value must proceed. Not only things to eat and wear, but mineral products of all sorts, clay products, timber, and in fact all animal life is but one step up from the ground, and but a step back into the ground.

Mr. Speaker, it was a great conception of President Roosevelt to lay emphasis upon this fundamental thought by insisting upon wise experimentation in the matter of subsistence homesteads. These small farms are intended merely to decentralize the industrial population and to enable the families to produce fruits and vegetables, milk, and some meat for family use only, and not for the market so as to become competitors of commercial farmers. Those living upon these subsistence homesteads will labor in various factories at least a part of the time so as to raise the cash to pay for clothing and a part of their food, and for such pleasures and cultural agencies and instrumentalities as musical instruments, radios, books, and similar comforts, conveniences, and uplifting diversions.

The frontier of America has reached the Pacific and the backing-up process is beginning to show itself on the Atlantic coast. It is upon this eastern side of the continent that the worn, barren, marginal lands are to be found. The Democratic administration is showing the way to the recovery of these worn-out lands, just as it showed the way a generation ago to the conservation and reclamation of the barren desert lands of the West. Consequently we have programs of reforestation, of soil-erosion control, of drainage, of conservation of water power for rural electrification, to enable those living on the farms to lighten the toil and to enjoy more of the improvements of modern civilization.

Mr. Speaker, the program of the Democratic Party includes a great conception for the blessing and benefit of humanity. Its basis is the Bible, its exemplification is the philosophy and teaching and example of Jesus Christ, its partial fruition is the Declaration of Independence and even popular government itself. This program of the Democratic Party rises above partisan considerations; it is not a mere matter of office holding and pork-barrel politics, but it smacks of the spirit of the missionary. It exists to serve and bless mankind, it takes little children into its arms, it preaches the gospel of service to the poor, it holds out hope for the lowly and humble, it gives promise that America will still lead the world, as it has ever done, in pointing the way to a freer, purer, more just, and more ethical economic system.

Mr. Speaker, I have always believed in these things that I have been mentioning, but that belief was hazy and more of a hope than a creed. It is true that upon my own farm I have long been experimenting in soil building, erosion control, and diversification. It is true that I have preached from one end of our State to the other the necessity that farmers should first of all produce upon their farms the things that their families and tenants and their stock must

eat. It is true that I have sought to show the benefits of establishing farm marketing centers for canning fruits and vegetables, for converting milk into butter, cream, and cheese, for preserving and curing meats, and for assembling and shipping all forms of poultry, including eggs. It is true that I have pointed to the advantages of small farms near our centers of population. I have personally helped and encouraged many families to acquire such homes. But to find now that the force of the Federal Government is to be thrown back of a Nation-wide movement to make farm life more desirable and more profitable is one of the most joyful realizations of this whole Roosevelt regime.

Mr. Speaker, as an illustration of the interest I have long felt in such matters, I have been offering prizes in good country high schools in different parts of my district, the prizes being always books, for farmers who made the greatest progress in soil building, and for high-school pupils that wrote the best essays on various phases of farm life. Therefore, I am offering some extracts from the prize-winning essay by Miss Martha Roberts in the Mountain View High School of O'Neal Township in Greenville County. I wish that my colleagues could see this school in action. It is the center of community life. It is more than a mere place for children to learn the three R's; it is a place where grown men and women often assemble, and by exchange of experiences and ideals, all under the leadership of wonderful teachers, the whole community is advancing in every way. I am proud to report that there are many such country high schools in the Fourth Congressional District, and I do not intend to reflect upon any by calling special attention to the wonderful progress made in the Mountain View School and among the people living in that neighborhood. I hope that at another session I may have the great pleasure of calling attention to some of these other schools and of complimenting some of the winners of the contests which I have encouraged and stimulated.

Here follow brief extracts from the wonderful essay of Miss Martha Roberts.

THE ADVANTAGES OF FARM LIFE

Surely no place offers such great opportunities for life at its best as the farm. In this day of rural electrification, good roads, wide-awake churches and schools, the farm is an excellent place for good moral, physical, and mental development, and these are the most important forces of life. * * *

Farm life presents a natural environment of God's handiwork. No one who lives on the farm can fail to feel a closer communion with God, or fail to recognize a Supreme Being as one deals with plants day after day. Wild plant life, as well as the cultivated plant life, causes us to agree with the poet, who when asked why a certain beautiful wild flower grew in such a secluded spot, answered by saying:

"Why thou wert there, oh rival of the rose!
I never thought to ask, I never knew;
But, in my simple ignorance, suppose
The self-same power that brought me here brought you."

The close contact with outdoor life plays an important part in our moral growth, but church life is necessary too. Improved highways, automobiles, and centrally located churches make it possible for any one of us on the farm to enjoy and take an active part in religious activities. * * *

When we compare the physical ability of farmers with that of men who do indoor work, we can easily see that the farm offers unusual advantages for physical development. Work on the farm calls for a great deal of outdoor exercise. * * *

Good strong, healthy bodies are impossible without a sufficient amount of fresh, nutritious foods. On the farm fresh meats, vegetables, milk, eggs, butter, etc., can be had throughout the entire year. And with canning materials we can easily preserve our surplus foods so as to have a well-balanced diet throughout the year without much extra expense. Few cases of pellagra and other diseases, due to a faulty diet, are found among farmers, because they can have a supply of fresh foods at all times.

The mental side of life need not be neglected on the farm. Each of us can receive a high-school education without added expense, and with the foundation we thus receive, we can continue to improve and inform our minds. * * *

Thanks to the R.F.D.'s, we on the farms can receive daily papers and our magazines just about as quickly as people in cities and towns. Therefore, we can be familiar with and well informed on the topics of the day. Many rural sections have also the advantage of a Sunday paper. By means of the radio we in the country have the advantages of theaters, noted speakers and preachers, and musical concerts. Also the radio makes it possible for us to keep up with current events, market quotations, weather forecasts, and all other important things. * * *

In many rural sections we have the advantages of a public library. * * *

In view of the many advantages of the farm we understand how farm life has played an important part in producing many of the great characters of the past and also of the present.

(Miss) MARTHA ROBERTS.

Mr. Speaker, the message from President Roosevelt received by the Congress yesterday inspires us all with a vision of better and brighter days for the American people. This should certainly be true of the Piedmont section of South Carolina. We already have many interests which do interlock in bringing about better conditions for our people. But we need a more diversified industry and a more diversified agriculture. The more people there are engaged in manufacturing, not only cotton but various other products and especially in the manufacture of many kinds of commodities and utilities from cotton and from cotton cloth, the better the markets for all forms of farm products. In like manner the farmers will be induced to diversify their products and not only to produce cotton but to produce all the things on the farm that the people on the farm need to eat, and also the food for stock and cattle, with a surplus of fruits and vegetables, milk and cream, and meat for sale to the nearby industrial populations, and also for shipping to the distant markets of the North.

In order to help bring about these promising features of development, we need cheaper power. There are still parts of our streams on which power can be developed, and if we organize a power-distributing company in South Carolina for the Piedmont section, it will be possible to bring power over the mountains from the cheap sources of the Tennessee Valley Authority. That corporation can, and if we desired would, develop power nearer to Greenville than the Cove Creek Dam near Knoxville. There is abundant power in the French Broad River. The Tennessee Valley Authority has been cooperating splendidly with the power companies in the Tennessee River Basin by either buying out the existing transmission lines or by staying out of the territory already served by private power companies. That can easily be worked out in Piedmont, S.C. While the Duke Power Co. and its various subsidiaries offer power to every industry or enterprise that we may develop; yet, in my humble judgment, compared with power rates in other parts of the country and power rates prevailing in Canada, Norway, Sweden, and Italy the rates of the Duke Power Co. are too high. I believe in being fair to every person, firm, and corporation, and I certainly would be fair to the innocent stockholders, but the first consideration is the people who must have power in order to operate industries, and if the rates are so high as to either discourage industries or prevent their being expanded, then it is time to look about for a cheaper source of power.

If the Piedmont section of South Carolina will organize and cooperate for the development of all of our wonderful resources, we can within a generation be the richest part of the world. We have a climate unmatched anywhere. With the purest water and a naturally fertile soil, with all facilities of transportation, with local markets and every prospect of finding markets in the great cities of the North for all of our fruits and vegetables, milk products, and meats, I can see the mortgages being lifted from our farms, I can see better farm homes and farm outbuildings rising all over that section, I can see new industries of many kinds springing up in every neighborhood, and soon our whole section from side to side will reflect in a prosperous people the benevolent policies conceived in the heart of President Roosevelt.

These words from the message of President Roosevelt on June 8, 1934, seem especially appropriate to our situation:

Among our objectives I place the security of the men, women, and children of the Nation first.

This security for the individual and for the family concerns itself primarily with three factors. People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours.

In a simple and primitive civilization homes were to be had for the building. The bounties of nature in a new land provided crude but adequate food and shelter. When land failed our ancestors moved on to better land. It was always possible to push back the frontier, but the frontier has now disappeared. Our task involves the making of a better living out of the lands that we have.

So also security was attained in the earlier days through the interdependence of members of families upon each other and of the families within a small community upon each other. The complexities of great communities and of organized industry make less real these simple means of security. Therefore, we are compelled to employ the active interest of the Nation as a whole through government in order to encourage a greater security for each individual who composes it.

With the full cooperation of the Congress we have already made a serious attack upon the problem of housing in our great cities. Millions of dollars have been appropriated for housing projects by Federal and local authorities, often with the generous assistance of private owners. The task thus begun must be pursued for many years to come. There is ample private money for sound housing projects; and the Congress, in a measure now before you, can stimulate the lending of money for the modernization of existing homes and the building of new homes. In pursuing this policy we are working toward the ultimate objective of making it possible for American families to live as Americans should.

In regard to the second factor, economic circumstances and the forces of nature themselves dictate the need of constant thought as to the means by which a wise government may help the necessary readjustment of the population. We cannot fail to act when hundreds of thousands of families live where there is no reasonable prospect of a living in the years to come. This is especially a national problem. Unlike most of the leading nations of the world, we have so far failed to create a national policy for the development of our land and water resources and for their better use by those people who cannot make a living in their present positions. Only thus can we permanently eliminate many millions of people from the relief rolls on which their names are now found.

The extent of the usefulness of our great natural inheritance of land and water depends on our mastery of it. We are now so organized that science and invention have given us the means of more extensive and effective attacks upon the problems of nature than ever before. We have learned to utilize water power, to reclaim deserts, to re-create forests, and to redirect the flow of population. Until recently we have proceeded almost at random, making many mistakes.

FRANKLIN D. ROOSEVELT.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. PEAVEY, for a week, on account of illness in family.

To Mr. HEALEY, for 2 days, on account of illness.

To Mr. HAINES, for June 9, on account of private business.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 339. An act for the refundment of certain countervailing customs duties collected upon logs imported from British Columbia; to the Committee on the Judiciary.

S. 418. An act for the relief of William H. Connors, alias John H. Connors, alias Michael W. H. Connors; to the Committee on Military Affairs.

S. 527. An act for the relief of Lillian Morden; to the Committee on Claims.

S. 568. An act for the relief of Winifred Meagher; to the Committee on Claims.

S. 605. An act authorizing national banks to establish branches in certain cases; to the Committee on Banking and Currency.

S. 762. An act for the relief of Teresa de Prevost; to the Committee on Claims.

S. 771. An act for the relief of James Darcy, alias James Hurley; to the Committee on Military Affairs.

S. 829. An act for the relief of Denis Healy; to the Committee on Naval Affairs.

S. 1137. An act for the relief of Ruth J. Barnes; to the Committee on Claims.

S. 1146. An act for the relief of John W. Beck; to the Committee on Military Affairs.

S. 1177. An act for the relief of Edward T. Costello; to the Committee on Military Affairs.

S. 1386. An act to provide for a preliminary examination of Nisqually River and its tributaries, in the State of Washington, with a view to the control of their floods; to the Committee on Flood Control.

S. 1510. An act to amend the act entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes", approved May 25, 1926, with respect to certain lands in the Langell Valley irrigation district; to the Committee on Irrigation and Reclamation.

S. 1707. An act for the relief of Carlos C. Bedsole; to the Committee on the Public Lands.

S. 1792. An act for the relief of Claude C. Martin; to the Committee on Military Affairs.

S. 1836. An act for the relief of John W. Schell, deceased; to the Committee on Military Affairs.

S. 1948. An act amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States", approved February 6, 1921 (41 Stat. 1097); to the Committee on Indian Affairs.

S. 2010. An act to provide for the establishment of a Coast Guard station on the coast of Georgia, at or near Sea Island Beach; to the Committee on Interstate and Foreign Commerce.

S. 2074. An act for the relief of James R. Mansfield; to the Committee on Claims.

S. 2255. An act to regulate the defense of alibi in criminal cases; to the Committee on the Judiciary.

S. 2333. An act for the relief of John J. Moran; to the Committee on Claims.

S. 2336. An act for the relief of the estate of Mrs. Donnie Wright, deceased; to the Committee on Claims.

S. 2343. An act for the relief of Herbert E. Matthews; to the Committee on Claims.

S. 2454. An act for the relief of Arthur W. Adams; to the Committee on Military Affairs.

S. 2462. An act relating to loans by the Reconstruction Finance Corporation in connection with agricultural improvement projects; to the Committee on Banking and Currency.

S. 2501. An act for the relief of Dr. R. N. Harwood; to the Committee on Claims.

S. 2581. An act for the relief of Charles H. Willett; to the Committee on Military Affairs.

S. 2613. An act for the relief of Jewell Maness; to the Committee on Claims.

S. 2836. An act to amend the Mining Act of May 10, 1872, as amended; to the Committee on Mines and Mining.

S. 2892. An act to amend existing laws prohibiting the introduction of intoxicating liquors within the Indian country to permit its use as a medicine by practicing physicians for patients of Indian blood; to the Committee on Indian Affairs.

S. 2896. An act for the relief of James W. Carmichael, deceased; to the Committee on Military Affairs.

S. 2987. An act to restore homestead rights in certain cases; to the Committee on the Public Lands.

S. 3017. An act for the relief of Edwin C. Jenney, receiver of the First National Bank of Newton, Mass.; to the Committee on Claims.

S. 3113. An act to add certain lands to the Malheur National Forest, in the State of Oregon; to the Committee on Agriculture.

S. 3116. An act 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"; to the Committee on Irrigation and Reclamation.

S. 3122. An act for the relief of H. N. Wilcox; to the Committee on Claims.

S. 3160. An act for the relief of Charles E. Secord; to the Committee on Claims.

S. 3199. An act for the relief of Thomas A. Coyne; to the Committee on Military Affairs.

S. 3261. An act to permit the stepchildren of certain officers and employees of the United States to be admitted to the public schools of the District of Columbia without payment of tuition; to the Committee on the District of Columbia.

S. 3375. An act to provide for the distribution of power revenues on Federal reclamation projects, and for other purposes; to the Committee on Irrigation and Reclamation.

S. 3419. An act to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act; to the Committee on Agriculture.

S. 3431. An act authorizing a preliminary examination of the Lower Columbia River, with a view to the controlling of floods; to the Committee on Flood Control.

S. 3459. An act to exempt from taxation certain property of the Daughters of Union Veterans of the Civil War in the District of Columbia; to the Committee on the District of Columbia.

S. 3463. An act to authorize the addition of certain names to the final rolls of the Blackfeet Tribe of Indians in the State of Montana; to the Committee on Indian Affairs.

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

S. 3541. An act to authorize production-credit associations to make loans to oyster planters; to the Committee on Agriculture.

S. 3568. An act to amend section 824 of the Code of Laws for the District of Columbia; to the Committee on the District of Columbia.

S. 3569. An act to provide for the acquisition of land in the District of Columbia in excess of that required for public projects and improvements, and for other purposes; to the Committee on the District of Columbia.

S. 3656. An act for the relief of Robert N. Stockton; to the Committee on Claims.

S. 3657. An act authorizing the construction of a dam on the San Pedro River, Ariz.; to the Committee on Irrigation and Reclamation.

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. 311. An act for the relief of Martin Henry Waterman, deceased;

H.R. 1405. An act for the relief of the Yosemite Lumber Co.;

H.R. 2035. An act for the relief of Jennie Bruce Gallahan;

H.R. 2287. An act for the relief of Warren Burke;

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

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

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

H.R. 3167. An act for the relief of Sue Hall Erwin;

H.R. 3214. An act to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn;

H.R. 3353. An act to provide a preliminary examination of Stillaguamish River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3354. An act to provide a preliminary examination of Snohomish River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3362. An act to provide a preliminary examination of the Nooksack River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3363. An act to provide a preliminary examination of Skagit River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3423. An act for the relief of Benjamin Wright, deceased;

H.R. 3768. An act to change the name of the retail liquor dealers' stamp tax in the case of retail drug stores or pharmacies;

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

H.R. 4272. An act for the relief of Annie Moran;

H.R. 4541. An act for the relief of George Dacas;

H.R. 4932. An act for the relief of Judd W. Hulbert;

H.R. 4962. An act for the relief of Joseph B. Lynch;

H.R. 5175. An act to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods;

H.R. 5312. An act to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes;

H.R. 5334. An act to amend the third clause of section 14 of the act of March 3, 1879 (20 Stat. 359; U.S.C., title 39, sec. 226);

H.R. 5522. An act to amend the Standard Baskets Act of August 31, 1916, to provide for a 1-pound Climax basket for mushrooms;

H.R. 5597. An act to afford permanent protection to the watershed and water supply of the city of Coquille, Coos County, Oreg.;

H.R. 5636. An act for the relief of Jose Ramon Cordova;

H.R. 5665. An act authorizing the control of floods in the Salmon River, Alaska;

H.R. 5780. An act for the relief of Lt. H. W. Taylor, United States Navy;

H.R. 5823. An act to authorize the purchase by the city of McMinnville, Oreg., of certain tracts of public lands and certain tracts vested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 5935. An act for the relief of Oscar P. Cox;

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

H.R. 6675. An act to authorize the acknowledgment of oaths by post-office inspectors and by chief clerks of the Railway Mail Service;

H.R. 6847. An act providing for the acquisition of additional lands for the naval air station at Hampton Roads Naval Operating Base, Norfolk, Va.;

H.R. 6890. An act for the relief of Mrs. Pleasant Lawrence Parr;

H.R. 7028. An act for the relief of Mrs. Joseph Roncoli;

H.R. 7082. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way, in and in the vicinity of the city of Lodi, and near the station of Acampo, and in the city of Tracy, all in the county of San Joaquin, State of California, and in or in the vicinity of Galt and Polk, in the county of Sacramento, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat.L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat.L. 356);

H.R. 7098. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way, in and in the vicinity of the town of Gridley, all in the county of Butte, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 25, 1866 (14 Stat.L. 239);

H.R. 7185. An act to authorize the purchase by the city of Forest Grove, Oreg., of certain tracts of public lands and certain tracts vested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 7213. An act to provide hourly rates of pay for substitute laborers in the Railway Mail Service and time credits when appointed as regular laborer;

H.R. 7299. An act to authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon or other mistreatment of mail matter due to fault or negligence of the contractor or an agent or employee thereof;

H.R. 7317. An act to provide for the final construction, on behalf of the United States, of postal treaties or conventions to which the United States is a party;

H.R. 7360. An act to establish a minimum area for the Great Smoky Mountains National Park, and for other purposes;

H.R. 7367. An act for the relief of Sarah Smolen;

H.R. 7653. An act to authorize the establishment of the Ocmulgee National Monument in Bibb County, Ga.;

H.R. 7711. An act to permit postmasters to act as disbursing officers for the payment of traveling expenses of officers and employees of the Postal Service;

H.R. 7759. An act to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin;

H.R. 8234. An act to provide a preliminary examination of the Paint Rock River in Jackson County, Ala., with a view to the control of its floods;

H.R. 8541. An act to provide for the enrollment of members of the Menominee Indian Tribe of the State of Wisconsin;

H.R. 8562. An act to provide for a preliminary examination of the Connecticut River, with a view to the control of its floods and prevention of erosion of its banks in the State of Massachusetts;

H.R. 8779. An act to authorize the Secretary of Agriculture to adjust claims to so-called "Olmstead lands" in the State of North Carolina;

H.R. 8927. An act to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes;

H.R. 9064. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Grand Calumet River near Clark Street, in Gary, Ind.;

H.R. 9141. An act granting the consent of Congress to the State of Alabama, its agent or agencies, and to Colbert County and to Lauderdale County in the State of Alabama, and to the city of Sheffield, Colbert County, Ala., and to the city of Florence, Lauderdale County, Ala., or to any two of them, or to either of them, to construct, maintain, and operate a bridge, and approaches thereto, across the Tennessee River at a point between the city of Sheffield, Ala., and the city of Florence, Ala., suitable to the interests of navigation;

H.R. 9180. An act relating to the incorporation of Columbus University of Washington, District of Columbia, 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;

H.R. 9313. An act to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.;

H.R. 9320. An act to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N.Dak.;

H.R. 9392. An act to reclassify terminal railway post offices;

H.R. 9400. An act to exempt from taxation certain property of the American Legion in the District of Columbia;

H.R. 9430. An act to provide a preliminary examination of the Cowlitz River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9431. An act to provide a preliminary examination of Chehalis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9432. An act to provide a preliminary examination of the Lewis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9433. An act to provide a preliminary examination of Columbia River and its tributaries in the State of Washington, with a view to the control of its flood waters;

H.R. 9434. An act granting the consent of Congress for the construction of a dike or dam across the head of Camas Slough (Washougal Slough) to Lady Island on the Columbia River in the State of Washington;

H.R. 9567. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.;

H.R. 9585. An act authorizing the city of Sault Ste. Marie, Mich., its successors and assigns, to construct, maintain, and operate a bridge across the St. Marys River at or near Sault Ste. Marie, Mich.;

H.R. 9694. An act to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933; and

H.J.Res. 340. Joint resolution to harmonize the treaties and statutes of the United States with reference to American Samoa.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1358. An act to provide for the improvement of approaches to the National Cemetery and the Confederate Cemetery at Fayetteville, Ark.;

S. 3041. An act to effectuate the purpose of certain statutes concerning rates of pay for labor by making it unlawful to prevent anyone from receiving the compensation contracted for thereunder, and for other purposes;

S. 3211. An act to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.;

S. 3540. An act to amend section 32 of the Emergency Farm Mortgage Act of 1933; and

S. 3640. An act granting the consent of Congress to the Tensas Basin Levee Board of the State of Louisiana to construct, maintain, and operate a free highway bridge across Bayou Bartholomew at or near its mouth in Morehouse Parish, La.

TAX-EXEMPT SECURITIES—RECIPROCAL TAXATION OF GOVERNMENTAL SECURITIES PROHIBITED BY CONSTITUTION

Mr. CROWTHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CROWTHER. Mr. Speaker, it is well settled that the Federal Government is without power to levy a tax upon bonds or other obligations of States and municipalities, and conversely that such States and municipalities may not tax the obligations of the United States. In the case of *Collector v. Day* (11 Wall. 127), the Supreme Court of the United States, in referring to this inhibition, said:

It is admitted that there is not express provision in the Constitution that prohibits the general Government from taxing the means and instrumentalities of the States, nor is there any prohibiting the States from taxing the means and instrumentalities of that Government. In both cases the exemption rests upon necessary implication, and is upheld by the great law of self-preservation; as any government, whose means employed in conducting its operations, if subject to the control of another and distinct government, can exist only at the mercy of that government.

When the sixteenth amendment to the Constitution was adopted, there was some question whether under its provisions giving Congress the power to "lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration", the Federal Government had thereby been given the power to tax income from State and municipal bonds. Governor Charles Evans Hughes, of New York, in submitting the amendment to the legislature of his State, opposed its ratification because he considered that the phrase "from whatever source derived" gave Congress this power.

However, the sponsors of the amendment in Congress contended that the language was intended only to give to Congress the power to levy a tax upon incomes without the necessity of apportioning the tax according to population, and that it did not extend the objects of taxation. It was pointed out that Congress already had the power to tax incomes, but that as a tax on incomes had been held to be a direct tax, it must, under the terms of the Constitution, be apportioned among the States. This requirement of apportionment, it was said, was the difficulty sought to be avoided by the amendment.

The first income tax law enacted subsequent to the ratification of the sixteenth amendment was under the Tariff Act of 1913. By the terms of the law, income from State and municipal securities was specifically exempted. During the consideration of the bill in the House of Representatives, Representative Cordell Hull, who has often been called the

"father of the Federal income tax", explained that the reason the Ways and Means Committee had recommended the exemption of such income was that the friends of the sixteenth amendment did not desire to raise any constitutional question, nor to arouse the antagonism of any State.

All Federal income-tax laws since 1913 have consistently exempted from the tax all income from the obligations of States, Territories, possessions, and their respective subdivisions. Whether such income would be exempt under general constitutional considerations, without such specific exemption, is still a moot question. So far as the Congress itself is concerned, the weight of opinion seems to be that a further constitutional amendment would be necessary to permit the taxation of such income. Since Congress has always exempted the income from State and municipal securities from taxation, the power of Congress to tax such income under the sixteenth amendment has never been directly presented to the Supreme Court for judicial determination. However, in numerous dicta, the Court has taken the position that the amendment did not extend the taxing power to new or excepted objects (*Brushaber v. Union Pacific R.R.*, 241 U.S. 1; *Evans v. Gore*, 253 U.S. 245).

THE HOLMES VIEW OF THE EFFECT OF THE SIXTEENTH AMENDMENT

It is interesting to note that while the Supreme Court has intimated that it would hold unconstitutional the taxation by the Federal Government of income from State and municipal securities notwithstanding the sixteenth amendment, this view has by no means been concurred in by all of the justices. Thus, in *Evans v. Gore* (supra), Mr. Justice Holmes (Mr. Justice Brandeis concurring), stated his understanding of the sixteenth amendment as follows:

By that amendment Congress is given the power to "collect taxes on incomes, from whatever source derived." It is true that it goes on "without apportionment among the several States, and without regard to any census or enumeration", and this shows the particular difficulty that led to it. But the only cause of that difficulty was an attempt to trace income to its source, and it seems to me that the amendment was intended to put an end to the cause and not merely to obviate a single result.

Under this view, Congress would have the power, without further amendment of the Constitution, to levy a tax upon income from State and municipal securities. Whether, on the direct question being presented to it, the Supreme Court would adopt the view of Mr. Justice Holmes, it is, of course, impossible to say.

As the possibility of the Court overruling its previous dicta is purely conjectural, it may be well to consider the only other means of giving to Congress the power to tax obligations issued by the States and municipalities. This, of course, is by further amendment of the Constitution.

VOLUNTARY EXEMPTION OF OWN SECURITIES BY FEDERAL, STATE, AND LOCAL GOVERNMENTS

It should perhaps be stated that while the Federal Government does not appear to have the power to tax the income from State and municipal obligations, it does have the power to tax income from its own obligations. However, in order that the securities issued by the Federal Government will not have to compete with tax-free State and municipal securities on the market, Congress usually provides either whole or partial tax exemption for its own issues. For a like reason, the States and municipalities exempt their own issues from their respective taxes.

ARGUMENTS PRO AND CON

There has been much popular controversy over whether all governmental securities should be tax free. The chief arguments in favor of the proposition are as follows:

First. Governments can thus borrow funds for public purposes at lower rates of interest than if the securities were taxable.

Second. The holders of tax-free securities do not in effect escape taxation, but pay it in the form of accepting a lower interest rate.

Third. The exemption of interest from obligations of the State and municipal governments from Federal taxation, and the exemption of the interest from Federal obligations from State and municipal taxation, is necessary in order to preserve and safeguard the dual sovereignty system established by the Constitution.

On the other hand, those opposing tax-free securities contend that—

First. The exemption from taxes is not adequately reflected in the price for which the securities are usually sold.

Second. High taxes divert savings from ordinary productive industry to tax-exempt securities.

Third. Private enterprises are not able to borrow money on their own obligations except at high rates of interest, due to the necessary competition with tax-free Government issues.

Fourth. The ease with which governments can borrow money through tax-free securities encourages extravagance.

AMOUNT OF TAX-EXEMPT SECURITIES OUTSTANDING

According to the annual report of the Secretary of the Treasury for the fiscal year 1932, it is estimated that there were outstanding, on December 31, 1931, some twenty-two and a half billion dollars worth of Federal, State, and municipal securities the interest from which was wholly exempt from Federal income tax, and in addition some twelve billions of Federal securities the interest from which was exempt from the normal tax but not the surtax. This makes a total of thirty-four and a half billions of dollars in Government securities, Federal, State, and local, which on December 31, 1931, were either wholly or partially exempt from Federal income tax. Of the issues which were wholly exempt, those of the States and municipalities amounted to some \$15,583,000,000; those of the Territories and possessions to \$153,000,000; those of the Federal Government to some \$5,000,000,000; and those of the Federal farm-loan system to nearly \$1,800,000,000. Of course, the amount of tax-exempt securities outstanding at the present time is considerably more than it was at the date above mentioned. It has been estimated by some that these securities now aggregate in the neighborhood of \$42,000,000,000.

SECRETARY OF THE TREASURY GLASS URGED REFORM IN 1919

In his annual report for the fiscal year 1919, the Secretary of the Treasury, Hon. CARTER GLASS, called attention to the fact that high surtaxes tend to draw private capital from industry into investment in tax-free State and municipal securities, upon terms so easy to the States and municipalities "as to stimulate wasteful and nonproductive expenditure." He suggested that Congress amend the revenue law so as to require that, for the purpose of ascertaining the amount of surtax payable by a taxpayer, his income from State and municipal bonds be reported and included in his total income, and the portion of his income which is subject to taxation be taxed at the rates specified in respect to a total income of such amount. In support of his proposal he said:

It is intolerable that taxpayers should be allowed by purchase of tax-exempt securities not only to obtain exemption with respect to the income derived therefrom but to reduce the surtaxes upon their other income, and to have the surtaxes upon their other income determined upon the assumption, contrary to fact, that they are not in possession of income derived from State and municipal bonds.

While admitting that a question had been raised concerning the right of the Federal Government, under the Constitution, to tax the income from State and municipal bonds, he nevertheless stated that there could be no doubt of the constitutionality of such an administrative provision. In this connection, however, reference should be made to a recent decision of the United States Supreme Court in which this question was directly presented (*National Life Ins. Co. v. U.S.*, 277 U.S. 508). In the *National Life Insurance Co.* case, the collector of internal revenue, acting pursuant to the statute, required the company to subtract from the deduction allowed on account of reserves the amount of tax-free interest allowed as a separate deduction. On this point the Supreme Court said:

Thus he—the collector—required the petitioner to pay more upon his taxable income than could have been demanded had this been derived solely from taxable securities. If permitted, this would destroy the guaranteed exemption. One may not be subjected to greater burdens upon his taxable property solely because he owns some that is free.

Thus, it would appear that the proposal submitted by the Secretary, while an ingenious one, would not be upheld by the Supreme Court.

In 1920 the United States Chamber of Commerce took an interest in the matter of tax-free securities, and after a referendum vote of its members recommended against any further issues. The National Tax Association, just prior to that time, had condemned further exemptions by reason of the source of incomes.

VIEWS OF SECRETARY OF TREASURY MELLON

Secretary of the Treasury Mellon, shortly after assuming office in 1921, wrote to the Chairman of the House Ways and Means Committee under date of April 30, stating that "the continued issue of tax-exempt securities encourages the growth of public indebtedness and tends to divert capital from productive enterprise." In the same letter he further stated that "the existence of this mass of tax-exempt securities constitutes an economic evil of the first magnitude." Three days later a joint resolution was introduced in the House proposing a constitutional amendment making governmental security issues reciprocally taxable.

Speaking of the effect of tax-exempt securities upon the Federal income tax, Secretary Mellon, in a letter to the author of the joint resolution, dated September 23, 1921, said:

The issue of tax-exempt securities has a direct tendency to make the graduated Federal surtaxes ineffective and nonproductive, because it enables taxpayers subject to surtaxes to reduce the amount of their taxable income by investing it in such securities; and at the same time the result is that a very large class of capital investments escape their just share of taxation.

In the same letter the Secretary justified the exemption by the Federal Government of its own securities from Federal income tax in the following language:

Of course, the voluntary withdrawal of the tax exemptions from securities to be issued by or under the authority of the Federal Government would require no constitutional amendment, but to do this as to Federal securities alone would unjustly discriminate against the National Government and leave a clear field for the State and local governments.

HEARINGS ON PROPOSED AMENDMENT

In January 1922 public hearings were begun by the Ways and Means Committee on a number of resolutions pending before it which proposed to amend the Constitution so as to permit reciprocal taxation of governmental securities. Practically every witness appearing before the committee opposed any further tax-exempt issues. Among the national organizations represented at the hearing as favoring the proposed amendment were the following: The National Tax Association, the American Farm Bureau Federation, the Farm Mortgage Bankers Association, the National Association of Real Estate Boards, the American Mining Congress, the Peoples' Reconstruction League.

Speaking in behalf of the joint committee on taxation of the New York Legislature, Prof. E. R. A. Seligman, a recognized authority on taxation, gave an extended and carefully prepared argument in support of the proposal. He pointed out that it had often been contended that the issuance of tax-free securities could be defended because the public secured the advantage in the transaction, and went on to say that this was not the case; that it was the lender and not the borrower who secured the chief benefit. Professor Seligman warned that the issuance of tax-exempt securities was increasing so fast that it was rapidly narrowing the tax base, and argued that the continuance of this system might seriously endanger the Federal revenues.

In addition to other witnesses, Secretary of the Treasury Mellon personally appeared before the committee in support of the proposed amendment. President Harding had previously advocated the measure in a message to Congress on December 6, 1921.

PROPOSED AMENDMENT REPORTED TO HOUSE

On May 3, 1922, the Committee on Ways and Means reported to the House a joint resolution proposing the amendment of the Constitution to permit reciprocal taxation of future issues of Federal, State, and municipal securities. Outstanding issues were not to be affected, since good faith and the obligation of contract would prevent any attempt to reach them.

In its report accompanying the presentation of the proposed amendment to the House the committee gave the following reasons for abolishing the system of tax-free securities.

First. A large portion of property escapes taxation thereby, causing a great loss of revenue.

Second. It violates the ability principle of taxation and unfairly discriminates between taxpayers.

Third. It impedes private financing.

Fourth. It discourages investment in new enterprises.

Fifth. It encourages extravagance in governmental agencies.

Sixth. It grants a private subsidy to certain interests.

Seventh. By withdrawing money from private enterprises it increases the rate of interest required for all enterprises not carried on by the Government, and thereby adds to the cost of living.

Eighth. It creates social unrest; and the only practical remedy is by constitutional amendment.

HOUSE PASSES RESOLUTION—SENATE FAILS TO ACT

The House passed the joint resolution on January 23, 1923. In the Senate the bill was referred to the Judiciary Committee and hearings were begun a short time later. Other than to hold hearings, however, no action was taken on the measure.

Although the Senate did not act upon the resolution, it did adopt a resolution of its own directing the Federal Trade Commission, among other things, to investigate the facts relative to tax-exempt income from governmental securities. The Commission's report on the subject was transmitted to the Senate on June 6, 1924, and was ordered printed as a public document (S.Doc. No. 148, 68th Cong.).

RESOLUTION FAILS TO PASS HOUSE IN SUCCEEDING CONGRESS

In the Sixty-eighth Congress, the proposed amendment was again introduced, and on January 11, 1924, it was reported to the House, after being debated on February 7 and 8, it failed of passage by reason of lacking the necessary two-thirds majority, the vote being ayes 247, nays 133. In the debate, those Members who were especially interested in the success of the Federal farm-loan system and in municipal enterprises dependent upon bond issues emphasized the importance of these enterprises and made much of their dependence on tax-exempt issues. Opponents of the measure also attacked the motives of farm-mortgage bankers and public-service corporations in advocating the amendment.

LATER DEVELOPMENTS

Although in each succeeding Congress joint resolutions have been introduced by individual Members proposing an amendment to the Constitution in respect of tax-exempt securities, none of them have been reported out of committee. However, the Treasury Department has continued to recommend that such an amendment be adopted. In addressing the Ways and Means Committee in connection with the drafting of the Revenue Act of 1926, Secretary Mellon, on October 19, 1925, said:

Looking at the proposition logically, there is no reason for the existence of tax-exempt securities. There ought to be no refuge to which the wealthy man can go and avoid income taxes at times when the Federal Government needs the money. A constitutional amendment to make these securities taxable should be passed. The Treasury has consistently been the advocate of such reform.

The following statement is contained in the annual report of the Treasury Department for the fiscal year 1927:

Taking the long-time view of the situation, I believe that the enactment of such a constitutional amendment is desirable, for I consider it inconsistent with our principles of democratic government that our laws be so framed as to permit any class of our citizens to escape their just obligations.

Again, in his annual report for 1930, the Secretary of the Treasury called the attention of Congress to the fact that the Department had previously "earnestly recommended the adoption of a constitutional amendment permitting the Federal and State Governments, respectively, to tax securities to be issued in the future."

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 27 minutes p.m.) the House adjourned until tomorrow, Saturday, June 9, 1934, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SADOWSKI: Committee on Interstate and Foreign Commerce. H.R. 9653. A bill granting the consent of Congress to the State of Michigan, by and through the Mackinac Straits Bridge Authority, its successors and assigns, to construct, maintain, and operate a toll bridge or series of bridges across the Straits of Mackinac at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan; with amendment (Rept. No. 1917). Referred to the House Calendar.

Mr. CHRISTIANSON: Committee on Indian Affairs. H.R. 9691. A bill referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement; without amendment (Rept. No. 1919). Referred to the Committee of the Whole House on the state of the Union.

Mr. MILLER: Special committee appointed in pursuance of House Resolution 236. House Report 1920. A report of the committee pursuant to House Resolution 236. Referred to the House Calendar.

Mr. MURDOCK: Committee on Indian Affairs. H.R. 9822. A bill authorizing an appropriation for payment to the Osage Tribe of Indians, on account of their lands sold by the United States; without amendment (Rept. No. 1921). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. H.R. 9620. A bill 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; with amendment (Rept. No. 1922). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H.J.Res. 365. Joint resolution to amend the Settlement of War Claims Act of 1928, as amended; with amendment (Rept. No. 1924). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON of Wisconsin: A bill (H.R. 9875) to assure to persons within the jurisdiction of every State and Territory of the United States adequate protection of their right to work; to the Committee on Labor.

By Mr. STEAGALL: A bill (H.R. 9876) to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act and certain laws relating to national banking associations, and for other purposes; to the Committee on Banking and Currency.

By Mr. DOCKWEILER: A bill (H.R. 9877) to repeal certain taxes on coconut oil, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 9878) to repeal certain taxes on coconut oil, and for other purposes; to the Committee on Ways and Means.

By Mr. AYERS of Montana: A bill (H.R. 9879) to credit the Fort Belknap Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works

of the Fort Belknap Reservation, Mont.; to the Committee on Indian Affairs.

Also, a bill (H.R. 9880) to credit the Crow Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Crow Reservation, Mont.; to the Committee on Indians Affairs.

By Mr. KNUTSON: A bill (H.R. 9881) to provide for a statement of indebtedness of foreign countries to the United States; to the Committee on Ways and Means.

By Mr. FLANNAGAN: A bill (H.R. 9882) to establish the Breaks of Sandy National Park in Virginia and Kentucky; to the Committee on the Public Lands.

By Mr. McREYNOLDS: A bill (H.R. 9883) to authorize an annual appropriation to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History; to the Committee on Foreign Affairs.

By Mr. BEITER: A bill (H.R. 9884) to amend the act entitled "An act to provide for the appointment of an additional judge of the District Court of the United States for the Western District of New York", approved March 3, 1927; to the Committee on the Judiciary.

By Mr. IGLESIAS: A bill (H.R. 9885) to extend the provisions of certain laws to the island of Puerto Rico; to the Committee on Insular Affairs.

By Mr. KNIFFIN: A bill (H.R. 9886) to provide further for the national security and defense; to the Committee on the Judiciary.

By Mr. McCORMACK: Resolution (H.Res. 424) authorizing the special committee created by House Resolution 198, Seventy-third Congress, second session, to investigate Nazi propaganda and other matters, to expend not exceeding the sum of \$40,000 in addition to the amount authorized to be expended by House Resolution 199, Seventy-third Congress, second session; to the Committee on Accounts.

By Mr. HOWARD: Concurrent resolution (H.Con.Res. 43) authorizing the printing of the proceedings held in connection with the unveiling of the statue of William Jennings Bryan in Washington, D.C., May 3, 1934; to the Committee on Printing.

By Mr. LUDLOW: Concurrent resolution (H.Con.Res. 44) to provide for the printing and binding of the prayers offered by the Reverend James Shera Montgomery, Chaplain of the House of Representatives, during the opening of the daily sessions of the Seventy-second and Seventy-third Congresses; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GAMBRILL: A bill (H.R. 9887) for the relief of the Baltimore Renovating Co.; to the Committee on Claims.

Also, a bill (H.R. 9888) to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, to Ethel Smith McDaniel, widow of Travis McDaniel; to the Committee on Claims.

By Mr. KOPPLEMANN: A bill (H.R. 9889) for the relief of Minnie Rosenblatt; to the Committee on Claims.

By Mr. REECE: A bill (H.R. 9890) for the relief of Odessa Nason; to the Committee on Claims.

By Mrs. ROGERS of Massachusetts: A bill (H.R. 9891) for the relief of Manuel Gonsalves; to the Committee on Claims.

Also, a bill (H.R. 9892) reviving and renewing Patents Nos. 955130 and 955131; to the Committee on Patents.

By Mr. SNELL: A bill (H.R. 9893) granting an increase of pension to Clara F. Tower; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5060. By Mr. GLOVER: Resolution of Grand Prairie Leader, Stuttgart, Ark.; to the Committee on Ways and Means.

SENATE

SATURDAY, JUNE 9, 1934

(Legislative day of Wednesday, June 6, 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 Friday, June 8, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. LEWIS. I wish to announce that the Senator from New York [Mr. COPELAND], the Senator from Illinois [Mr. DIETERICH], the Senator from Wisconsin [Mr. DUFFY], the Senator from Florida [Mr. TRAMMELL], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained from the Senate.

I regret to announce that the Senator from California [Mr. McADOO] is still absent on account of illness.

I ask that these announcements may stand for the day.

Mr. FESS. I wish to announce that the Senator from New Jersey [Mr. BARBOUR], the Senator from Rhode Island [Mr. METCALF], the Senator from Delaware [Mr. HASTINGS], the Senator from Rhode Island [Mr. HEBERT], the Senator from Pennsylvania [Mr. REED], and the Senator from Maryland [Mr. GOLDSBOROUGH] are necessarily absent.

The VICE PRESIDENT. Eighty-two Senators having answered to their names, there is a quorum present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, returned to the Senate, in compliance with its request, the bill (H.R. 7340) to authorize the Post Office Department to hold contractors or carriers transporting the mails by air or water on routes extending beyond the borders of the United States responsible in damages for the loss, rifling, damage, wrong delivery, depredations upon, or other mistreatment of mail matter due to fault or negligence of the contractor or carrier, or an agent or employee thereof.

The message also announced that the House had passed without amendment the following bills and joint resolutions of the Senate:

S. 1173. An act for the relief of Gladding, McBean & Co.;

S. 2130. An act to authorize an appropriation for the purchase of land in Wyoming for use as rifle ranges for the Army of the United States;

S. 2674. An act to amend an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emer-

5061. By Mr. GOODWIN: Petition of W. G. Skelly, Republican national committeeman for Oklahoma, opposing the Wagner labor disputes bill; to the Committee on Labor.

5062. Also, petition of the National Association of Pattern Manufacturers, Chicago, opposing the passing of the Wagner Labor Disputes Act (S. 2926); to the Committee on Labor.

5063. Also, petition of the Cooking and Heating Appliance Manufacturing Industry, Washington, D.C., opposing the passing of the labor disputes bill, Senate bill 2926; to the Committee on Labor.

5064. By Mr. KINZER: Petition of Dr. Jacob Herchelroth, of Lancaster, Pa., protesting against Senate bill 2800; to the Committee on Interstate and Foreign Commerce.

5065. By Mr. LINDSAY: Petition of Independent Petroleum Association, Washington, D.C., favoring the Federal Petroleum bill (H.R. 9676); to the Committee on Interstate and Foreign Commerce.

5066. Also, telegram from the Crown Cork & Seal Co., Inc., New York City, opposing the passage of the Wagner labor bill; to the Committee on Labor.

5067. Also, petition of the Armstrong Cork Co., Lancaster, Pa., opposing the Wagner labor bill (S. 2926); to the Committee on Labor.

5068. Also, petition of the Bacon Coal Co., Brooklyn, N.Y., opposing the Wagner labor bill; to the Committee on Labor.

5069. Also, petition of C. H. Kohnken, of Brooklyn, N.Y., opposing the Wagner labor disputes bill; to the Committee on Labor.

5070. Also, telegram from L. F. Loree, of New York City, concerning Senate bill 3231, railway employees pension legislation; to the Committee on Labor.

5071. By Mr. MARTIN of Oregon: Petition of Edna A. Scott, president Teachers Union, No. 11, Portland, Oreg., and others, urging Congress to earmark \$150,000,000 of Public Works funds for direct school relief; to the Committee on Appropriations.

5072. By Mr. RUDD: Petition of Norman Winnall, of Brooklyn, N.Y., protesting against the passage of the Wagner bill (S. 2926); to the Committee on Labor.

5073. Also, petition of the Triangle Ink & Color Co., Inc., Brooklyn, N.Y., opposing the passage of the Wagner labor-disputes bill (S. 2926); to the Committee on Labor.

5074. Also, petition of H. S. Chardavoyne, Inc., Brooklyn, N.Y., urging consideration of the Wagner labor bill at the next session of Congress; to the Committee on Labor.

5075. Also, petition of the National Gauge Corporation, G. M. Cowenhoven, president, Brooklyn, N.Y., opposing the passage of the Wagner labor bill (S. 2926); to the Committee on Labor.

5076. Also, petition of the Crown Cork & Seal Co., Inc., New York City, opposing the passage of the new Wagner disputes bill; to the Committee on Labor.

5077. Also, petition of the Broadway Merchants' Chamber of Commerce, Inc., Brooklyn, N.Y., opposing the new Wagner disputes bill (S. 2926); to the Committee on Labor.

5078. Also, petition of the Armstrong Cork Co., Lancaster, Pa., opposing the new Wagner disputes bill; to the Committee on Labor.

5079. Also, petition of the Bacon Coal Co., Brooklyn, N.Y., opposing the passage of the new Wagner disputes bill; to the Committee on Labor.

5080. Also, petition of William W. Fitzhugh, Inc., Brooklyn, N.Y., opposing the passage of the new Wagner disputes bill; to the Committee on Labor.

5081. Also, petition of L. F. Loree, New York City, opposing Senate bill 3231 until a thorough study has been made of the general coordinator of transportation; to the Committee on Labor.

5082. Also, petition of Hunterspoint Lumber & Supply Co., Inc., Long Island City, N.Y., opposing passage of the Wagner bill (S. 2926); to the Committee on Labor.

5083. Also, petition of C. H. Kohnken, of Brooklyn, N.Y., opposing the Wagner labor disputes bill (S. 2926); to the Committee on Labor.